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12 October 2018

Committee Secretary
State Development, Natural Resources and
Agricultural Industry Development Committee
Parliament House
George Street
Brisbane Qld 4000
By Email: sdnraidc@parliament.qld.gov.au

Dear Minister

Submission – Economic Development and Other Legislation Amendment Bill 2018 (EDOLA Bill 2018)

Thank you for the opportunity to make a submission on the proposed *Economic Development and Other Legislation Amendment Bill 2018* (EDOLA Bill).

As you will be aware, the Central SEQ Distributor-Retailer Authority, trading as Queensland Urban Utilities (QUU), is a statutory authority established as a distributor-retailer pursuant to the *South East Queensland Water (Distribution and Retail Restructuring) Act 2009* (Qld) (SEQ Water Act). As such, QUU's core responsibility is the provision of essential water and sewerage services in the geographic area of its five participating local governments being Brisbane, Ipswich, Lockyer Valley, Scenic Rim and Somerset.

Supporting delivery of these functions and the needs of a changing community and business environment requires significant operational and strategic planning measures which, in turn, have a substantial impact both on the overall operations of QUU and community amenity. This ultimately impacts upon the price that the end consumer pays for essential water and wastewater services, the quality of developed environments and the standard of liveability afforded to the community.

By involving water and sewerage specialists such as QUU and other distributor-retailers early in the planning of Priority Development Areas (PDAs) and by applying an equitable charging regime, distributor-retailers can ensure that necessary networks and services can reliably support development and seamlessly integrate with neighbouring areas. Furthermore, PDAs often present a collaboration opportunity between QUU and the State Government to deliver innovative infrastructure and servicing solutions and influence the design of communities particularly where whole of water cycle management is considered.

Having reviewed the EDOLA Bill, we provide the following submission for your consideration.

Amendment of Economic Development Act 2012

Consultation

The EDOLA Bill introduces amendments to draft land use plans, provisional land use plans, interim land use plans and development schemes. In respect of all these plans, neither the *Economic Development Act*

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2012 (ED Act) nor the EDOLA Bill require the Minister for Economic Development Queensland (MEDQ) to consult with QUU. While it is acknowledged that the relevant clauses require consultation with any other 'entity' that the MEDQ considers will likely be affected by the proposed plan, QUU contends that it does not fit within the definition as that term is defined in the *Acts Interpretation Act 1954* as being a person or unincorporated body.

As stated above, QUU is responsible for the provision of essential water and sewerage services. Without a requirement upon MEDQ to consult with QUU, it is very difficult for QUU to know and plan for the demands that will be placed upon its services and infrastructure networks. In this regard, QUU requests that the ED Act requires the MEDQ to consult with the relevant distributor-retailer similar to the consultation it must undertake with the relevant local government.

It is in the interests of appropriate network planning, that prior to making changes impacting water and sewer networks, MEDQ consult with QUU at the same time as local government, as any decisions on density or boundaries directly affects QUU's ability to service customers and the community within its geographical area. As the existing legislation requires QUU to inherit long term financial and infrastructure servicing responsibilities in PDAs when EDQ withdraws from such areas, in turn impacting QUU's existing and future customers, it follows that QUU should have the opportunity to respond to any proposed plans. This approach will also reduce the future risk of adverse community sentiment towards both the State and QUU as a consequence of PDA planning and implementation decisions.

Priority Development Area (PDA) Pre-cessation Recommendations

It is recognised that the intent of proposed amendments to the ED Act are to improve its implementation particularly in clarifying responsibilities on the cessation of PDAs. Because QUU inherits water and sewerage financial and infrastructure servicing responsibilities on cessation of a PDA, it is requested that the legislation reflects the need for water and sewerage infrastructure to be designed to the standards of the relevant distributor-retailer, the relevant distributor-retailer be involved in infrastructure planning and, at a minimum, the relevant distributor-retailer be provided with all PDA population demand assumptions used to determine water and sewerage infrastructure design, servicing and charging as well as infrastructure charges and agreements resulting from an audit prior to cessation.

Furthermore, it is recommended that cross crediting not be undertaken within PDAs as multiple entities will be responsible for different infrastructure networks on PDA cessation. Cross crediting results in administrative complications, under investment in infrastructure networks and may compromise network quality and service delivery in meeting future demand.

Presently there is no consideration to the financial or operational impost of transferring EDQ approvals and agreements. It is recommended that these considerations be addressed in the legislation with the need for negotiation and agreement prior to PDA cessation.

External impacts of a PDA

At present, although PDA infrastructure funding frameworks may have examined the cost of water and sewerage infrastructure works within and external to designated PDA's, the MEDQ has not been required to mitigate the downstream impacts placed upon QUU and its existing customers. To date, QUU has received no financial contributions to offset the costs of providing services to PDAs.

QUU proposes an amendment to the ED Act that includes a framework for the transfer of a fair and reasonable portion of infrastructure charges for water supply and sewerage services being collected by EDQ within each PDA. QUU is also aware of cost recovery agreements between other distributor-retailer authorities, EDQ and local governments. We would welcome further engagement to progress opportunities that facilitate reliable and cost recoverable water and sewerage services for future residents in PDAs, especially those which consider innovative design solutions that minimise downstream impacts on our network. The objective is to ensure quality built and natural environments with equitable apportionment of costs so that communities outside of PDAs are not subsidising water and sewerage infrastructure and servicing within PDAs.

Alternatively, it is requested that an amendment is included into the EDOLA Bill similar to section 37 in the *South Bank Corporation Act 1989*. Suggested wording is as follows;

Augmentation of water supply and sewerage

- (1) *The public sector entity shall, as soon as practical after publication of the approved development plan, inform EDQ whether any development in accordance with that plan will necessitate the augmentation of any water supply or sewerage works (including head works) outside the PDA and the estimated costs (if any) of such augmentation.*
- (2) *Where in accordance with subsection (1) the public sector entity notifies EDQ that augmentation is necessary, EDQ and the public sector entity shall enter into negotiations for an agreement to provide that EDQ shall meet the actual costs (if any) incurred by the public sector entity in carrying out the augmentation of any works.*
- (3) *For the purposes of this section—*
augmentation, in relation to water supply or sewerage works, means those works, necessitated by the increased loading imposed by development in accordance with the approved development plan.

Amendment of SEQ Water Act

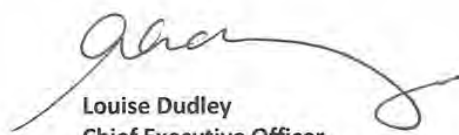
As a distributor-retailer under the SEQ Water Act, QUU has a regulatory function to assess and approve applications to connect to its water and sewerage networks. Along with this regulatory function, QUU must, where applicable, issue infrastructure charges notices which include an information notice. The EDOLA Bill introduces a provision to validate certain infrastructure charges notices issued under the *Sustainable Planning Act 2009* that do not include an information notice. QUU requests that a similar provision be introduced to validate any infrastructure charges notices issued by QUU that do not include an information notice. QUU further requests that the amendments to the *Planning Act 2016* with respect to the content of an infrastructure charges notice be replicated in the SEQ Water Act.

QUU requests the above amendments to ensure that there is alignment in the infrastructure charging regime between QUU and its participating local governments. The requested amendments would also provide consistency to the development industry. Finally, the requested amendments are supported by the comments of the Hon. Cameron Dick, Minister for State Development, Manufacturing, Infrastructure and Planning who, when introducing the EDOLA Bill to Parliament stated that “bill amendments will restore certainty in the operation of the infrastructure charging framework by validating certain infrastructure charges notices”.

QUU appreciates the opportunity to provide you with this feedback. The services we provide will continue to play an increasingly important role in the social, economic and environmental prosperity of our region. Our goals and aspirations to enrich the quality life for our customers and the community can only be amplified through closer engagement with the State and by ensuring that instruments such as the EDOLA Bill are drafted to facilitate such outcomes.

If you have any questions regarding this submission I invite you to contact [REDACTED]

Yours sincerely



Louise Dudley
Chief Executive Officer
Queensland Urban Utilities