

28 February 2014

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The Research Director
State Development, Infrastructure and Industry Committee
Parliament House
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Ms Pasley,

Water Supply Services Legislation Amendment Bill 2014

Thank you for the opportunity to provide feedback on the *Water Supply Services Legislation Amendment Bill 2014* (the Bill).

As noted in the explanatory notes for the Bill, the Property Council previously expressed support for the Bill's utility model in a submission to the Department of Energy and Water Supply (DEWS) on the *South East Queensland Water (Distribution and Retail Restructuring and Other Acts) Amendment Bill 2013*. We have seen many of our suggestions and requests for clarification addressed in the Bill.

The Property Council supports the policy objectives of the Bill; to provide a streamlined process for water and sewerage connection approvals while focusing on fee and process transparency from distributor-retailers.

Transition to the distributor-retailer model

The Property Council's primary concern is lack of penalties in place, should distributor-retailers fail to comply with the responsibilities and requirements of the distributor-retailer utility model from July 1.

There is a significant hesitance from the property sector surrounding the handover process and distributor-retailers ability to manage the process while maintaining appropriate costs and levels of service.

The legislation proposes penalties for service providers that fail to maintain customer service standards, provide reports and other requested information.

Additionally the Bill outlines processes for the regulator (DEWS) to monitor performance, trigger investigations and require improvement plans or, in crisis situations, to direct providers to undertake certain action.

The Property Council recommends an extension of these provisions to specifically include immediate compliance with the Bill by distributor-retailers and the addition of strict penalty unit fines for non-compliance during the early stages of the transition. We do not believe that a 'reasonable excuse' defence would be appropriate for offences relating to the fundamental implementation of the Bill.

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The Property Council notes the mention of a separate process to introduce penalty infringement notice offences is being progressed in consultation with the Department of Justice and Attorney-General. It is imperative that this process is completed and consulted with industry before July 1.

Future amendments to the Bill

The Property Council recognises that those parts of the Bill that relate to infrastructure charging for water distributor-retailers will be amended in light of the current infrastructure charges review.

As a result, we do not believe it is appropriate to comment at this time on those sections relating to water and wastewater infrastructure conditions, adopted infrastructure charges and notices, and water infrastructure agreements.

The Property Council also recommends the Committee consider the current review of the *Sustainable Planning Act* and any parts of the legislation that may need to be amended following this review.

Services advice notices

The Property Council continues to hold the position that a distributor-retailer should be held accountable for the information provided in a service advice notice. If the request for a service advice notice is made in the correct way as stated under the distributor-retailer's connections policy, the advice should be binding as long as circumstances stay consistent. We would recommend the amendment of item 2 under section 99BRAD in this regard.

Netserv plans

The detail contained in a distributor-retailer's netserv plan including connection policies, charges and benchmark timeframes for non-standard connections will require a separate consultation phase prior to implementation.

The Property Council notes and supports the sections under Part 4 – *Making and amendment* which outline the mandatory public consultation and submission period on new water netserv plans.

Timeframes

The inclusion of timeframes in key sections of the Bill is recognised by the Property Council as an effective tool to provide certainty for the property industry.

The Property Council would recommend the inclusion of maximum timeframes in sections 100G and 138 to add rigor to the term 'as soon as reasonably practical/practicable'. This would apply to all sections that dictate the handover or online publishing of information by proponents or distributor-retailers.

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Conclusion

The Property Council believes the introduction of amendments under the Bill will significantly reduce time, cost and transparency concerns for the property industry while streamlining the processes for distributor-retailers.

However, the industry still holds significant concern regarding distributor-retailers ability to adopt the measures outlined in the Bill in a timely manner, and without delays and inconveniences to the property industry.

If the Committee has any further questions about the Property Council or this submission, please contact Ian Harvey Ross, Policy Officer - Property Council of Australia on iharveyross@propertyoz.com.au or 32253000.

Yours sincerely



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