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Dear Sir/Madam,

**Re: Water Bill Exposure Draft**

The Property Council of Australia is the peak industry group and the largest and most active advocacy voice representing the broader property sector.

We have 2,200 member companies throughout Australia that represent property assets worth over \$600 billion. Approximately 500 of these members are part of the Victorian Division. Members of the Property Council represent the entire property investment cycle: finance, design, development, property maintenance, and the services that underpin the industry.

As per our letter (dated 14/02/2014) the Property Council has a number of concerns about changes contained in the *Water Bill Exposure Draft*. These are outlined below:

**Access to land**

We understand that the water authorities' powers to access land with respect to water supply and drainage have changed, while those with respect to sewer services remain largely unchanged on the basis of its reliance on gravity. We would argue that the containment and management of stormwater volumes also has a reliance on gravity, and therefore drainage should be treated no differently to sewer services. While water supply matters are less impacted by gravity, cost efficiency and ease of delivery are significant considerations that would suggest uniformity prevail. It makes little sense, economically or practically, to have direct connections for the former two but not water supply.

Our concern is the proposed changes that remove the power of water authorities to access land for the purpose of construction works, provided seven days' notice has been given. Under section 133 of the existing Act, these powers existed. In a practical sense, they were rarely used by the Water Authorities, however their existence serves as encouragement for negotiations in good faith with landowners. This helps to facilitate development without undue delays and red tape.

Removal of these powers as proposed will mean the water authorities have effectively the same status as land developers, i.e. they must seek an exemption under the *Land Acquisition and Compensation Act 1986*, create an easement or obtain the owner's consent for the works. By removing the water authorities' power to enter land, the changes will cause delays in development, which in turn will add significant costs to public and private projects. Furthermore, it will add significant red tape to development, directly counter to the Government's agenda, the mandate of the Red Tape Commissioner and the very purpose of the review of the law relating to water in Victoria.

At a time when residential development in greenfields areas is already facing a significant time and cost burden as a result of regulation, we would strongly urge that these changes not be pursued – the industry recognises the power of water corporations to access land as a non-negotiable, critical right that should remain.

### **Acquisition of land**

A further issue is the changes proposed in relation to the compulsory acquisition of land by water authorities for the provision of major water infrastructure. The water corporations operating in Melbourne's growth areas are responsible for providing infrastructure projects worth hundreds of millions of dollars in the growth corridors, and an inability to acquire land is a key frustration to the delivery of these projects. The provisions as outlined in the draft bill will add red tape and time delays should water authorities wish to access them. It is our view that the water authorities operating in the growth areas should have similar powers to Melbourne Water and VicRoads to ensure that growth area infrastructure can be delivered in a timely and cost effective manner.

The issues raised above will negatively impact on the time and cost of development by removing provisions in the current Act that provide mechanisms to keep development moving. This is highly concerning to industry, and will have adverse consequences for housing affordability which appear to have been overlooked in the drafting of the Bill. We would urge Government to reconsider the issues discussed in this letter to ensure that housing affordability in Melbourne's growth areas is maintained.

If you have any queries regarding any of the matters raised above, please contact Katharina Surikow, Senior Policy Advisor on 9650 8300 or [ksurikow@propertyoz.com.au](mailto:ksurikow@propertyoz.com.au).

Yours sincerely,



**Jennifer Cunich**  
**Victorian Executive Director**