Water Amendment Bill 2005

Explanatory Notes

Title of the Bill

Water Amendment Bill 2005

Policy Objectives of the Bill

The objective of the *Water Amendment Bill* ("the Bill") is to allow for a number of amendments to the *Water Act 2000* ("the Act"). The need for the amendments is principally to provide a framework and mechanism for implementing State water supply emergency directions to respond to a water supply emergency situation and to protect the security of the State's essential water supply needs.

The Bill also includes amendments to:

- support actions proposed to be taken by South East Queensland Water Corporation Limited ("SEQ Water") to deal with the current water supply shortage in South East Queensland;
- allow, in preparation for the introduction of new water charges, service providers to pass through the new statutory water charges to their customers;
- increase the power of service providers to impose water restrictions; and
- provide for a number of minor amendments.

Reasons Why the Proposed Legislation is Necessary

The current water supply shortage being experienced in south east Queensland raises immediate and longer-term issues about the actions necessary to protect the security of the State's essential water supply needs. As part of providing for an appropriate response, it is necessary to amend the Act to allow the State to give directions in water supply emergency situations requiring service providers to carry out specific measures or achieve certain outcomes.

Queensland's extreme variability and seasonality of rainfall and predicted climate changes present many water resource management challenges. At

the same time, Queensland is the fastest growing state in Australia, which puts pressure on our water resources.

To date, the management of our water resources is achieved through a number of processes and mechanisms. The Water Act sets out a framework for the sustainable management and allocation of the State's water resources principally through a comprehensive water planning framework, including the release of water resource plans. Further, the Water Act regulates water service providers. Water service providers need to prepare strategic asset management plans that detail specific infrastructure and capital works requirements. In order to manage the risk of drought, a service provider is required from 1 October 2005, to submit a drought management plan as well as a system leakage management plan, to minimise leakage from distribution systems.

Regional water supply strategies are currently being developed in south east Queensland, central Queensland, Cairns-Atherton Tablelands and the far north. Two more strategies are being planned for Mackay-Whitsunday and Wide Bay-Burnett areas. These plans complement the wider catchment plans, the water resource plans, and identify specific infrastructure to deliver future water supplies.

However, despite this comprehensive planning for future water needs, population pressures, high water consumption and demand, and climate variability may still threaten the State's or a region's water supply security. Whilst responsibility and accountability for managing available water supplies is spread among service providers and water storage owners, there is a need in extreme circumstances for the State to be involved in solving water supply shortages and ensure continuity of supply for essential water supply needs.

This emergency power will be a necessary last resort measure to deal specifically with a water supply emergency. The existing measures already in place will mean this power should not need to be used often.

Means of Achieving Objectives

The Bill achieves the policy objectives as follows:

 Establishing a framework to allow declaration of a water supply emergency and giving of a water supply emergency direction for the purposes of –

- Directing specified service providers to undertake specified measures or meet specified outcomes, necessary to deal effectively with the declared water supply emergency;
- Authorising the Coordinator-General to undertake works, necessary to deal effectively with the declared water supply emergency;
- Stating the types of measures a service provider can be directed to undertake in a declared water supply emergency;
- Facilitating the implementation of the specified measures and outcomes.
- Providing assistance to water service providers in dealing with drought and other water shortages by –
 - Facilitating the installation of meters for an identified group of water users supplied by SEQ Water;
 - Allowing water restrictions imposed by service providers to extend to water taken by customers and also water taken from supplemented rain tanks (that is, tanks that are connected to, and supplemented by, water supplied from the service provider's reticulated water supply).
- Providing for a number of minor amendments.

Estimated Cost of Implementation for Government

The Bill may alter the costs to the government of implementing the Act in relation to implementing the requirements of a water supply emergency direction. This could include expenditure to support service providers to undertake directed works or other directed measures. In addition, there may be claims for compensation as a result of the requirements of a direction being implemented.

Consistency with Fundamental Legislative Principles

The Bill has been drafted with due regard to the fundamental legislative principles as outlined in section 4 of the *Legislative Standards Act 1992*.

Aspects of the Bill that raise possible breaches of fundamental legislative principles are outlined below:

Sufficient regard to rights and liabilities of individuals

There is potential for infringements of individual rights and liberties by the exercise of the powers provided by the Bill in relation to a water supply emergency. This is because service providers are required to comply with water supply emergency directions even if that would be inconsistent with the provider's current contracts for matters such as the supply of water and operation of infrastructure.

The Bill authorises the giving of a water supply emergency direction only when circumstances warrant, with appropriate safeguards.

The definition of "water supply emergency" in the Bill, and the process for giving a water supply emergency direction, provides an appropriate threshold and limits on the exercise of the emergency powers. Further, the Minister is obliged to review the operation of the water supply emergency provisions within 2 years of their commencement.

The definition of "water supply emergency" requires a situation to exist where there is a serious risk (which can be shown by reference to available evidence) the State's essential water supply needs will not be met. "Essential water supply needs" are further defined in the Bill to make it clear that the powers can only be exercised in certain circumstances. A number of examples of circumstances from which a water supply emergency may arise are listed. However there may be other circumstances that may give rise to a water supply emergency.

A water supply emergency declaration (which has effect upon being published in the Government Gazette), can only be prepared by the Minister when circumstances warrant and after the Minister has considered other measures that could be taken to deal with the emergency. For the declaration to come into effect, it must be approved by the Governor in Council. There are limits imposed on the directions that can be given in a declaration, because it has effect upon being published in the Government Gazette, and these forms of water supply emergency direction only have effect for a short period (up to 15 business days).

For a water supply emergency direction to have effect for a period longer than 15 business days, or relate to matters such as the undertaking of works, a regulation must be made. Regulations containing water supply emergency directions must be reviewed within 12 months of their commencement.

If the Minister forms the view that a water supply emergency has ended, or never developed, a regulation must be made stating that the emergency no longer exists and clarifying the extent to which any obligations flowing from the previous water supply emergency direction continue to apply.

Does not confer immunity from proceeding or prosecution without adequate justification

Service providers are required to comply with water supply emergency directions even if that would be inconsistent with the provider's current contracts for matters such as the supply of water and operation of infrastructure. The Bill releases service providers from liability in relation to such breaches, provided the service provider acted reasonably and without negligence. Service providers may still be liable for negligent actions.

It is contended that this protection from liability is justified by the need to maintain the State's essential water supplies in a water supply emergency – which may mean urgent decisions and actions need to be taken on a range of matters such as redirection of water supply. If no immunity were provided, there could be exposure to the service provider in relation to its obligation to comply with a direction's requirements. A lack of protection could give rise to uncertainty and hesitation in carrying out the actions necessary to maintain the State's essential water supplies in a water supply emergency, such as redirection of water supply.

In recognition of the potential impacts, the Bill provides a framework for claims for compensation to be considered, on a case by case basis, to provide relief to those who may suffer loss or damage as a result of the exercise of the water supply emergency powers. In recognition of the extreme circumstances that could lead to the exercise of the powers, however, there is no right to be paid compensation, and compensation is not payable in certain circumstances, such as when water restrictions are imposed (as there is no provision ordinarily made for compensation to be paid in these circumstances) or, where the losses are able to be claimed under a policy of insurance. The Bill also provides the State is not liable in very limited circumstances, that is, where it fails to give a water supply emergency direction, as there may be other more appropriate avenues available to the State to deal with the water supply shortage complained of.

A service provider is afforded a statutory defence to a prosecution for a failure to comply with a direction if it can prove that it was unable to acquire the necessary development and other approvals, or the required land or finance in order to comply with the direction after having made all reasonable efforts to comply. The making of a direction, does not automatically give the relevant service provider the right to do all things

necessary in complying with the direction. It is not the intention of the direction to override any other legislative requirement or obligation necessary for carrying out the directed measures or achieving the directed outcomes.

To allow for the retrospective commencement of a section of the Act (Clause 2)

In relation to the amendment to allow for the retrospective commencement, the amendment will not adversely affect any individual's rights. The amendment corrects an inadvertent error in section 1136B. Section 1136B was recently inserted in the Act as part of a suite of amendments to facilitate the recording of security interests against water allocations granted from the conversion of existing water entitlements under a resource operations plan. The amendments provided for the recognition of an existing security interest to be recorded against a new water allocation, with the consent of all holders. In accordance with section 1136B, persons have taken action under the section and lodged consent notices in the water allocations register against water allocations granted under the Pioneer River and Barron resource operation plans that commenced on 20 June 2005. This amendment ensures the validity of the action taken by the persons in accordance with the intention of the existing section under the Act.

Validation of Statutory Notice (Clause 16, section 1137)

In relation to the amendment to validate the Rural Water Pricing Direction Notice gazetted on 6 October 2000, will impact on legal proceedings currently in the Supreme Court to which the State and the Minister and Treasurer have been joined.

It is considered justifiable to confirm the validity of the notice to support the existing State-wide rural water pricing framework.

Consultation

Government departments and agencies affected by the changes have been consulted in respect of the Bill.

The Local Government Association of Queensland ("LGAQ"), SEQ Water, SunWater and the Queensland Competition Authority have been consulted on the Bill.

Regard for aboriginal and islander custom

The Bill contains no provisions that will affect aboriginal or islander custom.

Clause 1 Short title

Clause 1 of the Bill describes the short title of the Bill as being the Water Amendment Bill 2005.

Clause 2 Commencement

Clause 2 of the Bill provides for clause 15 of the Bill to commence on 1 July 2005 and clause 7 to commence on a date to be fixed by proclamation and with the remaining provisions to commence on assent.

Clause 3 Act amended

Clause 3 of the Bill provides for Bill to amend the *Water Act 2000*.

Clause 4 Insertion of new ch 2, part 2, div 2A

Clause 4 of the Bill inserts a new chapter 2, part 2 division 2A about a water supply emergency declaration made by the Minister. A need has been identified for the State to have power to give directions to service providers requiring certain action to be taken where the Minister is satisfied there is a water supply emergency or one is developing. Where for short term action is required, the Minister may prepare a water supply emergency declaration for approval by governor in council, or where longer term action is required, a regulation must be made. The water supply emergency declaration or regulation will not displace, but may rather complement, the exercise of other emergency powers that exist in other legislation. The declaration or regulation will apply to a service provider within the meaning of the Act. Therefore, the declaration or regulation may apply to a range of entities - a local government, or other statutory body, a government owned corporation or a private sector entity. A declaration or regulation will not override a service provider's obligation to obtain any necessary approvals before undertaking the stated measures or taking action towards achieving the stated outcomes. However, an inability to obtain necessary approvals could be a defence to a prosecution action relating to a service provider's failure to comply with a declaration or a regulation.

Subdivision 1 sets out the meaning of a water supply emergency. A water supply emergency is a situation in which there is a demonstrably serious risk the State's, or a part of the State's essential water supply needs will not be met. The meaning of 'demonstrably' and 'essential water supply needs' are further defined in this subdivision. A number of examples of circumstances from which a water supply emergency may arise or are listed. However there may be other circumstances that may give rise to a water supply emergency.

Subdivision 2 provides for the making of a water supply emergency declaration and regulation, what the declaration or regulation must contain, the type of measures that a service provider may be directed to carry out, approval of required responses to a declaration or regulation and the ending of a water supply emergency. Essentially if short term action is required to address a water supply emergency, a water supply emergency declaration may be prepared by the Minister and approved by governor in council whereas if longer term action is required, a regulation must be made.

Section 25B provides for the making of a water supply emergency declaration if the Minister is satisfied there is a water supply emergency or one is developing. The Minister is required to have regard to other measures under other legislation that may address the water supply emergency as an alternative to making a water supply emergency declaration. For example, a response to a water supply emergency may well be best served by action that can be taken or directed under the *Disaster Management Act 2003*. A water supply emergency declaration takes effect when approved by governor in council and the approved declaration is published in the gazette. A declaration will generally be effective for 15 business days from approval unless a regulation dealing with the matters stated in the declaration commences prior to the expiry of that period.

Section 25C sets out the contents of a water supply emergency declaration. Depending on the nature of the water supply emergency, the declaration may apply to only to a single service provider or more than one. In particular, the declaration must state the measures each identified service provider is to carry out and the outcomes each identified service provider is to achieve. If a declaration includes certain outcomes that must be achieved, a service provider will be required to submit, for the Minister's approval, a response stating how the provider intends to achieve any directed outcomes. This requirement also applies to a service provider directed to impose water restrictions as a particular measure. However if the response includes detail about water restrictions, either in response to a stated measure under the direction or decided separately by the service provider, the response must state the way the service provider intends to

ensure the restrictions are complied with. The service provider is then required to comply with the approved response, including the actions required to be taken to enforce water restrictions. If a declaration requires, as one of its measures, a service provider to make non-Act water available it is necessary for the declaration to specifically state whether a deemed supply contract, as provided under section 25K, will be required. Non-Act water means water not currently captured by the Water Act's dictionary definition, for example, recycled or desalinated water.

Significantly, the declaration must address the issue of how the 'cost' of complying with the declaration will be borne, that is, who is to pay and how. The cost may be shared by a number of entities – the State, by way of making a contribution of some sort, for example, a loan or by way of subsidy, and to what extent; one or more of the service providers, the subject of the declaration, and how that would be shared; and the customers of the service provider, provided these costs have been approved by the Minister under section 25O. In addition, the declaration must address from whom the 'cost' can be recovered from. The cost may be recovered, in the case of the State, from nominated service providers; by the service providers from other service providers if stated in the declaration or from its customers, provided the Minister has approved those costs under section 25O. It will be possible for the Minister to approve a service provider recovering a rate of return on specified matters, for example in relation to the costs of undertaking the measures or achieving the outcomes directed.

To assist with implementation of a declaration's requirements, a declaration may contain details of persons authorised to exercise powers or other make decisions about requirements flowing from a direction. For example, a declaration may nominate a person or position who is authorised to approve plans lodged relating to works required to be undertaken.

To ensure the integrity of the water planning and allocation framework established under a water resource plan and the granting of water under a wild river declaration, the declaration cannot be inconsistent with the objectives of a water resource plan or a wild river declaration. However, a declaration may be inconsistent with a resource operations plan or resource operations licence or interim resource operations licence to the extent stated in the declaration.

Section 25D details the measures a service provider may be directed to carry out under a water supply emergency declaration. Given that a water supply emergency declaration may last for a maximum of only 15 business days it is only possible for the Minister to direct service providers to carry

out measures that are necessarily of limited duration and extent. For example, the Minister may not direct a service provider to undertake works in these circumstances.

Section 25E makes it an offence for a service provider to fail to comply with the direction in a water supply emergency declaration. However the penalty associated with a failure to lodge a water supply emergency response with the Minister for approval is lower than the penalty associated with a failure to comply with a direction to carry out a specific measure. The obligation to comply with a direction overrides any of the service provider's existing arrangements on supply and infrastructure, including current contracts, which are in place. As a consequence, a service provider will not be able to avoid compliance by relying on inconsistency with such arrangements. However, a service provider is afforded a statutory defence to a prosecution for this offence if it can prove that it was unable to acquire the necessary development and other approvals, or the required land or finance in order to comply with the direction after having made all reasonable efforts to comply. The making of a declaration, does not automatically give the relevant service provider the right to do all things necessary in complying with the directions of a declaration. It is not the intention of the declaration to override any other legislative requirement or obligation necessary for carrying out the directed measures or achieving the directed outcomes.

Section 25F makes provision for the making of a water supply emergency regulation. A regulation must be made if the Minister requires a service provider to carry out measures different to that permitted under a water supply emergency declaration under section 25C; or the measures or outcomes required to address the emergency will need to be in place for longer than 15 business days, being the length of time of a water supply emergency declaration.

In addition to the matters stated in a declaration, the regulation may specify any works to be undertaken by the Coordinator-General, rather than a service provider. This may be necessary in circumstances where it may not be possible to nominate a suitable service provider at the early stage of the water shortage crisis. In this case, the Coordinator-General may, using the current powers under the *State Development and Public Works Administration Act 1971* ("SDPWO Act"), carry out the works until such time as the appropriate service provider is identified. It is not the case the Coordinator-General is bound or subject to the regulation. The regulation may also direct a service provider to carry out measures including changes to be made to the service provider's infrastructures, implementation of a demand management program or the design, construction and operation of

new infrastructure. The responsibility for and allocation of costs associated with the carrying out of directed measures and works may also be outlined in the regulation.

Like a declaration, the regulation cannot be inconsistent with a wild river declaration or the objectives of a water resource plan but may conflict with a resource operations plan and a resource operations licence.

Section 25G details the measures a service provider may be directed to carry out under a water supply emergency regulation.

Section 25H makes it an offence for a service provider to fail to comply with the direction in a water supply emergency regulation. However the penalty associated with a failure to lodge a water supply emergency response with the Minister for approval is lower than the penalty associated with a failure to comply with a direction to carry out a specific measure. The obligation to comply with a direction overrides any of the service provider's existing arrangements on supply and infrastructure, including current contracts, which are in place. As a consequence, a service provider will not be able to avoid compliance by relying on inconsistency with such arrangements. However, a service provider is afforded a statutory defence to a prosecution for this offence if it can prove that it was unable to acquire the necessary development and other approvals, or the required land or finance in order to comply with the direction after having made all reasonable efforts to comply. The making of a regulation, does not automatically give the relevant service provider the right to do all things necessary in complying with the directions of a regulation. It is not the intention of the declaration to override any other legislative requirement or obligation necessary for carrying out the directed measures or achieving the directed outcomes.

Section 25I provides for the approval by the Minister of water supply emergency response submitted by a service provider in response to a water supply emergency declaration or regulation. It is an offence to not comply with the approved response. Similar to section 25E, the obligation to comply with an approved response overrides any of the service provider's existing arrangements on supply and infrastructure, including current contracts, which are in place.

Subdivision 3 deals with some aspects of implementing the requirements of a declaration.

Section 25K provides for supply arrangements to ensure a direction is implemented. If a service provider is directed to make water, including non-Act water, available or to operate infrastructure to allow water to be

supplied, it is necessary for a supply contract to be in place between the directed service provider and each recipient of the water supplied or made available by the service provider. The supply contract must be in place at the time the provider makes the water available or operates the infrastructure. The chief executive may approve a standard supply contract, and must gazette the approval, for the purpose of implementing that part of a direction directing supply of water. The chief executive approved standard supply contract will apply when a declaration or regulation takes effect unless there is already a supply contract in existence between the service provider and the relevant entities.

Section 25L sets up an interrelationship with the SDPWO Act and the powers of the Coordinator-General under that Act to facilitate implementing actions for undertaking the measures or achieving the outcomes stated in a declaration or regulation. The provisions of the SDPWO Act that establish a framework for dealing with default by bodies directed to undertake works by the Coordinator-General will apply where a directed service provider fails to comply with the declaration. Also a service provider subject to a declaration will be able to access the existing framework under the SDPWO Act where the Coordinator-General may facilitate the carrying out of stated works. For example, if a service provider, without compulsory acquisition powers, cannot commercially purchase land necessary to construct the works it is directed to, it may request the Coordinator-General to exercise its powers of acquisition.

To facilitate the borrowing of money by a directed service provider, section 103 of the SDPWO Act is taken to apply such that the stated works are deemed to be a function of the service provider. If a service provider fails to comply with a direction, sections 105 of the SDPWO Act apply to allow the Coordinator-General to borrow money and step in to facilitate remedying the default. The costs, charges and expenses incurred by the Coordinator-General may be recovered from the defaulting service provider under section 106 of the SDPWO Act. Similarly, section 154 of the SDPWO Act enables the Coordinator-General to recover the costs and expenses incurred in connection with works undertaken following a default by the service provider, as well as works undertaken on behalf of or for the benefit of the service provider. Sections 109, 110 and 125(1)(a) of the SDPWO Act apply to allow the Coordinator-General to undertake works stated in a declaration or regulation where the Coordinator-General is identified as the entity to undertake the works. Sections 125(1)(c) and 134 of the SDPWO Act apply to allow the Coordinator General to take land for the purposes of undertaking works stated in a declaration or regulation for the directed service provider. Sections 134, 136 and 137 of the SDPWO Act apply to allow the Coordinator-General, on completing the stated works, to negotiate a transfer of the works to a service provider. Section 139 of the SDPWO Act applies to provide a framework for compensation where a person suffers damage resulting from the undertaking of works stated in a declaration or regulation. In addition, the Coordinator-General may, despite section 111(2)(b) of the SDPWO Act, delegate a power, function or duty conferred on the Coordinator-General to a service provider. The Coordinator-General also has the power to transfer works undertaken by agreement under section 134 of the SDPWO Act. Failing agreement, section 25H provides for regulation to approve particulars of arrangements for the transfer, management, operation and control of the works.

Section 25M provides the power for the Governor in Council to appoint a person to undertake the directions under a water supply emergency declaration or regulation; or an approved water supply emergency response or a compliance notice issued by the chief executive under section 780(1). The exercise of this power will be a measure of last resort to ensure the water supply emergency is still addressed appropriately despite non-compliance by the directed service provider. The appointed person will carry out the measures or achieve the outcomes or carry out the approved response as agent for the directed service provider.

Section 25N outlines the effect of an appointee carrying out the directed measures or achieving the directed outcomes in a water supply emergency declaration or regulation or an approved response designed to facilitate compliance. The appointee is able to do all things necessary or convenient to comply with the declaration, regulation or approved response, and it is an offence for a person in possession of premises to prevent the appointee from accessing the defaulting service provider's infrastructure or to obstruct the appointee from complying with the declaration, regulation or approved response.

Subdivision 4 addresses how a service provider, under direction in a water supply emergency declaration or regulation, may recover certain costs incurred.

Section 25O provides that a service provider may recover from its customers, the reasonable cost it has incurred in undertaking the stated measures or achieving the outcomes prescribed in a declaration or a regulation continuing the effect of the declaration. It is also possible for a service provider to recoup from its customers moneys required by it to repay contributions made by the State but only if it was permitted by the declaration. Although the service provider is being directed to take stated

action, it is intended the service provider will undertake that action in a cost efficient manner. Consequently, any incurred costs can only be recovered by the service provider from its customers if it has been approved by the Minister.

Section 25P provides for the State to recover, as a debt due and payable, any contributions made by the State to which the State is entitled to recover as stated in the water supply emergency declaration or regulation.

Section 25Q states the Queensland Competition Authority in performing its functions under the *Queensland Competition Authority Act 1997*, must not act in a way inconsistent with a water supply emergency declaration or with the service provider recovering its reasonable costs. It is necessary to give a service provider, that is subject to a water supply emergency direction, sufficient investment security and an ability to recover reasonable costs, when complying with a direction. This recognises the fact that in directing a service provider to take emergency action it otherwise may not have been responsible for or planned for, the service provider may not be in a position to undertake the actions in a least cost effective manner.

Subdivision 5 addresses how compensation may be claimed as a result of actions taken under a water supply emergency direction or regulation.

Section 25R states that subject to this subdivision, a person, including a service provider, who suffers loss or damage because of actions taken this division may apply to the Minister for compensation for the loss or damage. This section details the process for applying for compensation.

Section 25S sets out the circumstances when compensation is not payable to a person for such loss or damage. Compensation is not payable to any person in relation to water restrictions required to be imposed under a declaration, regulation or an approved response. A directed service provider cannot claim compensation for costs incurred by an appointee or any of the Minister's approved costs or contributions made by the State that the service provider may pass on to its customers or recover from other service providers. In addition, compensation is not payable to any person where the loss or damage is recovered or recoverable by the person under a policy of insurance. Compensation is not payable if the loss or damage would have happened in any event irrespective of the carrying out of the measure or achieving of an outcome.

Section 25T allows the Minister to seek more information to decide an application by giving the applicant a notice stating the required information the time by which the information must be given; and that, if the

information is not given to the Minister by the stated time, the application will lapse.

Section 25U states when the Minister must decide an accepted application.

Section 25V provides for how the Minister gives notice about the decision. The Minister must give a notice stating the decision and the reasons for the decision. If the Minister decides to pay compensation, further details of the amount to be paid and how it was calculated must also be included in the notice. There is no avenue of appeal from this decision.

Section 25W provides that civil liability does not attach to the State or the Minister because of a failure to make a water supply emergency declaration or regulation.

Section 25X provides that a service provider is not liable for loss or damage resulting from actions taken in compliance with a water supply emergency declaration or regulation or approved water supply emergency regulation to the extent the actions are inconsistent with the provider's current supply and infrastructure contractual arrangements. This applies only to the extent the service provider acting reasonably and without negligence and does not affect the provider's liability for negligence. This is necessary given that a service provider is required to comply with a declaration, regulation or approved response under sections 25E, 25H and 25I despite the service provider's current supply and infrastructure contractual arrangements. A person who suffers loss or damage as a consequence may be able to apply for compensation under this division.

Subdivision 6 addresses how the operation of the emergency powers provisions must be reviewed.

Section 25Y requires the Minister to review the operation of division 2A within 2 years of its commencement. Similarly, section 25Z imposes an obligation on the Minister to review the effectiveness of the operation of a water supply emergency regulation within 12 months of its commencement. These provisions lend flexibility to the implementation of the water supply emergency powers and give the Minister the ability to evaluate and adjust both the framework and the mechanisms to make certain that the objects of the Bill are being met.

Clause 5 Insertion of new s 36A(Obtaining water information)

Clause 5 of the Bill inserts a new section 36A allowing the chief executive to request information (of the type listed in subsections (a) to (f)) that may

assist the Minister in deciding whether or not to publish a water supply emergency declaration.

Clause 6 Amendment of s 73 (Requirement for land and water management plans)

Clause 4 of the Bill makes amendments to when a land and water management plan is required for using water under a seasonal water assignment. Subclause (1) renumbers a number of the existing paragraphs under subsection (1). Subclause (2) and (3) inserts existing subsection (1A) into subsection (1) of section 73. However the effect of subclause (4) is that section 73 only applies to a person who receives assigned water if the person does not use water other than the assigned water on the land. Subclause (4) addresses the circumstances where a person who receives assigned water and does use other water taken under a water allocation or interim water allocation ("IWA") and the requirement for a land and water management plan. In this case, a person who, with a certain frequency as set out in regulation, uses a combination of seasonally assigned water and water taken under a water allocation or IWA on land and the combined volume exceeds the nominal volume of the allocation or IWA (one or more) used, then a land and water management plan is required to use that water. Subclause (5) extends the offence provision to include a reference to a seasonal water assignment consistent with the amendment in subclause (4).

Clause 7 Insertion of new ch 3, pt 2, div 2A

Clause 7 of the Bill inserts a new chapter 3, part 2, division 2A about the authority held by SEQ Water. SEQ Water is developing a drought management plan to manage the current critical water supply levels in the water supply infrastructure it owns and manages. The accurate measuring of water taken by customers or other persons entitled to take water supplied by SEQ Water is an essential component of the drought management plan. SEQ Water currently supplies water, 'free of charge' to a certain group of water users, who themselves hold an authority to take water under the Act. SEQ Water does not currently have, or require, a supply contract with this group of water users in order to supply water. However this group of water users are not 'metered' and consequently their water use cannot be monitored effectively. This division establishes a framework for the metering of these water users by SEQ Water by requiring there to be a supply contract between SEQ Water and the water user. In addition, it is

necessary to ensure that SEQ Water can impose water restrictions on all persons who are supplied water by SEQ Water.

Section 387A states this division 2A applies to the authority held by SEQ Water to take with water, continued under section 1037A of the Act.

Section 387B clause identifies the specific group of water users that must have a supply contract with SEQ Water.

Section 387C allows the chief executive to approve a standard supply contract for the storage and delivery of water that applies to the identified water users. The approved standard supply contract must be gazetted. The chief executive approved standard supply contract will apply to the identified water users unless the SEQ Water and the water user have already entered into a supply contract, however, the standard supply contract must be reviewed by the parties to it within 1 year after it takes effect.

Section 387D states the holder of an authority to take water mentioned in section 387B is a customer of a service provider for the purposes of this Act. This amendment is necessary to allow SEQ Water to use the powers under section 388 of the Act that allow a water service provider to impose restrictions on its customers.

Section 387E allows SEQ Water to, despite the current condition on its authorisation to supply water free of charge, recover the reasonable cost of installing, reading and maintaining a water meter from its customers. SEQ Water is still subject to the statutory condition to supply the water free of charge.

Clause 8 Amendment of s 388 (Restricting water supply)

Clause 8 of the Bill extends the basis on which a service provider may impose a water restriction on its customers to allow the restriction to be imposed on the volume of water taken by a customer. For example, a certain class of customer could be required to reduce the volume of water that is actually taken in accordance with the restriction requirements of the service provider.

Clause 9 Amendment of s 389 (Notice of water restriction must be given)

Clause 9 of the Bill allows the Minister to impose a water restriction required to be imposed because of a water supply emergency direction, if the service provider fails to do so.

Clause 10 Insertion of new ch 3, pt 2, div 6

Clause 10 inserts a new chapter 3, part 2, division 6 about further powers of service providers.

Section 396 states that a water service provider that is required under the Act to pay a water charge to the chief executive will be able to recover that charge from its customers despite any existing condition of the service provider's authority to take or interfere with water or any contrary provision in a contract between the provider and its customer or the pricing arrangements as set out in the Act or under a notice given under section 999 of the Act.

Section 397 makes it clear that a water service provider may recover an overdue debt passed on to a customer as a debt due to the service provider by the customer.

Section 398 allows a water service provider to reduce the water supply to its customer in certain circumstances. A water service provider can do this where:

- A customer does not pay the water charged passed on under section 396; and
- The service provider has given the customer a notice to pay the charge; and
- The customer continues to refuse to pay the charge in accordance with the notice.

If the supply of water taken is for stock or domestic use, the service provider cannot reduce supply beyond the amount necessary for the customer's stock and domestic purposes.

Clause 11 Amendment of s 781 (General requirements for compliance notices)

Clause 11 of the Bill amends section 781 of the Act so that if a service provider fails to comply with a direction, it is made aware by the

compliance notice that the Governor in Council may appoint a person to comply with the direction.

Clause 12 Amendment of s 1007 (Records to be kept in registries)

Clause 12 of the Bill corrects a typographical error by replacing the reference, in subsection (8) to 127B(4) with the correct reference to 127C(4).

Clause 13 Amendment of s 1013B (Non-payment of fees or charges)

Clause 13 of the Bill extends the operation of the section to allow for the prohibition of water under all authorisations to take water under the Act, and not limited to water entitlements only (that is, water allocations, interim water allocations and water licences). A fee or a charge imposed under the Water Act is not necessarily limited to a water entitlement.

Clause 14 Amendment of s 1037A (Other continuing authorities)

Clause 14 of the Bill makes a number of minor amendments to section 1037A.

Clause 15 Amendment of s 1136B (Notices given under section 101(1)(b) and (1)(c))

Clause 15 of the Bill makes a correction to ensure the transitional process for allowing the recording of a section 101(1)(c) notice under section 1136B of the Act, as intended, is implemented. Section 1136B provides for the recording of a section 101(1)(c) notice against a water allocation, granted under a final resource operations plan (ROP), that was a draft ROP but not final on the date of commencement of section 1136B of the Act, being 16 May 2005. Section 1136B was specifically inserted into the Act to provide a transitional process for the recording of the section 101(1)(c) notices in relation to the following draft ROPs –

- Draft Pioneer Valley Resource Operations Plan
- Draft Barron Valley Resource Operations Plan
- Draft Moonie Valley Resource Operations Plan

 Draft Warrego, Paroo, Bulloo and Nebine Resource Operations Plan

Clause 16 Replacement of ch 9, pt 6

Clause 16 replaces the provisions of chapter 9, part 6 with transitional provisions for the Bill and includes provisions about validating directions given by the Minister and Treasurer to SunWater under section 999 of the Act (previously numbered section 1120) and a moratorium notice that inadvertently referred to an incorrect section of the Act under which the notice was amended.

Section 1137 applies to a number of notices given to SunWater by the Minister and Treasurer under section 999 of the Act (previously numbered section 1120). The notices dealt with pricing arrangements for the supply, by SunWater, of rural irrigation water for specified water supply schemes throughout the State. An issue has arisen about the effect of giving the notices out of an action currently before the Supreme Court.

Subclause (1)(a) declares that, for the identified notices in subsection (3), the notices, as provided by the terms respectively, are laws and binding on all persons. The notices are taken now to be law although the notices originally were administrative in nature and accordingly cannot be subject administrative review. Subclause (1)(b) declares the pricing arrangements set out in each notice is applicable to SunWater as a matter of law. Scction 1118(3) of the Act stated that the rates and charges as set out in regulation are the charges of SunWater, following the grant of interim resource operations licences to SunWater in October 2000, until new charges are set by SunWater. This clause makes the pricing arrangements set out in each notice the charges set by SunWater. Accordingly the rates and charges set out in regulation under the Act did not, and do not apply, to SunWater. Subclause (1)(c) declares for water supplied by SunWater, SunWater is required to charge those pricing arrangements set out in the notices and that amounts charged by SunWater in accordance with the pricing arrangements set out in the notices has been lawfully charged and any amounts, in accordance with the pricing arrangements set out in the notices, charged in the future will be lawfully charged. Subclause (2) allows for the notices, now declared to be law under subclause (1), to be amended or repealed by regulation.

A new section 1138 corrects a referencing error in a moratorium notice for the Moreton area and confirms its validity. A new section 1139 gives the Minister a transitional power to waive fees as part of the implementation of new statutory water charges.

Clause 17 Amendment of sch 4 (Dictionary)

Clause 17 amends the dictionary to the Act by including a definition for SEQ Water and non-Act water.

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