

WATER AND SEWERAGE INDUSTRY AMENDMENT BILL 2012

SECOND READING SPEECH

Mr Speaker, I move that the Bill be now read a second time.

The *Water and Sewerage Industry Amendment Bill 2012* clarifies and improves the legislative environment in which the regional corporations operate, and in which water and sewerage customers participate.

The *Water and Sewerage Industry Act 2008* came into effect in mid-2009 as the primary legislative instrument to implement regulatory reform in Tasmania's urban water and sewerage sector.

When the Act came into effect the full regulatory framework for the sector was yet to be completed. For example, the corporations commenced operations on a temporary operating licence; the General Regulations and Customer Service Standard Regulations, which clarify certain provisions in the Act were yet to be finalised; and independent prices and service standards had not been determined by the Economic Regulator.

In this context, it has been necessary to make a number of amendments to the Act, since its enactment, in order to fine-tune the urban water and sewerage regulatory framework.

Recent consultation with key stakeholders in the urban water and sewerage industry identified that a number of adjustments to the regulatory framework were necessary to fulfil the intent of the water and sewerage reforms. These adjustments include four amendments to the Act.

Mr Speaker, the first of the four amendments in the Bill is a simple improvement to the definition of trade waste in the Act to better align it with national industry standards. This adjustment will help to clarify the sectors and activities that are considered to generate liquid trade waste.

The second of the amendments in the Bill is an adjustment to the requirements around water restrictions.

Under the Act, water restrictions may be imposed by a regional corporation to avoid water shortages, but a notice of the restriction must be published in a local newspaper prior to the restriction coming into effect.

This works effectively when the need for a restriction is known well in advance, but it doesn't work so well when restrictions are needed at short notice to ensure that adequate water is available for fire-fighting on days of very high fire danger. Days of total fire ban are often declared late on the day before the ban comes into force, meaning it is difficult or impossible to comply with the notification requirements of the Act.

For this reason, and to ensure that water use restrictions on days of total fire ban can be enforced, the Bill provides that the requirement to publish a notice of restriction is relaxed. More specifically, the amendment requires the corporations to notify relevant people about the restriction as soon as practicable rather than prior to the restrictions being imposed, as is currently required. This will help the corporations work effectively with the State Fire Commission to ensure that adequate water pressure is available for fire fighting and in turn help meet community expectations regarding fire safety.

The third amendment contained in the Bill, Mr Speaker, is a step to improve the operational flexibility of the regional corporations. Currently, the Act allows the corporations to use both employees and contractors to read water meters, however, only authorised employees are allowed to enter land to read meters, where necessary.

The amendment will allow the corporations to authorise contractors to enter land to read meters.

Importantly, any meter reader appointed by a corporation will need to comply with the existing customer protection provisions of the Act, such as restrictions on the times when properties may be accessed and provisions for carrying and producing identification.

This amendment is consistent with the water meter reading powers in the majority of other states and territories and is also consistent with the provisions for the appointment of electricity meter readers in Tasmania.

Mr Speaker, the final amendment in the Bill deals with an issue which has arisen in relation to the discharge of trade waste to sewers.

Before the regional corporations commenced operations, many businesses were issued with special plumbing permits which allowed them to discharge trade waste to the sewer. Many of these permits did not have an end date and contain only very basic terms and conditions. However, because local councils, which issued the permits, have the power to revise such permits at any time, the absence of end dates was not a disadvantage to the local council.

When the regional corporations took over the provision of sewerage services, they also took over the commitments contained in the special plumbing permits, but without the power to revise the terms and conditions of the permits. So now the corporations are required to honour commitments that cause damage to sewerage infrastructure and processes. In some cases these commitments have no end date.

To remedy this situation the Bill provides a mechanism to open negotiations between the corporation and trade waste customers who have special plumbing permits with no end date. From the time that the re-negotiation is initiated, the corporation and the trade waste customer have three years to reach an agreement on new terms and conditions.

Where they can not agree, the Bill provides the Economic Regulator with the power to determine terms and conditions. The Regulator also has the power to recover its costs for this activity.

Mr Speaker, in summary, I believe this Bill provides for necessary improvements to the water and sewerage regulatory framework which will help achieve improved outcomes in the sector.

Mr Speaker, I move the second reading of this Bill and commend the Bill to the House.