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By email: [Cara.Bourne@water.wa.gov.au](mailto:Cara.Bourne@water.wa.gov.au)

Dear Cara

**Re: DRAFT APPROVAL FRAMEWORK FOR THE USE OF NON-DRINKING WATER IN WESTERN AUSTRALIA – Urban Developments**

The Urban Development Institute of Australia (UDIA WA) is pleased to provide feedback on the *Draft Approval Framework for the Use of Non-Drinking Water in Western Australia*. UDIA has participated in the Non-Drinking Water Steering Committee charged with development of the framework and while we believe it provides a sound beginning to the introduction of non-drinking water schemes into urban development, it is still very much a draft with a number of key issues that need to be resolved before industry could fully endorse the document. These issues are articulated below.

**Commercial Viability and Certainty of Pricing Mechanism**

The draft document fails to address a process for validating the pricing of non potable water service delivery to the end user (customer). Visibility into the regulatory process for pricing approval and early assessment of the quantum inclusive of escalation rates is critical in the overall viability of the non potable scheme. This is a major issue for the development industry that needs to be defined so that non-potable schemes can be a viable alternative to widespread use of potable water. Charges to customers must also be viable and sustainable and this can only be determined where a pricing mechanism with specific guidance from the regulators is in place. UDIA looks forward to working with the Steering Committee to determine certainty around the pricing process for non-potable schemes.

**Assistance required from regulators and scheme operators**

Developers would benefit from the assistance of regulators and scheme operators when they are undertaking an initial analysis of the potential for a non-drinking water scheme. Input from existing operators of water and wastewater schemes, the planning and timing of their forward capital investment programs would inform the developer's own decision making particularly in relation to the components of a scheme that could be stand alone as a non potable scheme or would be better served by an extension of existing infrastructure.

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With particular reference to developments on the urban front, the provision of existing scheme planning and investment planning into network expansion to the proponent is essential in the initial decision as to whether firstly, the alternative source might be available and secondly, whether there are commercial drivers for development of this into a non potable scheme.

### **Discrepancy in staging requirements**

There appears to be a discrepancy between the text boxes on Figure 2 related to staging and the document text. It is our understanding that under Better Urban Water Management Stage 1- Option Evaluation requires a District Water Management Strategy; Stage 2 – Preliminary Design Study requires a Local Water Management Strategy, and Stage 3 – Detailed Design Study requires an Urban Water Management Plan. Figure 2 indicates otherwise.

### **Separate brownfield and greenfield development**

UDIA suggests that the requirements for greenfield and infill development be treated separately. This would provide clarity to proponents and assessors alike and remove the potential for conflict and uncertainty. UDIA supports the proposal that the response timeframe for smaller scale, less complex infill projects will be reduced.

### **Summary**

UDIA commends the Department of Water on the sound start the framework provides for the approval of non-drinking water schemes in urban development. The key issue that prevents us from fully endorsing the document is the lack of commercial focus particularly the lack of a pricing mechanism to allow industry to test the viability of projects and charges to the customer. The commercial reality of these projects must be demonstrated if they are to be adopted by the development industry.

Once the pricing mechanism is resolved UDIA Council will consider the use of the UDIA logo on the publication. We would be pleased to provide a link to the *Waterwise Community Toolkit* on the UDIA website to provide easy access to members and the broader community.

We trust you will find this feedback useful and we look forward to further refinement of the draft framework.

Yours sincerely



**Debra Goostrey**  
Chief Executive Officer