

15 November 2024



ABN: 14 127 712 976

Angeline Bilas
Project Manager – Price Monitoring and Regulation Division
Essential Services Commission
Level 8/ 570 Bourke Street
MELBOURNE VIC 3000

Dear Angeline,

Re: JMP DEVELOPMENTS FORMAL SUBMISSION ON THE REVIEW OF NEW CUSTOMER CONTRIBUTIONS CONSULTATION PAPER 15 AUGUST 2024

The first page of this consultation paper states:

“Since 2014, the commission has applied a principle-based NCC framework which aims to:

- *Send signals to developers about the costs of developing in different locations*
- *Share the costs and benefits of growth between new and existing customers*
- *Administer new customer contributions in a transparent way”*

We are a large developer in the North-East Victorian region, having developed over 1,000 lots in the last 10 years and have several thousand lots to still develop within our landbank in Victoria.

Our primary issue is with the water and sewer authority that services all of the areas we develop in, namely North East Water.

Each of our Estates have been rezoned for more than 10 years. We are in regular contact with the water authority. They are well aware that we do not warehouse our developments and try to continuously develop. However, several of our developments are either not able to move forward or barely able to move forward due to a lack of forward planning by the subject responsible authority. It is important to note that we are not leap frogging or pioneer developments (bringing forward the asset earlier than planned).

In one of the townships, NEW themselves had undertaken a servicing report on the area. This report outlined the necessary infrastructure upgrades based on low growth, medium growth and high growth. NEW ignored this report. It has since come to light that growth did occur in line with the “high growth” scenario and if upgrades were made (as outlined in this report) development would be continuing unabated today.

Relative to the statement referenced above, it is important to note that in the last couple of years the authorities have gone to the community to advise all of the works they were doing to get the current substandard service up to an acceptable level (\$30 million of investment in next 8 yrs – refer to 7NEWS link on the final page), however they have recently postponed these works due to other higher priority works, which is just not acceptable (*please refer to the attached - ABC Melbourne News, ABC Stateline Radio Victoria, Prime News Regional Victoria and 7NEWS Border*).

The Commissions documents need to clearly articulate what the expectation is of the water authorities to prevent these above-mentioned situations from continuously occurring.

We have witnessed the water authority blatantly ignoring population estimates that are provided by local councils, most likely to assist with their capital expenditure allocations.

We have also directly experienced water authorities using spare capacity attributed to growth for their own purposes, without then considering future development needs and failing to replace this capacity and then trying to shift the cost onto developers. We believe this practice demonstrates poor resource management and a lack of foresight and an attempt by this authority to shift the burden of its own planning failures onto developers, which we believe to be the polar opposite to the NCC framework principles.

We have undertaken a review of the ESC, NCC Consultation Paper and note the above failures. Prior to answering the six questions on page 5, we have made comments on some of the statements made by the Commission within the document.

The commission notes the following statements in its review.

- 1) *Pricing submissions of some water businesses did not sufficiently justify the costs allocated to NCC.*
- 2) *Variation in approach to the inclusion of costs*
- 3) *Common pricing over large areas where costs differ*
- 4) *Lack of transparency with information being provided to stakeholders*

We concur with the above statements and have experienced each of them firsthand. We believe that if the guidelines are better articulated, with greater elaboration, that most, if not all of these issues could be avoided.

At present, the document is difficult to understand and hard to establish how to implement the principles you are trying to achieve. There are so many different documents, most of which are outdated. They do not cater for the fact that a lot of people who need to rely on them, interpret them, or use them as part of their jobs, do not fully understand them. This includes expert consultants (civil engineers, water authority employees, planners, developers, councils) and most people are purely either taking directions from their senior supervisors or following past, outdated practices that do not align with the Commissions objectives. Senior staff might also have other objectives to that outlined in the ESC principles or don't really understand them themselves.

The fact that the document is vague and hard to understand doesn't assist with it being implemented in the manner the Commission desires.

Page 2, the Commission makes the following observation:

In recent years, the water businesses covered by this review have together generated around \$200 million in NCC revenue (cash basis) each year, which is around 4.8 per cent of their total regulated revenue. This excludes gifted assets provided by developers to support their connection, which have grown by around 14 per cent each year on average over the past ten years, totaling around \$400 million in 2022-23 financial year alone.

Our immediate response to the above statement, that over the last 10 years there has been a 14% increase (on average) of gifted assets being provided by developers to water authorities to support their connection raises the question; “*are the NCC principles being applied appropriately and fairly*”?

From our experience, we believe if there was the ability to dissect each case, it would show that the principles are not being applied fairly.

There are a number of developers I know of, (including ourselves), where the water authority has asked them (us) to pay for assets that are clearly not assets we should be paying for if the ESC guidelines were being followed correctly. Many developers cannot afford the time delay or additional cost of challenging the request in VCAT, so reluctantly make the payment to enable development to continue. This practice has a snowball effect – it encourages the authorities to continue with these practices and pushes the extra cost onto the customer, as these costs need to be passed on to the future homeowner.

The only way the above situation can be avoided is for the Commission to improve the documentation to make it a lot clearer, with less scope for interpretation. The Commission needs further explanatory components, ie. examples / scenarios / case studies (such as those included in your New Customer Contributions Case Studies June 2011). Without this extra elaboration, Water Authorities use the vagueness / ambiguity of the various documents including the Essential Services Commission guidelines and Water Act to unfairly shift cost obligations (especially in low priority areas) to developers – this practice is unfair and unreasonable.

We are seeking views on the following questions:

- **What are your perspectives on the matters identified by the commission at the 2023 water price review (see Chapter 5)? Are there other matters we should consider?**

We agree with the objectives noted in the overview of this document and agree that they should remain sound but as outlined in the above response, we do not believe that they are being achieved, mainly due to the reasons outlined above.

We also concur with the Commission’s summation that the price submission proposals for NCCs do not reflect the guidance or objectives established for NCCs.

Unjustified cost attribution:

We agree that water businesses are trying to recover costs that are attributed to other items such as upgrades to meet increased requirements (including environmental), flood wall (areas recently designated as flood zones), general compliance, emission reductions and recovery of

additional expenditure from previous pricing periods being rolled over into future pricing periods. These overspend costs, can only be included in “general charges”, not the new pricing period.

The Commission needs to clearly state what items **can** be included in NCC’s and what items **cannot** be included, as from our experience water authorities continually try to include items in NCC’s that should not be included. We believe that if the commission included a section such as the below (and a YES/NO table) it would assist in avoiding these practices.

The commission could also refer to a case study that further illustrates the intent. This would minimize any subjective interpretation.

Under the **Essential Services Commission (ESC)** framework, **water authorities should not include upgrades to their current systems that do not provide for growth** in the **New Customer Contributions (NCCs)** charged to developers.

Non-growth-related upgrades, such as renewing aging infrastructure or improving system performance without increasing capacity, are considered part of the water authority’s ongoing operational and capital responsibilities and should be funded through the water authorities capital expenditure programs, not via NCCs.

1. Purpose of NCCs:

- **NCCs** are designed to recover costs directly associated with **growth-related infrastructure**, such as expanding or upgrading systems to connect new developments or to increase capacity to accommodate future growth.
- The ESC’s **New Customer Contributions Pricing Principles** specifically emphasise that NCCs should only fund works that provide a **growth benefit**. This includes new infrastructure or upgrades that:
 - Extend the water or sewerage network to service new developments.
 - Increase the capacity of existing infrastructure to handle the additional demand from growth, eg – upgrade PS and increase SRM.

2. Funding Non-Growth-Related Upgrades:

- Upgrades that do not facilitate growth, such as replacing or refurbishing existing assets to maintain current service levels or meet compliance standards, are classified as **business-as-usual upgrades**. These are part of the water authority’s **Cap Ex program** and funded through: General revenue collected from customers (via service charges or usage charges) and the water authorities capital programs.

We agree with the Commission that authorities charge a standard NCC across large geographical areas where the costs are very different within these areas. This leads to very unfair price allocation. We have experienced the “standard NCCs” which authorities charge in areas where the specific township treats the sewer themselves without the reliance on neighboring townships. If this practice continues, we will ultimately be paying standard NCC’s for each of our lots, when not one dollar (of any of the proposed infrastructure spend within the NCCs) will be spent on our township. This practice is unfair and inequitable and not in line with the ESC guidelines.

We have experienced a lack of transparency within the industry. We have approached NEW with fair options and tried to negotiate a fair outcome but have quickly been shut down. Unless we agree to their asset interpretation (which is not in line with the guidelines) and their interpretation of the principles, they refuse to move forward and will not provide us with the required detail. Our situation is outlined below.

- ❖ Land zoned for over two decades
- ❖ The authority was fully aware of the development of the subject site
- ❖ There has been virtually no investment in the infrastructure by the water authority
- ❖ Lack of planning by the water authority
- ❖ Ignoring Council’s population projections that have been provided to them.
- ❖ Taking any spare growth capacity for their own purposes and shifting the costs on to the developer.
- ❖ Not allowing the necessary growth assets to be paid for by NCC’s
- ❖ Asking the developer to pay for these growth assets themselves.
- ❖ Asking the developer to pay for the above, along with payment of standard NCC’s
- ❖ The standard NCC’s have no infrastructure spent attributed to the subject township.

Following on from the above, and answering the commission’s question of;

“What other matters should we consider?”

If the commissioner’s principles are to be truly followed then historical context needs to be considered in relation to asset classifications and developer works being requested by a water authority.

It needs to be clearly communicated to the water authorities that in line with the Principles of the NCC framework, **NCCs are intended to cover the incremental costs related to connecting new developments, not to compensate for deficiencies / inertia in the water authority’s planning.**

The following questions need to be asked and answered by the authority to confirm these facts:

- 1) When was the subject site rezoned to Residential?
- 2) How long has the authority been aware that the proposed subdivision was to be developed?
- 3) When did the authority start planning for this growth?
- 4) How often are the plans reassessed?
- 5) What is the current status of the broader township network?

These questions will provide further background as to the infrastructure requests being asked of a developer and whether or not they are fair and reasonable.

- **What changes should the commission consider in terms of the guidance we provide water businesses on new customer contributions?**

Bottom of page 24, the Commission notes that Water businesses have the discretion to determine which assets are to be gifted – this understanding is being abused and needs to be controlled and further clarified by the ESC. Typically, the water authority has a different understanding of what is fair and reasonable. It is important that when establishing whether something is fair and reasonable that the events that led up to the requests are considered. It needs to be a full picture review when considering what is fair and reasonable.

As previously noted, the Commission could include the 2011 Case Studies – they are very clear and explain who pays for what.

Below is an extract from the 2011 Case Studies that outlines which assets the Commission believes is a **reticulated asset** versus a **shared asset**.

Shared assets are funded by the authority using **NCCs**, the **water authority's capital funds**, and **future NCCs** from other developments who will benefit from the shared infrastructure over time.

2.4 Shared assets (upsizing)

Background

A developer who owns land known as development 1, wishes to commence on ground works. The developer approaches the water business for conditions. The water business advises that a 150 mm water main is needed to service the development. The water business classifies the asset as a reticulation asset (based on the size guidance in the determinations) and as such requests the developer to provide it.

The developer believes that the asset is not a reticulation asset and has been planned with a view to serve future developments (2 and 3) as well.

The water business and developer are unable to resolve their differences and the developer raises the issue with the Commission.

Commission interpretation

The Commission seeks to establish whether the asset is shared (serves more than one development) or reticulation (serves one development).

Number of developments served

The Commission seeks to clarify whether developments 1, 2 and 3 are separate developments or are parts of one large development.

The developer advises that developments 1, 2 and 3 are owned separately and each owner will apply to the water business separately to connect to the business's network. Therefore there are three separate developments.

Most cost efficient servicing solution

The Commission asks the water business for its most cost efficient design criteria for a development (development 1) of this size and location. The water business responds that a 100 mm diameter water main meets its most cost efficient servicing solution for a development of this size and location.

The Commission asks the water business whether the 150 mm water main has been planned to serve future developments. The water business responds that the asset has been upsized from 100 mm to 150 mm to serve future developments 2 and 3 as well.

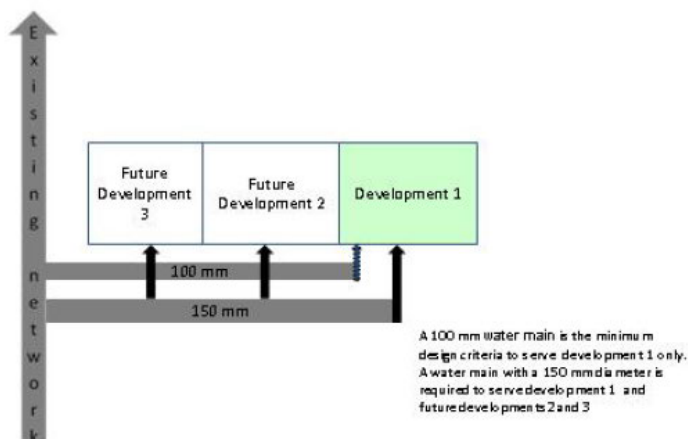
Conclusion

The Commission concludes that the asset is shared. This is because the asset has been upsized from the most cost efficient servicing solution that would serve development 1 alone, to serve future developments (2 and 3) as well.

The determinations state:

Shared distribution assets are infrastructure assets that are generally provided in relation to prescribed services for more than one development.

Diagram 2.4



Even though the case study above is extremely clear it fails to articulate how payment is to be apportioned (relative to the specific example).

Once the asset is categorized by the Commission to be a **shared** or **growth asset**. It would be extremely beneficial if the below section (which is within the PRICE REVIEW 2013 - REGIONAL URBAN WATER BUSINESSES – FINAL DECISION – pages 185 & 186) was incorporated into the current framework, below the relative case study, as it would remove any conjecture as to how payment for the asset is to be apportioned. If the case studies and the below were incorporated into the most up-to-date NCC Framework it would eliminate a lot of the confusion / manipulation.

Where the water business requires the developer to provide an asset that has been designed with excess capacity with a view to servicing later developments. The ESC has stated that there are *two ways* in which the assets' costs are to be shared across those who connect to it:

The regulatory asset base option, whereby:

- initial connection applicant pays their required capacity share of the asset through the calculation of their NCC
- any remaining share of the asset's costs (when the asset has been efficiently pre-built to service future growth) would default to recovery through the regulated asset base (RAB) and prescribed retail tariffs
- the NCC calculation for any subsequent connections would include their capacity share of the asset's cost, and the resulting NCCs revenue would be deducted from the water business' RAB

The reimbursement option,

- involves the water business charging foundation connection(s) an upfront NCC to recover the full asset cost, with provision to reimburse those connections when subsequent connections start to use the asset'

The Framework could also include a separate section (developer pays for v water authority pays for) plus additional explanatory definitions / examples to further guide water authority staff, consultants and developers. This would help mitigate the need for VCAT appeals that block up the already busy courts and unnecessary costs and time, which ultimately get passed on to the end user.

On page 25, the review notes that water businesses should make clear to potential connection applicant's which assets a connection applicant will be responsible for providing and gifting.

Prior to purchasing one of our sites, we were informed by the relevant water authority that the subject site was all set up for growth, there were no surprises, just the NCC payments. However, we are now in the situation that we are being compelled to pay for assets beyond what the guidelines stipulate – essentially, we are being asked to pay for their growth solution for the whole township.

As noted above, we would fully support guidelines for water businesses regarding gifting assets. Case studies please! (*Refer to the final section – any other relevant matters, for an example of the above suggestion*).

Water authorities need to be transparent (as per the requirements of the ESC guidelines). Our experience is that we have asked our water authority countless times for copies of their master plans, but they find every excuse as to why the release dates have been pushed out.

From our experience, it is impossible to get a water business to show stakeholders their future network plans. They are typically reluctant to show connection applicants their sewerage and recycled water network master plans, due to the following reasons;

- a) the plans aren't up to date
- b) the authority has done little work
- c) the authority has no intention of facilitating growth due to their internal priorities
- d) the authority is trying to incorrectly categorise assets and pass the costs on to developers which should be a water businesses expense
- e) provide the least amount of information possible to ensure it is not held accountable in the future

Within the last 6-8 months, we have had to lodge two FOI's in order to obtain information that the water authority should be providing as a matter of course.

Bottom of page 26, the review states that water businesses are still referring to the "how to" manuals and case studies for negotiated outcomes. From our experience, water authorities need to refer to them more regularly, as we do not believe our particular water authority is referring to them at all, but instead they are relying on historic, "incorrect" practices that have been passed down in the subject organisation.

We would fully support definitions, explanatory notes, case studies and clarity be incorporated into the new and future framework to better ensure that water businesses are implementing the ESC guidelines correctly.

The ESC **New Customer Contributions Case Studies June 2011** is a very useful document. It provides various real-life situations to explain the intent and application of all the ESC documents/decisions etc especially relevant to asset classification. The purpose of the document (as noted on page 1 Introduction) is to show the Commission's interpretation of how the scheduled charges and pricing principles should be applied and to ensure consistency and transparency. These studies are essential to ensure the commissions intension are adhered to.

The above referenced Case Studies are vastly clearer than lumps of text, such as Table A.1, page 32 within the Review of New Customer Contributions document, that is very wordy, confusing and its ambiguity lends its interpretation to be manipulated by the water authority. The pictorial case studies are able to communicate differing situations in a very clear manner, a) authority funded (shared asset) v b) developer funded (reticulated asset). As noted above in this submission, it is important that context, assumptions and characteristics are clearly articulated to ensure that assets are correctly defined and to prevent costly cases between connection applicant and water authorities. These costs will ultimately be passed on to the end user / homeowner.

○ **How do you think the commission can support connection applicants and water businesses in their engagement on new customer contributions?**

Recently we had an issue regarding the application of the ESC guidelines. A meeting with the ESC and relevant water authority would have easily prevented us needing to go to VCAT. The Commission could provide a vital link between the Developer and Authority. However, all members of the ESC involved in this process must be fully aware of the guidelines and how they are to be applied **before** they provide a mediatory role. At present, our experience indicates that the ESC is loathed to involve itself or make decisions, pushing applicants directly to VCAT. It would be useful if the Commission took on an advisory role and then potentially a mediatory role, prior to an applicant needing to resort to VCAT.

○ **Are there other issues or information we should consider during our review, having regard to the Commission's role in new customer contributions?**

It is almost impossible to get any information from water authorities without undertaking a FOI. It makes it very difficult for connection applicants to make educated decisions with regards to cost due to this lack of transparency.

It is important that the water authorities understand what their obligations are when servicing an area, especially from the time a parcel of land is rezoned. From our experience, water authorities:

- 1) do not undertake any form of planning until they are absolutely compelled to. They are 100% reactive, not proactive.
- 2) need to understand that they are obliged to provide a minimum standard level. This does not occur in townships proximate to us and they are not being held to account.

The comment which is bandied around frequently by the water authority is "that township is not a priority". It is important that, as per the ESC guidelines, all service areas should be treated the same, i.e. – asset classifications in one service area, should be the same as in another but at present this isn't occurring. We have examples that can be provided to back up our assertions.

We ask that the ESC monitor service levels and if it is reported that they are unacceptable or not to standard (as is the case in the Kiewa Valley), that the Commission hold the authority to account.

The Essential Services Commission needs to exercise its powers under the appropriate legislation.

- **What are your views on a change in terminology from our current use of ‘new customer contributions’ to an alternative such as ‘developer charges’?**

The term “New Customer Contributions” is not the issue, it is the interpretation and application of the term. The term “developer charges” will most likely further confuse the situation, as currently authorities refer to – developer works, which are usually internal works that are gifted to the authority.

The term that the Commission should consider changes to is that of “**reticulated asset**”. The water authorities use the vagueness of this term to classify assets incorrectly to suit their own agenda. It should be changed to “**internal infrastructure**” which would then put the onus on the water authority to prove otherwise, instead of forcing the developer / connection applicant to go to VCAT to challenge the classification of certain assets for which they are asking a developer to pay.

- **Any other relevant matters.**

This current review document has some very useful information, however once again the information is caught up in a lot of gobbledegook and makes it difficult to understand and therefore easy for the water authority to skew its intended meaning. An example is pages 14 & 15, paragraphs 1-5 have some very important directions for new customers and their cost obligations, however it could be more clearly laid out. Below is an example of a clearer, easier to understand presentation of the relevant information:

What the Developer Pays For

1. New Customer Contributions (NCCs):

- NCCs are fees paid by developers to cover part of the cost of connecting a new development to the water and sewer network. These charges fill the gap between the cost of providing services to the development and the revenue expected from future water charges.
- The balance of costs not covered by NCCs may be recovered over time through ongoing charges included in the water business's regulatory asset base (RAB), which spreads the remaining costs across all customers.

2. Internal Network (within the development):

- The developer funds and builds the infrastructure within the development, known as the “internal” or “reticulation” network.
- This network includes pipelines and sewer lines within the development's boundaries.
- After construction, this internal network is usually handed over to the water authority as a “gifted asset” for ongoing maintenance.

3. Connection to the Closest Water Authority Assets:

- The developer typically pays for the infrastructure needed to connect the internal network to the closest existing water authority assets.

What the Water Authority Pays For

1. Localised Assets for Specific Developments:

- The water authority may invest in infrastructure tailored to a particular development, such as small water storage tanks or treatment plants needed to meet local demand.

2. Broader Distribution Network:

- To support growth, the water authority may expand the distribution network with assets like water mains and larger sewer lines that serve multiple developments in the area.

3. Headworks (System-Wide Infrastructure):

- For broader infrastructure, like major water treatment facilities or large storage reservoirs, the water authority funds these projects as they benefit the entire customer base, not just one development.
- The costs for these larger “headworks” projects are often spread across all customers through water and sewerage charges, instead of being included in NCCs.

Obviously, there are a few situations where a negotiated outcome might be appropriate, but the above guidelines are still applicable.

Examples of situations where additional costs might be sought need to be noted in your guidelines, so that there is no confusion, e.g. leap-frogging development and brought forward development, which may incur additional costs.

Also, it is important that it is clear in your definitions, (for example, Reticulated Asset definitions) that there are exceptions to the rule, example:

Below is an extract from the ESC Case Studies June 2011

*Reticulation assets are infrastructure assets that are explicitly provided in relation to prescribed services for **one development** and are not required to be upsized to support future developments. A water main that is 150mm or less in diameter and a sewerage main that is 225mm or less in diameter, and all associated assets that relate to these sized assets are generally considered to be reticulation assets although there may be some situations where these sizes are inappropriate.*

The size guidance is subordinate to whether one or more developments are to be serviced.

From our experience the ESC Case Studies are rarely used by authorities and comments (“*the size guidance is subordinate to whether one or more developments are to be serviced*”) are not included in other parts of your guidance documents and therefore not acknowledged by the water authorities. This comment is critical for regional areas, as from our experience water authorities use the 225mm size guidance in their justification for forcing developers to pay for assets that “technically” under the guidelines they should not be paying for.

The 225mm size guideline is appropriate for metropolitan areas but in regional areas, a town might never install a sewer rising main that is of this capacity. However, it does not mean that developers in regional areas should be paying for “growth assets” because they don’t meet the size definition of a reticulated asset.

Your documentation needs to consider regional areas in its guidelines. Maybe the definition needs to move away from an asset size definition to a location / functionality definition.

Does the asset:

- 1) extend out of a development boundary (beyond the nearest water authorities' closest asset)?
- 2) service more than one development.

If the above circumstances apply, then the asset is no longer a reticulated asset but a growth asset, paid for by the water authority and maybe also NCCs.

As noted elsewhere in this submission, the lack of transparency regarding information transferal from authorities to developers is a major concern. Refer to the following extract from p 13, Guidance Paper NCC August 2012.

It is very difficult for a connection applicant to have any confidence that the NCC Pricing Principles are being followed, when one does not have access to the figures noted (Box 3 below) that are necessary to perform necessary calculations within the NCC framework. Authorities are not transparent with any of their information and are prone to obfuscation when a developer requests further information or more details.

BOX. 3 MINIMUM NCC PRICING PRINCIPLES

NCC must:

- i. have regard to the incremental infrastructure and associated costs in one or more of the statutory cost categories¹¹ attributable to a given connection
- ii. have regard to the incremental future revenues that will be earned from customers at that connection
- iii. be greater than the avoidable cost of that connection and less than the standalone cost of that connection.

(Any additional pricing principles should not either expressively or implicitly override the effect of the minimum pricing principles.)

Further to our earlier comment regarding the merits of the ESC acting in a mediatory role, the commission ought consider that if a connection applicant wants to appeal a requirement of payment under section 268, 269 and 270, under the Victorian Government clearance to act process, there are restrictions on the ability of a developer to engage a top tier legal firm as they are most likely precluded from acting against the Water authority. This right is meant to be unfettered and fair and yet with this restriction in place, it quite clearly is not. Therefore, the need for the ESC to act in a mediatory role is even more critical to ensure that there is a level playing field when NCCs are being negotiated and that the developer is not unfairly disadvantaged before the negotiations have even commenced.

Summing up our review of the New Customer Contributions Consultation Report 15 August 2024.

- ❖ The current documents are too wordy, vague and hard to understand. The layout needs to be improved and simplified to more accurately communicate the Commissioners' guidelines.
- ❖ Case Studies, clear definitions, explanatory notes and documents that clearly explain the obligations of a "connection applicant/ developer" and "water authority" separately should be included in the current and future framework.
- ❖ The guidelines need to consider regional areas when providing definitions, as minimum pipe sizes differ between location / town sizes.
- ❖ Authorities need to be transparent and have timelines in which to provide requested information that is necessary for an applicant to make decisions - time is money, and extra costs will ultimately be passed on to the lot purchaser.
- ❖ Authorities need to plan for growth once a rezoning occurs and keep in contact with Councils and developers to ensure their investment aligns with growth.
- ❖ If water authorities haven't planned for growth or managed appropriately, due to their negligence, they cannot shift the cost on to developers.
- ❖ Authorities need to develop servicing plans that clearly show the water business' timing and sequencing of infrastructure, and these plans need to be logical and regularly updated.
- ❖ Authorities need to fully understand their obligations to facilitate growth in a timely fashion.
- ❖ There need to be clear well-articulated consequences for authorities who fail to provide for growth.
- ❖ Authorities need to understand their obligation to provide an acceptable standard and if there needs to be a process for the ESC to act and hold them to account.
- ❖ We believe it would be beneficial for there to be a mediation arm of the ESC, to enable a connection applicant to approach the Essential Services Commission in the first instance for a review before appealing to VCAT. This must be done at arm's length and totally independent from the water authorities.

Accompanying this submission are three recent media clips:

- ABC radio – 28.10.2024
 - Prime Local News – 28.10.2024,
 - ABC Victoria - 27.10.2024 and
 - 7NEWS Border – 6.7.2022.
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- ❖ <https://www.abc.net.au/news/2024-10-27/water-infrastructure-housing-regional-development-government/104506284>
 - ❖ https://www.facebook.com/7NEWSBorder/videos/poor-water-pressure-in-kiewa-and-tangambalanga-is-not-only-a-fire-danger-its-als/1167562537360183/?locale=ms_MY

Two of the largest developers in North East Victoria are discussing the issues being experienced within North East Victoria, which is currently stopping development and preventing the government from achieving their housing targets.

We appreciate the opportunity the ESC has given, in allowing us to provide commentary as part of your review.

If there are any matters raised, which require greater clarity on or you would like to discuss our concerns further, please do not hesitate to contact our office.

Kind Regards,

Jenny Stern
Director, JMP Developments Pty Ltd

Phone: [REDACTED]