

Water Industry (Amendment) Bill

EXPLANATORY MEMORANDUM

The Bill continues reform in the water industry by amending the **Water Industry Act 1994**, the **Water Act 1989** and other legislation.

The principal reforms are the introduction of a service charge, a legislative mandated system for open access to the water distribution system and the abolition of the Rural Water Corporation.

The service charge will be imposed by water licensees and water and sewerage licensees on property owners. It will take the place of property based rates and will complete the funding for retail licensees. It will therefore enable retail licences to be granted outside the Melbourne metropolis.

The provision for access to the water distribution system is contained in clauses 8 and 23. It requires licensees and Melbourne Water Corporation to permit persons who have an entitlement to water to use the water distribution system subject to certain qualifications. The abolition of the Rural Water Corporation is dealt with in clause 16 and in other clauses of Part 3, and Part 6.

Various other amendments, largely of a technical nature, are effected by the remaining clauses of the Bill. Part 2 deals with amendments to the **Water Industry Act 1994**, Part 3 to the **Water Act 1989**, Part 4 to the **MMBW Act 1958**, Part 5 to the **Melbourne Water Corporation Act 1992** and miscellaneous and transitional provisions are contained in Part 6.

PART 1—PRELIMINARY

Clause 1 sets out the purpose of the Act.

Clause 2 provides for the commencement of the Act.

Clause 3 explains the term Principal Act.

PART 2—AMENDMENT OF PRINCIPAL ACT

Clause 4 provides for the introduction of a service charge.

Clause 5 provides for licensees to levy a sanitary service charge.

Clause 6 creates exemptions from the sewage disposal charge but limits the application of exemptions if land is occupied for commercial purposes.

Clause 7 enables licensees to hold easements in gross.

Clause 8 inserts a provision creating system access whereby persons with water entitlement can gain access to licensees supply infrastructure.

Clause 9 empowers Melbourne Parks and Waterways to grant leases of land under its control.

Clause 10 provides that Melbourne Parks and Waterways rates will be calculated by reference to 1990 municipal valuations.

Clause 11 empowers Melbourne Parks and Waterways to charge for the use of land or waterways under its management.

Clause 12 vests the beds and banks of all watercourses in the metropolis in the Crown.

Clause 13 relocates the provision dealing with Notices of Disposition of Land.

Clause 14 contains a number of minor amendments to the Principal Act.

PART 3—AMENDMENT OF THE WATER ACT 1989

Clause 15 enables the regulation of certain dams.

Clause 16 makes amendments consequential to the abolition of the Rural Water Corporation.

Clause 17 makes provision for the superannuation arrangements for the transferred officers of the Rural Water Corporation.

Clause 18 increases the powers of Authorities to include matters formerly under the control of the Rural Water Corporation.

Clause 19 provides for the deemed designation of waterways to be administered by Melbourne Parks and Waterways.

Clause 20 enables the making of by-laws by Melbourne Parks and Waterways with respect to waterways.

Clause 21 enables the Minister to appoint the Chairperson of any Authority.

Clause 22 makes further amendments consequential on the abolition of the Rural Water Corporation.

PART 4—AMENDMENT OF THE MELBOURNE AND METROPOLITAN BOARD OF WORKS ACT 1958

Clause 23 provides that Melbourne Water Corporation must provide system access to its works to persons holding entitlements to water.

Clause 24 permits Melbourne Water Corporation to levy rates on persons supplied with water by licensees under the **Water Industry Act 1994**.

Clause 25 provides the Melbourne Water Corporation with additional powers to operate dams outside the metropolis.

Clause 26 provides that Melbourne Water Corporation rates will be calculated by reference to 1990 municipal valuations.

Clause 27 abolishes Melbourne Water Corporation rates certificates.

PART 5—AMENDMENT OF MELBOURNE WATER CORPORATION ACT 1992

Clause 28 enables Melbourne Water Corporation to carry on business outside Victoria with the approval of the Minister.

Clause 29 prescribes the duties of the directors of Melbourne Water Corporation.

Clause 30 enables Melbourne Water Corporation to indemnify or insure its directors against negligence.

Clause 31 provides that the Treasurer will, jointly with the Minister, administer Melbourne Water Corporation corporate plans.

Clause 32 inserts new provisions to compel Melbourne Water Corporation to comply with approved corporate plans and to compel the Board to supply information to the Treasurer on request.

PART 6—MISCELLANEOUS AND TRANSITIONAL PROVISIONS

Clause 33 abolishes the Rural Water Corporation and provides for the transfer of its assets and liabilities to the Director-General.

Clause 34 enables the Minister to make employees of the Rural Water Corporation officers under the **Public Sector Management Act 1992**.

Clause 35 fixes the commencement date for the Minister's power of appointment of Authority chairpersons.

Clause 36 amends the **Residential Tenancies Act 1980** to rename the sewer usage charge the sewage disposal charge.

Clause 37 exempts water industry licensees from complying with the **Weights and Measures Act 1958**.

