26 October 2026

Deputy Premier, Minister for State Development, Infrastructure
and Planning and Minister for Industrial Relations
PO Box 15009
City East
QLD 4002

Via email: planningforqueensland@dsdip.qld.gov.au

Dear Sir/Madam

Re: Consultation – Queensland Draft State Planning Policy

The Queensland Water Directorate (***qldwater***) welcomes the opportunity to make a submission to the consultation on the draft State Planning Policy. ***qldwater*** provides this submission without prejudice to any submissions from our members or other urban water service providers.

qldwater understands that the State Planning Policy (SPP) is a key part of Queensland's planning framework, setting out the state's interests in land use planning and development and guides the preparation and application of local planning instruments across Queensland. The current SPP was released in 2017.

The Queensland Government is reviewing the SPP to ensure it remains fit for purpose and responds to Queensland's future needs. This review seeks to improve the clarity, usability and efficiency of the planning framework while supporting housing delivery, economic growth and infrastructure investment. We acknowledge the critical importance of this work to local governments as planning schemes are required to give effect to the policies of the SPP.

qldwater acknowledges that the draft strengthens the connection between growth, housing development and critical (water) infrastructure.

About us

qldwater is Queensland's central advisory and advocacy body for urban water (drinking water, sanitation, wastewater, networks), working with our members to provide safe, secure and sustainable water services to Queensland communities. We work actively with State and Federal Governments in the delivery of policy and regulation that supports Queensland's Water Service Providers (**WSPs**).

We represent all 73 Queensland WSPs with domestic connections, including the two Torres Strait Island Councils, the 15 Aboriginal Councils, all 54 non-Indigenous Councils, the council owned Statutory Authorities in south-east Queensland (Urban Utilities and Unitywater) and a state-government owned corporation (Gladstone Area Water Board).

There are 370 water supply schemes and 265 sewage schemes across Queensland. Our members currently service 1,982,442 sewerage and 2,145,835 drinking water connections. These numbers are set to substantially increase with current and projected population growth and will require expansion and augmentation of existing wastewater treatment infrastructure and the construction of new infrastructure.

The growing population is driving the delivery of critical urban water infrastructure and growing capital delivery programs. In providing these essential services, the urban water sector owns and operates sewer lines, water and wastewater treatment plants, pumping stations, dams, reservoirs, and a range of other critical water technologies/infrastructure. The sector is also innovating into environmental offset and credit opportunities which also have significant land-use requirements and are currently subject to planning impediments.

Much of Queensland's urban water infrastructure is also nearing end of life and requires substantial replacement. The *Infrastructure Cliff* faced by the sector is well documented.

Water is a key connector and enabler, supporting all other infrastructure, construction, growth, economic, environmental and social endeavors. The Queensland Government is driving growth (that requires water and water services) across the state through policies such as the Agriculture Strategy: A 2040 vision to double agricultural production, through regulation such as the Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Act 2023 that was developed to unlock an estimated 10,000 jobs and $33 billion in economic activity by 2040; through funding such as the First Home Owner Grant; and through workforce initiatives such as the Regional Migration Incentives (where all parts of Queensland outside of Brisbane qualify as regional zones) which provides pathways to priority processing and faster transition to Permanent Residency.

qldwater also acknowledges the Draft SPP Strategic Aspirations - *Building More Housing and Strong Communities* and explicitly the target of supporting 1 million homes by 2044 (under Part D – Housing).

As well as climate change, the urban water sector considers the needs of our growing communities/populations, environmental needs and further obligations. The sector is seeking strong, transparent planning frameworks and structural solutions to ensure future resilience, reliability and security for all Queenslanders.

Part 1 of this submission provides a response to the Draft SPP, while Part 2 considers matters impacting successful planning outcomes.

Part 1 - Response to the Draft SPP

There is conflict between the Draft SPP and the purpose of the *Planning Act 2016*, particularly concerning the achievement of ecological sustainability. The purpose of the *Planning Act 2016* is to provide an integrated, coordinated and accountable system of land use planning and development assessment to facilitate the achievement of ecological sustainability. To achieve this purpose, ecological sustainability is balanced and achieved by a system where the State Planning Policy sits at the top of the hierarchy of state instruments. The Draft SPP 2026, by design as an instrument under the *Planning Act 2016*, must achieve this purpose (see S.4). As such, the SPP must have clear

alignment with the purpose of the *Planning Act 2016* by balancing ecological sustainability with the cultural, economic, physical and social wellbeing of communities.

Strategic Aspirations

The Draft SPP 2026 introduces a new element called 'Strategic Aspirations', which sets the overall direction for how state interests are put into practice, and the land use and development outcomes that the State is seeking to achieve. This manifests as the fundamental policy outcomes and directions of the State Government for the SPP. The Strategic Aspirations are:

- Build more housing and strong communities
- Promote efficient land use patterns
- Drive connected and productive regions
- Deliver responsive infrastructure
- Support existing economic drivers
- Attract emerging industries

All of the Strategic Aspirations are heavily growth focused without clear alignment to current infrastructure capacity (including the ability of the existing infrastructure to cope with the increased demand and continue to meet community service expectations), environmental constraints or natural hazard management. This deficiency needs to be addressed.

Environment Heritage and Efficient Growth

qldwater is very concerned about the removal of the explicit reference to water quality (as specified in the current SPP) and we ask for the policy recognition to be reinstated. The removal of the water quality element effectively weakens the context under which environmental offsets can be considered. We also question if the reference to "Efficient Growth" in this section of the SPP is even reasonable.

There is also little detail as to the application of the *mitigation hierarchy* and its effect on the efficacy of the offsets framework. We note that the Queensland Government is currently conducting a major review of the *Environmental Offsets Act 2014*, highlighted by the release of its discussion paper, A fresh start for Queensland's Environmental Offsets Framework (consultation closed 29 June).

We also note the various offset hierarchies/options utilised across the *Environmental Protection (Water and Wetland Biodiversity) Policy 2019* and other policies and their lack of alignment. The SPP could be the point of truth for clarity and ensure alignment across local and state government decisions. Recognition of co-benefits should also be included.

We ask that the SPP strategically align to the Purpose of the *Environmental Offsets Act 2014* (see S.3 and further note S.5 Relationships with Particular Acts).

Environmental offsets are vital for Queensland's urban water sector as they balance growing urban and wastewater demands with the protection of local waterways and strict environmental limits. We also note that several Queensland waterways have exceeded their nutrient assimilative capacity, especially in south east Queensland. Environmental offsets offer opportunities to improve water quality, create or reinstate valuable habitat and promote biodiversity, provide natural green infrastructure that protects riverbanks and coastal edges against erosion, serving as a low-

maintenance alternative to traditional hard concrete seawalls, and acts as a natural blue carbon sink, absorbing and storing atmospheric carbon to help mitigate climate change.

For example, the environmental offset for the Stockland Shoreline master-planned community in Redland Bay, which features a 9.8-hectare nature-based mangrove wetland designed to counterbalance development impacts to the Logan River under the Queensland Nutrient Offset Policy.

qldwater also does not support the reduced policy recognition of First Nations cultural heritage in the Draft SPP.

Natural Hazards and Safety

Most of the natural hazards, and risk and resilience provisions appear to have been retained and a focus on the resilience of infrastructure is welcomed. ***qldwater*** notes however, that references to climate change and climate change impacts such as sea level rises and adaption have been removed.

Climate change stresses Queensland's water and wastewater infrastructure through extreme weather, shifting rainfall patterns and rising temperatures, and these impacts are increasing.

Whilst the resilience of infrastructure is an important factor, the lack of direction to explicitly consider climate change impacts and the broader impacts from a changing climate when assessing hazard exposure and development suitability will likely lead to poor development outcomes.

Without explicit mandates to incorporate forward-looking climate projections, decision-makers default to past trends, leading to developments that are ill-prepared for the escalating severity and frequency of future climate events.

Urban water infrastructure typically lasts for 50 to 100 years, so choosing development locations based on existing risk profiles permanently locks in long-term community vulnerability to factors such as future sea-level rise, extreme heat, and severe flooding. Infrastructure (including water) is also deeply interconnected, which if disrupted, can trigger a domino effect that disrupts broader economic, social, and emergency response systems.

Developments built without considering future climate shifts face a high risk of becoming uninsurable or financially unviable, drastically lowering property values and leaving local governments or homeowners with unmanageable recovery costs.

qldwater notes the apparent removal of the *avoid* hierarchy of controls to a *mitigate to tolerable risk* approach in the Draft SPP, which is contradictory to the Standard for Disaster Management in Queensland, the Emergency Management Assurance Framework and the Act.

qldwater does not support of the removal of the established risk-based land use planning framework and weakening of the 'avoid then mitigate' approach to natural hazards.

High Impact and Hazardous Activities

Housing density is exponentially increasing. Current planning decisions do not adequately consider the criticality of the urban water sector in progressing residential developments.

Adverse impacts of residential encroachment upon urban water facilities are not considered in planning or public health Acts. Conflict between the uses occurs where there are insufficient environmental buffers to protect against noise, odour, and chemical hazards.

We note that the Draft SPP has provided greater emphasis on industrial land and activities protection from encroachment (reverse amenity). We would request that both wastewater treatment plants and water treatment plants are afforded strong and explicit buffer distance protection in the new SPP. With regards to buffer distances, these should be at least 1km to the nearest sensitive receptor.

Related to this, ***qldwater*** has been seeking an amendment to State Code 21: Hazardous Chemical Facilities to include protections from encroachment and necessary amendments to current requirements to facilitate the safe and sustainable use of Chlorine Gas and other chemicals for the protection of drinking water and safe treatment of wastewater.

Infrastructure Integration

qldwater supports the focus of the Draft SPP on efficient growth, infrastructure planning and coordinated land use.

However, further definition and clarity is required to strengthen the opportunities for infrastructure-led growth, the efficient and cost-effective utilisation of existing infrastructure, the minimisation of new infrastructure extensions, and the long-term financial implications of growth decisions.

Historically, water customers have funded growth/future generations however, at current levels of growth this is unsustainable and unequitable, placing a disproportionate burden on current customers to fund future services.

Water

qldwater strongly supports the separation of Water into its own state interest in the Draft SPP (currently Energy and Water Supply in the current SPP).

We note that Policy 3 in the Draft SPP currently refers to development achieving water quality objectives for Queensland's waters but it does not link to the current SPP Appendix 2, which outlines baseline stormwater management obligations for development. Retaining this Appendix is essential – we strongly recommend inserting the Appendix 2 from the existing SPP into the new SPP. The degradation of water catchments has major impacts on the supply of drinking water and other community-amenity.

qldwater requests that the Queensland Government to establish new approaches to water development planning to manage the unprecedented growth and corresponding demand for water. Recommendation 8 of the Queensland Bradfield Regional Assessment and Development Panel Report outlines the need for, and structural requirements for water development planning.

Precinct Planning

qldwater supports the development of a Precinct Planning approach to land use change where reverse amenity impacts may impact infrastructure. Precinct Planning enables a more holistic assessment of reverse amenity and a holistic assessment of the impact of change on the water network. This is particularly important for wastewater treatment, which is an essential service.

Increased growth generates additional demand, and this demand may require augmentation of infrastructure with capital cost implications. A precinct planning process has the benefit of aligning infrastructure requirements (and upgrades) and land use planning outcomes.

The Draft SPP hints at a precinct approach but insufficient detail is provided.

Part 2 - Matters Impacting Successful Planning Outcomes

The Draft State Planning Policy will not address the structural limitations that the urban water sector is experiencing around planning and developing new, essential infrastructure.

More people than ever depend on critical infrastructure systems that provide essential water, sanitation, power, transport and communication services. When this infrastructure fails, the consequences can be catastrophic. When considering infrastructure resilience, we need to do so in a holistic (whole of system) collaborative and inclusive manner.

Housing density is exponentially increasing. Current planning decisions do not adequately consider the criticality of the urban water sector in progressing residential developments.

Adverse impacts of residential encroachment upon urban water facilities are not considered in planning or public health Acts. Conflict between the uses occurs where there are insufficient environmental buffers to protect against noise, odour, and chemical hazards.

Water sustainability to shield against drought plays a limited role in the current planning legislation. This leaves Queenslanders vulnerable to the damaging effects of drought. For example, the development process to upgrade infrastructure or to install infrastructure in road reserves for recycled water purposes is difficult to navigate and costly resulting in a lag for resilience works.

The current examples provide insight to where planning-relating structures and processes are not working, and which the proposed Draft Planning Policy will not address alone.

Developer Charges

The Maximum Adopted Charge (MAC) contradicts the National Water Initiative (NWI) principles of full cost recovery for urban water services by capping investment by developers into trunk infrastructure. These costs are shifted onto current and future water users/ratepayers and the developer removes profit from the system which, if the NWI principles were to be followed, would have been invested in the trunk infrastructure capacity of the water services collection, distribution, and treatment assets.

Since its inception, the MAC has not increased in line with inflation and thus a widening gap between funding and the costs of investment has evolved for Councils and Utilities. This is an example of State Government policy priorities inhibiting cost recovery for water and sewerage infrastructure. Local Government Association of Queensland (2023) research indicated that a 22% increase is required to the capped infrastructure charge immediately to catch up the charges and cover the current costs being borne by ratepayers. The MAC must then be increased annually at a minimum of CPI.

In the Urban Utilities area, existing water customers are subsidising new development at around $95 per connection per year and this is estimated to rise as high as $300. This is unacceptable. Historically, water customers have funded growth/future generations however, at current levels of growth this is unsustainable and unequitable. Developers should be funding growth with any shortfall or gap being funded by the Queensland Government, as the current policy settings are driving and enabling the growth.

Areas outside the designated Water Netserv footprint in South East Queensland (SEQ) require strategic government funding support to offset prohibitive trunk infrastructure costs. Water retailer-distributors only guarantee infrastructure rollout within scheduled 20-year Connection Areas, thus developers pushing into unserviced greenfield or growth pockets must secure alternative mechanisms to deliver essential infrastructure such as roads, water, and wastewater services.

This issue has been recognised and there are current dedicated land supply and infrastructure funding initiatives, targeted to assist housing delivery inside the broader urban footprint but outside current utility deployment schedules. However, the current frameworks face several prominent limitations, funding mismatches, and implementation constraints including:

- oversubscription and capital shortfalls reflecting the extreme competitive pressure of the funds;
- high reliance of debt rather than funding;
- market capacity limits; and
- geographical and infill allocation imbalances.

While the funding is welcomed, it will not address the fundamental and ongoing issues associated with unprecedented growth and inadequate governance and regulatory oversight.

When PDAs are declared by the Queensland Government, the State collects infrastructure charges and does not allow funding of existing trunk infrastructure within the precinct. This means that council and utility service providers do not recover budgeted charges for already-installed lead trunk infrastructure and further reduces cost recovery. The legislation governing PDA's is in direct conflict with the NWI principles and must be amended.

<u>Trunk Infrastructure Charges</u>

There is no head of power for Urban Utilities or Unitywater to obtain infrastructure charges in a state declared PDA and there is no agreement in place to share the infrastructure charges received when utilities deliver new sub-regional infrastructure that supports a PDA. This provides a great deal of uncertainty and impacts revenue available for maintenance and renewal activities of existing infrastructure. A more equitable arrangement with respect to PDA infrastructure charges distribution is needed to deliver essential water infrastructure, support more affordable housing and deliver value for customers.

<u>EPBC Impacts</u>

The current *EPBC Act* processes add unnecessary financial risk to projects and unacceptable delays in the delivery of time-critical infrastructure. Assessment timeframes are not consistent with infrastructure requirements, impacting infrastructure and delivery agreements, and often resulting in interim solutions to manage the delay. Interim solutions are typically expensive and often do not provide beneficial environmental or social outcomes.

All Australian states and territories hold foundational Assessment Bilateral Agreements with the Commonwealth. However, NSW has a highly specific Offsets Endorsement policy which works toward a 'single-touch' approval framework built into the NSW Assessment Bilateral Agreement. Under this setup, the Australian Government has formally endorsed the NSW Biodiversity Offsets Scheme (BOS) under its Environment Protection and Biodiversity Conservation Act (EPBC Act) condition-setting policy. This in theory provides a streamlined EPBC process for development.

However, we are still yet to see exemptions or fast-track approval systems for essential water infrastructure under the EPBC framework.

Case Study Highlighting Operations and Financial Impacts on Queensland's Urban Water Sector
A Trunk Sewer Extension project in South East Queensland was required to service development growth within a pump station catchment.

Due to delays in achieving EPBC decision, the WSP had to find an alternative way to ensure sewerage services (which are essential to public and environmental health) to approved development. This resulted in a temporary tankering solution at Council's (and the community's) cost. Interim solutions, such as this, often result in:

1. Significant capital and operational costs providing no long-term benefit to the community.
2. An increased risk of wastewater overflow to the environment. Common factors which increase this risk include:
    - Delivery and management of an interim solution by a third party (such as a developer).
    - Illegal dumping of construction wastewater.
    - Poorly constructed reticulation sewers that allow significant amounts of infiltration into the sewer.
    - Limited storage capacity in the reticulation network.
    - Protracted project delays.
3. Negative impacts to the local community such as: disruption associated with the installation and removal of temporary infrastructure, and increased traffic, noise, dust and nuisance during operation.
4. Reputational impacts and legal disputes

Interim solutions require temporary infrastructure to be constructed, causing environmental disturbance and utilising resources, for assets with a short functional life that then need to be disposed of.

If you require any further information, please do not hesitate to contact me.

Yours sincerely

Dr Georgina Davis
Chief Executive Officer