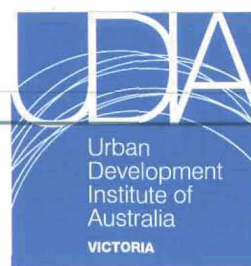
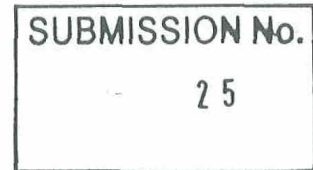


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20 August 2008



The Hon John Pandazopoulos MP
Chair Environment & Natural Resources Committee
Parliament of Victoria
Parliament House
Spring Street
EAST MELBOURNE VIC 3002

Dear Sir,

A handwritten signature in black ink, which appears to be 'John', is written over the 'Dear Sir,' text.

Re: Submission from the Urban Development Institute of Australia (UDIA) to the Environment & Natural Resources Committee of Parliament of Victoria

Inquiry into Melbourne's Future Water Supply

The UDIA submits the following views in representation of the building development industry in relation to future water supply:

Further water savings that can be achieved by increased conservation and efficiency efforts

- The UDIA supports further savings on water usage and many of our developers are already pushing the boundaries to find better measures for saving water. The industry wishes to continue to work with the water authorities to come up with innovative methods on a site by site basis.
- The issue that concerns the industry is mandating certain measures such as 3rd pipe schemes as it will stifle innovation where something different to what is mandated may be more appropriate to the particular development. Any regulation needs to remain flexible (guideline rather than mandatory control).
- Increase water usage costs in order to reduce consumption.
- Consider how the use of water tanks can be encouraged at a more widespread level as it's currently underutilized-rebates are not sufficient due to high cost of plumbing fees. Government may consider subsidizing a range of accredited plumbers for this specific purpose.
- Continued education of public to change water usage behaviour.

The collection of stormwater

- Encourage, but not mandate use of underground tanks to capture run-off in housing estates.
- Capture roof run-off for industrial sector.
- On-site stormwater management systems would be required.
- The above measures would be expensive and should be off-set by allowing development to occur more quickly (fast tracking approvals to reduce holding costs) or to have reduced

developer costs in other areas such as Council developer contribution charges or water authority connection costs.

- Stormwater treatment does not have to be at the level of potable drinking water, but sufficiently treated so it can be reused for watering Public Open Space or private gardens.
- The amount of stormwater captured needs to be balanced against the level of flow needed to maintain healthy waterways.

The re-use of treated waste water

- The use of 3rd pipe systems is only possible when there is a functional source at the locality and if the system is provided at the cost of a developer, then it should be mandated that no connection costs are charged by water authorities.
- The cost of treating waste water together with the EPA regulations more often than not, prohibit it being a viable option. The cost of the initial infrastructure and the cost of the ongoing treatment needs to be cost neutral with all costs being recoverable.
- One way of achieving cost recovery is by a levy on all water rates to go towards water treatment programs across the State. The existing 98% of building stock needs to be captured, not only new developments to ensure equity and a spread of the costs which would minimize impact on individuals.

The use of groundwater

- This area is largely unknown in terms of what level of groundwater is available and needs much investigation.
- Salinity and other environmental issues would need to be carefully considered.
- The use of groundwater would have to be near the area that it's to supply as the cost of transporting water is very high due to its weight.

Small locally based desalination plants

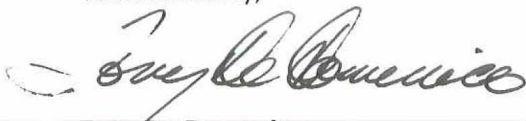
- The use of local desalination plants is not the most effective way of creating new water as there are high energy costs associated with desalination which is not sustainable in the longterm.

Any other optional water source which appears to the Committee to be appropriate

- No additional information to add, but any other measures considered would have to have regard to the cost imposed on developers, particularly if anything is mandated. Increased costs for residential development in particular, would impact further on housing affordability which is currently an enormous problem with a very high percentage of Victoria's population experiencing housing stress with more than 30% of household income going towards mortgage or rental costs.

If you have any queries relating to our submission, please contact me by phone on 9832 9602 or by email at tony@udiavic.com.au.

Yours sincerely,



Tony De Domenico
Executive Director