

5 October 2026

Mr Charles Millsteed
Chief Executive Officer
Queensland Competition Authority

Dear Mr Millsteed,

CHIA Queensland submission to the Queensland Competition Authority

Community Housing Industry Association Queensland (CHIA Queensland), the peak industry body for Queensland's community housing sector, welcomes the opportunity to contribute to the Queensland Competition Authority's price monitoring investigation of Urban Utilities and Unitywater. CHIA Queensland represents registered community housing providers that deliver and manage social and affordable housing across Queensland, including purpose-built multi-residential developments within both service areas.

Executive Summary

The QCA has been directed to consider forecast distributor-retailer prices and water bill impacts. Because the charging methodology determines those outcomes, CHIA Queensland asks the QCA to test whether dwelling-based charging of bulk-metered multi-residential properties is supported by transparent evidence of cost causation and produces fair, efficient outcomes across different residential forms.

The current approach used by Urban Utilities and Unitywater applies fixed water and wastewater service charges to multi-residential properties by reference to the number of dwellings, even where a property is supplied through one or a small number of shared head meters. CHIA Queensland submits that this can materially weaken the relationship between fixed charges and network capacity, create disproportionate outcomes for higher-density and smaller-unit housing, and impose avoidable costs across the community housing sector. These costs ultimately constrain the resources available to provide and maintain social and affordable housing.

CHIA Queensland accepts that water and wastewater services involve substantial fixed costs and that distributor-retailers must recover prudent and efficient revenue. The issue is whether those costs are allocated through a charging determinant that is transparent, cost-reflective and equitable across different housing and servicing configurations.

Current approach and the economic issue

Urban Utilities and Unitywater apply residential fixed water and wastewater charges to multi-residential properties on a per-dwelling or per-unit basis. A small apartment within an integrated

development can therefore attract the same fixed service charge as a larger standalone dwelling, regardless of differences in occupancy, consumption, connection capacity or servicing configuration. Across community housing portfolios, this can produce significant cumulative costs that are not clearly aligned with network impact.

Multi-residential developments may contain many dwellings under common ownership and management, use shared internal infrastructure, connect through a limited number of network connections and receive one utility bill. That configuration differs from the same number of standalone properties on separate lots with individual connections and distributed network infrastructure.

For example, a community housing complex of 11 studio apartments served by one 32 mm meter is not equivalent to 11 standalone homes, each served by a 25 mm meter. Yet the complex may be allocated fixed costs as though each dwelling receives an equivalent share of network capacity. This example illustrates a broader sector concern rather than an issue confined to any one provider.

Connection capacity is already recognised

The distributor-retailers' (DRs) published methodologies already recognise physical connection capacity in other tariff classes. The DRs base relevant non-residential water service charges on the size and number of meters and use a Flow Capacity Factor to reflect the capacity of larger meters to draw water from the network. Their sewerage methodologies also recognise that larger or multiple connections may use more treatment and transport capacity.

Both DRs apply meter-based charging to qualifying retirement-village and aged-care properties.

These approaches establish that connection capacity is recognised as relevant to network impact. The QCA should therefore test what evidence supports using dwelling count as the principal fixed-charge determinant for integrated multi-residential properties with comparable characteristics.

The charging determinant should reflect the costs the utilities actually incur including:

- a. connection and meter capacity, including the number and nature of physical network connections;
- b. peak water demand, wastewater volumes and peak flows;
- c. actual consumption and discharge;
- d. infrastructure and augmentation required for different development forms; and
- e. customer administration, distinguishing costs incurred once per property or account from costs that increase with each dwelling.

Community housing providers manage portfolios that include a significant proportion of studio and one-bedroom apartments, reflecting strong demand for social housing from single-person

and smaller households. Where a substantial share of the bill is fixed, lower consumption may have limited effect on the total charge, disproportionately affecting providers with portfolios weighted toward smaller households. The QCA should assess whether the current methodology appropriately recognises differences in demand and servicing arrangements across residential forms and the cumulative impact on the community housing sector.

Revenue adequacy and cost allocation

CHIA Queensland supports recovery of the prudent and efficient costs of providing water and wastewater services and sustainable investment in the networks. However, revenue adequacy and cost allocation are separate questions. A sound tariff framework should recover required revenue while allocating costs on a transparent and evidence-based basis that reflects the drivers of network and customer-service costs.

Matters CHIA Queensland requests the QCA examine

On behalf of Queensland's community housing sector, CHIA Queensland requests that the QCA examine:

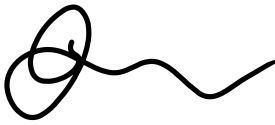
- a. whether dwelling count is supported as an appropriately cost-reflective determinant of fixed water and wastewater charges for integrated multi-residential developments;
- b. how servicing costs vary with dwelling count compared with connection capacity, peak demand, consumption, wastewater flows, physical servicing arrangements and customer-account activity;
- c. how dwelling-based charging aligns with the use of meter size and connection capacity elsewhere in each distributor-retailer's tariff framework;
- d. the cost basis for different treatment of retirement-village and aged-care properties and otherwise comparable multi-residential developments; and
- e. whether the current methodology produces material cross-subsidies or materially different total-bill outcomes across residential development types.

Conclusion

The per-dwelling approach assumes equivalent charging units despite differences in connection capacity, servicing configuration, demand and customer-account activity. This warrants examination given the use of meter-based charging in other tariff classes and for qualifying retirement-village and aged-care properties. For community housing providers operating multi-residential portfolios, any misalignment between fixed charges and cost drivers can have material consequences at scale.

CHIA Queensland asks the QCA to require transparent evidence supporting the use of dwelling count, test the resulting outcomes across housing types and provider portfolios, and consider whether a more cost-reflective approach is warranted for integrated multi-residential properties. CHIA Queensland would welcome the opportunity to work with the QCA and its members to facilitate access to relevant property-level billing, dwelling, meter and consumption data to assist that assessment.

Yours sincerely,



Julie Saunders
CEO
CHIA QLD