



Price monitoring investigation: Unitywater and Urban Utilities 2026–30

Submission concerning Urban Utilities

Residential dwelling classification and fixed water and
sewerage service charges

Submitted to

Queensland Competition Authority (QCA)

Submitted on behalf of

The Collective

Prepared by

Andrew Williams, Director

Aaron Beale, Senior Associate

P&E Law

Date: 6 October 2026

Table of Contents

PART	TITLE	PAGE NO
1.	Executive summary and outcome sought	2
2.	Confidential case studies and financial significance.....	4
3.	Why dwelling count is relevant to the QCA's investigation.....	5
4.	The issue: ambiguous and inconsistent definition of 'dwelling' and its application in forecasting, price setting, and levying charges.....	8
5.	Why the methodological gap matters to the QCA	15
6.	Information and findings sought from the QCA	18

Submission concerning Urban Utilities

1. Executive summary and outcome sought

The Collective is an informal group of property owners, developers, investment advisers and asset managers with direct experience of Urban Utilities' dwelling-count methodology and its application to residential, and particularly, rooming-accommodation properties within South East Queensland. The Collective includes participants associated with **Dominion Build**, **YSH Property**, **CORE Advisory** and **Upside Ave**, together with related property owners and investors. Collectively, those organisations are involved in the acquisition, development, ownership, management and advisory oversight of substantial residential property portfolios, including hundreds of rooming-accommodation dwellings (amounting to thousands of rooming-accommodation rooms) and other multi-occupancy housing assets. Based on information provided by participating entities, the Collective anticipates that approximately **300 to 500 residential properties** may be affected by the proposed tariff structure. For the purposes of this submission, those participating entities are referred to collectively as the **Collective**.

The Collective's submission is directed towards the Authority's investigation for the purpose of Part 2, F 'the Stated Matters', paragraph 1.1 (**F1.1**) of the Referral made under ss 23A and 24 of the *Queensland Competition Authority Act (Qld) 1997* (Qld) (the **QCAAct**) dated 24 September 2025 (the **Referral**):

(1.1) *The forecast Maximum Allowable Revenue (MAR), forecast Distributor-retailer Prices and Water Bill Impact for the Price Monitoring Period from 1 July 2027 to 30 June 2030;*

The definitions of the following terms as used in F1.1, and defined at pages 1 – 3 of the Referral are significant:

1. *Maximum Allowable Revenue (MAR);*
2. *Distributor-retailer Prices;* and
3. *Water Bill Impact.*

Also significant are the matters which the Authority must have regard to when conducting its investigation under the Referral as set out in s 26 of the QCAAct.

The Collective's concern is manifest in the recent practice of Urban Utilities (since about March 2026) of levying Water Service and Sewerage Service charges for each room in a rooming-accommodation building, on the basis that each room is a 'dwelling'. Previously, Urban Utilities levied a single service charge per rooming-accommodation building, as continues to be the case for properties within Unitywater's jurisdiction.

The result is a '*Water Bill Impact*' of a five-fold increase in the cost of water and sewerage services to the bottom end of the rental property market, where equity and affordability is a critical, social impact policy consideration.

Submission concerning Urban Utilities

The Collective's submission concerns Urban Utilities' methodology for identifying and counting residential dwellings for fixed-charge purposes. Urban Utilities levies residential Water Service Charges and Sewerage Service Charges on a per-dwelling basis and uses dwelling quantities both to forecast residential demand and to determine the number of fixed service charges applied to individual properties, including properties where multiple dwellings share a single physical meter.¹ Residential dwelling quantities therefore play a central role in both the setting and application of residential prices. The Collective is concerned that Urban Utilities' definition of "dwelling", which has recently changed, and its application of that definition have not been adequately explained or justified.

The FY27 Pricing Guide defines a 'dwelling' and explains the charging and forecasting arrangements. However, it does not sufficiently explain how Urban Utilities determines whether particular premises contain one or more qualifying dwellings, or how those determinations are recorded, verified, reviewed and consistently maintained. The Collective does not suggest that Urban Utilities necessarily has no internal process. Its concern is that the published material prepared as part of the investigation does not sufficiently explain that process to permit scrutiny of how the chargeable quantity is established and maintained.²

Where a property is reclassified from one dwelling to five, four additional sets of fixed Water Service and Sewerage Service charges become payable. At FY2025–26 prices, that represents approximately \$3,876 per annum per property, before consumption charges. In the case studies considered in this submission, the increase in fixed charges arose from the changed dwelling quantity rather than increased metered consumption. Urban Utilities states that its Water Service charge recognises fixed costs of providing a water service and that those costs generally increase with the size of the water connection, while its Sewerage Service charge reflects the predominantly fixed-cost nature of sewerage service provision.³

The matters of concern raised by the Collective are also relevant to Part 1, section D, paragraphs (1.1) and (1.6) of the Referral, although the Collective's interest is particularly focused upon the longer term, beyond June 2027.

The submission does not ask the Authority to determine individual billing disputes. The submission raises a systemic question about the methodology by which a material charging quantity is determined, recorded, reviewed and maintained.

The Collective's submission calls for the Authority to investigate Urban Utilities' approach to the classification of rooms in rooming-accommodation as dwellings, having regard to the following matters which the Authority must consider pursuant to s 26(1) of the QCAAct, in particular:

¹ Urban Utilities, Annexure 10 – FY28–30 Prices and Bill Impacts (**Annexure 10**), s 4.1.1, p 14; s 4.1.3, p 16; Urban Utilities, Annexure 3 – Demand Forecast (**Annexure 3**), s 7.1, p 21; s 8.1, p 31; Urban Utilities, Pricing Guide 2026–27 (**FY27 Pricing Guide**), Glossary and Definitions, p 4; see also ss 3.1–3.2 of this submission.

² FY27 Pricing Guide, Glossary and Definitions, p 4; see also sections 3.1 – 3.2 of this submission.

³ Annexure 10, ss 3.1.1.1, 3.1.2, pp 9–10.

Submission concerning Urban Utilities

(...)

(c) the protection of consumers from abuses of monopoly power;

(d)(i) the cost of providing the goods or services in an efficient way, having regard to interstate and international benchmarks;

(d)(ii) the actual cost of providing the goods or services;

(...)

(i) social welfare and equity considerations including community service obligations, the availability of goods and services to consumers and the social impact of pricing practices;

(j) the need for pricing practices not to discourage socially desirable investment or innovation by government agencies and persons carrying on non-government business activities;

(k) legislation and government policies relating to ecologically sustainable development (i.e. the Planning Act 2016).

(...)

2. Confidential case studies and financial significance

The confidential examples concern four properties within residential and rooming-accommodation portfolios associated with Dominion Build and related property owners and investors. They include two properties where Urban Utilities changed from charging as one dwelling each, to five dwellings each with effect from 23 March 2026, without notice, explanation or any changes in the circumstances of the properties.

Those case studies provide an illustration of the problematic application by Urban Utilities of its unique definition of 'dwelling', without proper regard to the broader regulatory framework for those properties (including regulation of the use under the *Planning Act 2016* (Qld) and classification of the buildings under the *Building Act 1975* (Qld)), the actual characteristics of the properties and their use (including whether the rooms are self-contained and the necessary use of communal facilities), and the desktop assessment methodology and information relied upon by Urban Utilities for its subjective determination that each room is a dwelling. Those matters are examined in section 3.4.

Using the residential daily prices illustrated in Urban Utilities' FY2025–26 Pricing Guide, a change from one to five dwellings adds approximately \$3,876 in annualised fixed Water Service

Submission concerning Urban Utilities

and Sewerage Service charges per property, excluding consumption charges. The Collective advises that the same classification issue may affect approximately 300–500 properties (i.e. up to about 2500 rooms, or an increase of about \$1,938,000 for the year) across its participating businesses. Those figures are not intended to establish that every such property is incorrectly classified, but to demonstrate the materiality of the methodology. The financial consequences and the basis of the estimate are addressed in section 5.1.

The Collective asks the QCA to examine:

- A. whether Urban Utilities has a sufficiently transparent, predictable and consistently administered methodology for determining and maintaining residential dwelling quantities;
- B. whether the controls governing the creation, amendment and validation of dwelling-count data provide an adequate basis for reliance on those quantities in pricing; and
- C. whether applying a full additional Water Service and Sewerage Service charge for each additional area classified as a dwelling is supported by an appropriate regulatory and economic rationale, having regard to the cost of providing the relevant services, the resulting customer bill impact and the potential effect of the pricing practice on social welfare, equity and socially desirable housing investment.

If deficiencies are identified, the Collective asks the QCA to report those deficiencies and consider recommending that Urban Utilities review its residential dwelling charging methodology, including the regulatory and economic rationale for using dwelling count as the basis for fixed Water Service and Sewerage Service charges and the social, equity and investment consequences of that methodology. Any such review should also address whether the methodology is transparent, predictable, objectively administrable and consistently applied.

The Collective further asks the QCA to consider recommending that Urban Utilities publish clear classification criteria and assessment procedures, maintain a documented assessment and review framework, and provide customers with an appropriate basis for obtaining reasons and seeking review.

3. Why dwelling count is relevant to the QCA's investigation

3.1. F(1.1) is the principal Stated Matter

The principal basis for considering the Collective's concerns is F(1.1) of the Referral, which requires the QCA to consider:⁴

⁴ Ministerial Referral under ss 23A and 24 of the *Queensland Competition Authority Act 1997* (Qld) (**Referral**), p 5, F(1.1).

Submission concerning Urban Utilities

“The forecast Maximum Allowable Revenue (MAR), forecast Distributor-retailer Prices and Water Bill Impact for the Price Monitoring Period from 1 July 2027 to 30 June 2030”.

The Referral defines “Distributor-retailer Prices” by reference to the businesses’ forecast and actual charges for the Monopoly Business Activities.⁵

Urban Utilities’ own pricing material establishes that forecast chargeable quantities are integral to the price-setting process. Prices are set at levels intended to recover target revenue having regard to the forecast chargeable quantities for each service. Urban Utilities describes those forecasts as a “critical component” of price setting because they affect both how prices are set and how much revenue is recovered from different customer types.⁶ For pricing purposes, Urban Utilities uses the term “demand” to refer to all chargeable quantities used within its pricing model. Those quantities expressly include forecast residential dwellings.⁷

Dwelling count is therefore relevant at two related stages: forecast residential dwelling quantities form part of the chargeable-quantity forecasts used to set prices, while the resulting residential Water Service and Sewerage Service charges are applied on a per-dwelling basis.

3.2. Dwelling count as a pricing and charging determinant

The identification of the number of dwellings is fundamental to Urban Utilities’ approach to determining its pricing policy, and the application of that policy through its charges to residential customers.

The issue of concern to the Collective is the way in which Urban Utilities has recently begun applying its definition of ‘dwelling’ to each individual room in a rooming accommodation dwelling, resulting in charging Water Service and Sewerage Service charges for each room.

Urban Utilities levies residential Water Service and Sewerage Service charges on a per-dwelling basis. By contrast, non-residential fixed service charges are generally levied per meter and scaled according to meter capacity using the Flow Capacity Factor (**FCF**) and, for sewerage, the customer’s Discharge Factor (**DF**).⁸ The number of physical meters therefore does not necessarily determine the number of residential fixed charges, although the number of meters may be of some significance as an indication of the cost incurred by Urban Utilities in providing its service to residential customers.

For levying residential Water Service and Sewerage Service charges, Urban Utilities’ FY27 Pricing Guide gives a worked example of a non-strata residential property which it assumes contains three dwellings supplied through one meter. The example states that Water Service and

⁵ Referral, p 1, s C (Definitions and Interpretations).

⁶ Annexure 10, s 4.1.1, p 14.

⁷ Annexure 10, s 4.1.1, p 14.

⁸ Annexure 10, s 3.1, p 8.

Submission concerning Urban Utilities

Sewerage Service charges apply for each dwelling. Water usage is measured through the common meter; for the purposes of the worked example, Urban Utilities assumes that the property owner shares the resulting usage charge equally among the three dwellings.⁹ The example does not explain how Urban Utilities determined that the property contains three dwellings for charging purposes.¹⁰

Residential dwelling quantities are also a component of Urban Utilities' price-setting methodology. For residential sewerage, Urban Utilities calculates the Sewerage Service price by dividing residential sewerage target revenue by the forecast mid-year number of residential sewerage-connected dwellings.¹¹ Residential dwelling quantities also enter water price setting: the residential Water Service price multiplied by the number of water-connected residential dwellings is one component used in setting water service and usage prices to recover the Urban Utilities component of the Target Water MAR.¹²

The residential connection forecast begins with the number of residential Water Service dwellings already recorded in Urban Utilities' billing system. Annexure 3 states that this recorded quantity represents the current number of active residential dwellings and is sourced from HansenCIS for each council region.¹³ Annexure 3 does not, however, explain how an individual premises is assessed or categorised as containing one or more dwellings before that quantity is recorded in HansenCIS.

The relationship can therefore be expressed simply:

**recorded dwelling count → forecast dwelling quantity → price setting →
application of the price per dwelling → customer charge**

The Collective's concern is accordingly not merely with the amount of a published service price. It concerns the methodology used to determine and maintain a chargeable quantity that contributes to Urban Utilities' pricing forecasts and determines the fixed charges applied to residential customers. That methodology is therefore relevant to the QCA's assessment of forecast Distributor-retailer Prices under F(1.1).

The issue is systemic, although illustrated by individual properties.

3.3. Supporting statutory considerations and pricing principles

Section 26 of the *Queensland Competition Authority Act 1997* (Qld) specifies the matters the Authority must have regard to when carrying out this investigation. Relevant considerations

⁹ FY27 Pricing Guide, ss 2.6–2.6.2, pp 33–34.

¹⁰ FY27 Pricing Guide, s 2.6.2, p 34.

¹¹ Annexure 10, s 4.1.3, p 16.

¹² Annexure 10, s 4.1.4, p 17.

¹³ Annexure 3, s 7.1, p 21; Table 7-1, p 22.

Submission concerning Urban Utilities

include resource-allocation efficiency, protection of consumers from abuses of monopoly power, the efficient cost of service provision, and social welfare and equity, including the social effects of pricing practices.¹⁴ Those considerations support scrutiny of the charging methodology but are not relied upon as a substitute for its connection to F(1.1).

Section 26(1)(j) also requires the QCA to have regard to the need for pricing practices not to discourage socially desirable investment or innovation. That consideration is relevant in the present housing-policy context. The *Planning Amendment Regulation 2025* (Qld) (amending the *Planning Regulation 2017* (Qld)) extended streamlined planning provisions for rooming accommodation. The explanatory notes identify rooming accommodation as contributing to the supply of smaller, often more affordable rental housing in established residential areas, and state that increased regulatory complexity could slow housing delivery at a time of continuing demand.¹⁵ The amendments are also identified as giving effect to the State planning interests of housing supply and diversity and liveable communities.¹⁶ The reforms provide an objective State-policy context against which the potential effect of a pricing practice on investment in rooming accommodation may be considered for the purposes of section 26(1)(j).

The QCA's pricing principles provide further guidance. Principle 6 recognises broader public-interest considerations where appropriate. Principle 7 provides that prices should be “transparent, predictable, and simple”, administratively simple to implement and easy for customers to understand.¹⁷ Those principles support examining whether customers can understand and verify not only the applicable unit price, but also the basis on which the number of chargeable dwellings has been determined.

4. The issue: ambiguous and inconsistent definition of ‘dwelling’ and its application in forecasting, price setting, and levying charges

4.1. Urban Utilities defines “dwelling”

The FY27 Pricing Guidelines define a “dwelling” as:¹⁸

A building or part of a building, forming a self-contained residence that is used for residential purposes that includes a food preparation area, bathroom and toilet facilities and is under the exclusive use of the occupier, but which need not be the subject of a rental agreement.

¹⁴ *Queensland Competition Authority Act 1997* (Qld) ss 26(1)(a), (c), (d)(i), (i).

¹⁵ Explanatory Notes, *Planning Amendment Regulation 2025*, pp 2–3.

¹⁶ Explanatory Notes, *Planning Amendment Regulation 2025*, p 9.

¹⁷ Queensland Competition Authority, *Statement of Regulatory Pricing Principles for the Water Sector* (April 2021) (**2021 Pricing Principles**), ss 3.4.1–3.4.2, pp 23–24, Principles 6–7.

¹⁸ FY27 Pricing Guide, Glossary and Definitions, p 4.

Submission concerning Urban Utilities

Includes residential flats or apartments, duplexes, micro apartments, self-contained rooming accommodation, free-standing buildings such as houses, bungalows and cabins, and granny flats.

It is noted that the definition has changed since the FY26 Pricing Guidelines.

The definition identifies both the characteristics of a dwelling and examples of accommodation capable of falling within it. Importantly, the reference to rooming accommodation is qualified by the requirement that it be **self-contained**. The inclusion of a type of accommodation within the examples therefore does not, by itself, determine how many separate dwellings exist within a particular building – an assessment of the circumstances of each potential dwelling is necessary in order to determine whether any particular accommodation is a 'dwelling'.

The relevant question is how Urban Utilities determines that each separately counted part of a premises satisfies the definition — including the requirements for a self-contained residence, food-preparation facilities and exclusive use.

As noted from the case studies, Urban Utilities has recently been treating a room in a rooming-accommodation building, which relies upon shared common areas and facilities including kitchen and laundry, as a self-contained dwelling.

There are no robust criteria for the determination, nor suitable appeal rights.

4.2. A definition is not an operational methodology

Urban Utilities states that residential Water Service and Sewerage Service charges are each set and levied on a per-dwelling basis. The dwelling count therefore determines the number of fixed residential service charges applied to a property.¹⁹

The Collective therefore does not contend that one physical meter or connection necessarily means one dwelling or one fixed charge. Indeed, Urban Utilities expressly distinguishes pricing connections from physical network connections: for pricing purposes, “connections” refer to residential dwellings and non-residential accounts.²⁰ The issue is how Urban Utilities determines the number of chargeable dwellings at a property.

The same quantity also enters Urban Utilities' pricing forecasts. Annexure 3 explains that the residential water forecast begins with the number of residential Water Service dwellings recorded in HansenCIS, Urban Utilities' billing system. The residential sewerage forecast similarly begins with the recorded number of residential Sewerage Service dwellings. Those passages identify the source of the recorded baseline and explain how it is forecast forward. They do not explain

¹⁹ Annexure 10, s 3.1, p 8.

²⁰ Annexure 10, s 4.1.1.1, p 14.

Submission concerning Urban Utilities

how the dwelling count for an individual premises is established before it is recorded in HansenCIS.²¹

The published material reviewed therefore leaves the following questions unresolved:

Methodological question	Position disclosed in the reviewed material ²²
What triggers an assessment or reassessment, and when may a desktop assessment be used?	The reviewed material does not appear to explain, in a dwelling-count-specific context, the circumstances in which an existing count may be reassessed, the types of evidence that may support a desktop assessment, or when a physical inspection may be undertaken.
How are self-containment, food-preparation facilities and exclusive use assessed?	The dwelling definition identifies these characteristics but the reviewed material does not appear to explain the operational criteria used to assess them in individual cases, including the treatment of kitchens, kitchenettes, shared facilities, lockability or internal access.
What weight is given to planning and building information?	The reviewed material does not appear to explain the role or evidentiary weight of approvals, approved plans, building classifications or occupancy documents in determining an individual property's dwelling count, or how potentially competing sources of information are assessed. It would appear that those matters are considered irrelevant.
Who determines the count and what consistency controls apply?	The Collective has not identified any explanation in the reviewed material of the decision-making, approval or quality-assurance arrangements specifically applicable to dwelling-count assessments.
What supports the creation or amendment of the count in HansenCIS?	HansenCIS is identified as the source of recorded dwelling quantities. However, the reviewed material does not appear to explain the evidentiary, verification or authorisation requirements for creating or amending an individual property's recorded dwelling count.
How is a disputed count reassessed?	General complaints, escalation and account-adjustment processes are described in the reviewed material. However, the Collective has not identified any explanation of a dwelling-count-specific reassessment or review methodology.

The FY27 Pricing Guidelines do contain more specific administrative rules in other contexts. For example, they address the treatment of residential Community Title Schemes, identify property records, site inspections and account assessments as inputs when determining non-residential Land Use Codes, and explain aspects of charging for new connections. Those provisions demonstrate that Urban Utilities is capable of prescribing more detailed rules for particular charging determinants; they do not disclose the methodology for determining whether parts of an existing residential building satisfy the dwelling definition.

²¹ Annexure 3, s 7.1, Table 7-1, p 22; s 8.1, p 31.

²² For the definitional and forecasting matters in the table, see FY27 Pricing Guide, Glossary and Definitions, p 4; Annexure 3, s 7.1, Tables 7-1–7-2, pp 22–23; s 8.1, p 31.

Submission concerning Urban Utilities

The issue is that the published material reviewed does not disclose enough of Urban Utilities' process to determine how the chargeable dwelling quantity is established and whether that process is capable of consistent and verifiable application.

Further issues include:

1. the Water Bill Impact of the application of the policy, particularly to highly cost-sensitive rooming accommodation tenants;
2. the disincentive to investment in rooming accommodation, which is contrary to Parliament's decision to encourage more rooming accommodation through changes to the *Planning Act 2016* (Qld) and its *Planning Regulation 2017* (Qld)²³;
3. inconsistency with relevant definitions and concepts of 'dwelling' and 'self-contained dwelling' in the *Planning Act 2016* (and its Regulations), planning schemes adopted and applied in accordance with that Act, and the *Building Act* which regulates the classification of room accommodation, where that inconsistency leads to inefficiency because of uncertainty in the industry and different outcomes from one area to the next;
4. doubts that the levied charges equitably reflect the cost of providing the water service as between separate occupiers of rooming accommodation and a household attracting a single charge.

4.3. The chargeable dwelling quantity is not apparent from the customer's bill

The number of dwellings attributed to a residential property is a material determinant of its fixed Water Service and Sewerage Service charges, because those charges are applied for each dwelling. That charging quantity is not, however, expressly identified on the bills reviewed.

The point is illustrated by the bills for two confidential case-study properties, R7 and R8, which are considered further in section 4.4. For the 104-day billing period from 9 December 2025 to 22 March 2026, each property was charged \$72.17 for Water Service and \$203.94 for Sewerage Service. For the immediately following 79-day period from 23 March to 9 June 2026, those charges increased to \$274.13 and \$774.59 respectively.

Both bills fall within FY2025–26 and therefore apply the same published daily rates of \$0.694 for Water Service and \$1.961 for residential Sewerage Service. Applying those rates shows that the earlier charges are consistent with one dwelling and the later charges with five dwellings. The fixed service charges therefore increased almost fourfold notwithstanding that the later billing period was 25 days shorter.

²³ Explanatory Notes, Planning Amendment Regulation 2025, pp 2–3: rooming accommodation increases the supply of smaller, often more affordable rental housing; the streamlined provisions address housing shortages;

Submission concerning Urban Utilities

The later bill does not state that five dwellings have been charged, identify a change from one dwelling to five, record a dwelling-count multiplier or explain that the increase results from a reassessment of the property's chargeable dwelling quantity. The bill therefore discloses the resulting charges, but not the charging quantity applied to calculate them.

A customer can consequently see that the fixed charges have increased substantially but cannot determine from the bill itself why. Unless the customer obtains the applicable tariff rates and works backwards from the amounts charged, the bill does not reveal whether the increase reflects a change in price, a change in chargeable dwelling quantity or another billing adjustment.

That is a distinct question from whether five dwellings was the correct classification. The bills reveal the result of the classification process, but not the dwelling quantity that produced that result. The confidential material considered below provides further information about how that quantity was determined and reviewed in practice.

4.4. Confidential examples illustrate the methodological gap

The following examples concern R7 and R8 and comparator properties within the same customer's portfolio. They are not advanced as four separate billing disputes, nor does the Collective ask the QCA to determine the correct dwelling count for any particular property. Rather, they illustrate four aspects of the same dwelling-count assessment process: the evidence used in an initial assessment; the application of the dwelling definition; the treatment of planning and building information; and the processes for review and consistency.

Urban Utilities identified some criteria and evidentiary sources upon which it relied in reaching its conclusions. What is less apparent from the material reviewed is the decision framework by which those criteria are applied, competing evidence is weighed and verified, and consistency between assessments is maintained.

(a) Confidential example A — desktop assessment and resulting charges

According to the customer's account, Urban Utilities changed the recorded dwelling count for each of R7 and R8 from one to five with effect from 23 March 2026, without undertaking a physical site inspection.

Urban Utilities identified sources used in its assessment including RP Data, Nearmaps, Google Street View, real-estate advertisements, floor plans and photographs. In relation to R7 and R8, it relied particularly on advertising descriptions referring to "micro-apartments" with "fully equipped modern kitchenettes" and private bathrooms, floor plans identifying in-room areas as kitchenettes, and photographs showing sinks, cabinetry and rangehoods. Urban Utilities subsequently explained that it regarded those features as indicative of a kitchenette or food-preparation area within each room.

Submission concerning Urban Utilities

The customer disputed the resulting classifications and reports providing or offering additional material, including photographs, approved plans, occupancy documentation and site access. Urban Utilities nevertheless maintained the classifications by reference to the desktop material described above.

As explained in section 4.3, the reassessment resulted in the fixed Water Service and Sewerage Service charges being applied on the basis of five dwellings rather than one. The customer's comparison of billing periods also records lower metered water consumption over the relevant comparison period. That does not establish the correct dwelling count. It simply illustrates that the increase in fixed service charges arose from the changed charging quantity rather than any increase in water consumption.

Issue for investigation: What evidence is sufficient to establish, through a desktop assessment, that the relevant parts of a property satisfy the dwelling definition? What weight is given to advertising and marketing material relative to site-specific records, how is the reliability and currency of that evidence verified, and when is further inquiry or physical inspection required?

(b) Confidential example B — self-containment, food preparation and exclusive use

Urban Utilities informed the customer that multiple-dwelling treatment applies where each dwelling provides residential accommodation, exclusive-use availability through lockable access, a kitchen or kitchenette, a bathroom and a toilet. It further described a kitchenette as a purposefully designed food-preparation space, typically including a sink and space for a refrigerator and a microwave oven or portable hotplate.

The customer disputes that those criteria are satisfied at R7 and R8. The customer maintains that the rooms contain no fixed cooking appliances and that cooking and laundry facilities are communal. Photographs, approved plans and site access were provided or offered in support of that position. Urban Utilities nevertheless continued to rely principally upon the advertising material, plans and photographs referred to above.

There is also a temporal issue concerning the published definition. The FY26 Pricing Guide defined a dwelling by reference to "kitchen, bathroom and toilet facilities", whereas the FY27 Pricing Guide refers to "a food preparation area, bathroom and toilet facilities". The reassessment effective from 23 March 2026 occurred during FY2025–26. The later FY2026–27 wording should therefore not be assumed to describe the criteria actually applied to that decision.

Those matters demonstrate the need for an ascertainable methodology explaining how Urban Utilities determines whether accommodation forms a separate self-contained residence rather than a room within a larger residence.

Issue for investigation: How does Urban Utilities determine whether accommodation forms a separate self-contained residence, including the significance given to in-room food-preparation

Submission concerning Urban Utilities

facilities, communal cooking and laundry facilities, exclusive access and the availability or absence of cooking appliances?

(c) Confidential example C — planning and building evidence

The customer describes Certificates of Occupancy issued in May 2024 as identifying R7 and R8 as Class 1b buildings used for rooming accommodation, with a maximum population of five persons for each building as a whole. The customer also relies upon each property comprising a single lot, being supplied through a single water meter and having no separate subdivision or titles.

The customer maintains that, when the recorded dwelling count changed from one to five with effect from 23 March 2026, there had been no corresponding change to the properties' approved use, building or planning approvals, Certificates of Occupancy, title or subdivision arrangements, metering, physical configuration or actual use. Those matters raise the questions of what triggered the reassessment and what evidence was considered sufficient to replace the existing dwelling count with a materially different classification.

The customer also relies upon Brisbane City Council regulatory material, including infrastructure-charging material, which the customer contends treats each property as one lot or dwelling rather than as multiple units or dwellings on the lot. The Collective does not suggest that this material, or any building classification, planning approval, title arrangement or physical meter count, is determinative under Urban Utilities' pricing definition. It may nevertheless constitute relevant, independent regulatory evidence concerning the approved configuration and use of the properties.

Urban Utilities informed the customer that its billing classifications may differ from planning, local government and other regulatory classifications. The issue is not whether Urban Utilities must adopt those classifications. It is whether its dwelling-count methodology identifies the circumstances in which an existing classification may be reassessed, the evidence required to support a change, and the weight given to planning, building, local government and site-specific records when compared with property databases, desktop imagery and marketing material. The example therefore illustrates the need for an ascertainable process for resolving conflicting evidence about a property's configuration and use, particularly where a reassessment produces a material change in the number of fixed Water Service and Sewerage Service charges without any identified change to the property itself.

Issue for investigation: What circumstances trigger the reassessment of an existing dwelling count, what evidence is required to support a change, and what evidentiary weight does Urban Utilities give to planning approvals, approved plans, building and occupancy records, local government rating and infrastructure-charging material, title and subdivision arrangements, metering and other site-specific records? How does Urban Utilities verify and resolve conflicts between those records and property databases, desktop imagery, marketing material or other information relied upon in a dwelling-count assessment?

Submission concerning Urban Utilities

(d) Confidential example D — review and consistency

The customer reports repeatedly challenging the dwelling counts and providing further material, including Certificates of Occupancy, planning and regulatory material, photographs, information about communal cooking and laundry facilities, and offers of site inspection.

The material supplied records reviews by billing officers, specialist billing staff and customer-care management. Urban Utilities maintained the classifications, continuing to rely on publicly available material, floor plans and photographs. The concern is therefore not that no review occurred. Rather, it is whether the review process identifies the criteria applied, explains how competing evidence was weighed and establishes why further verification was or was not required. The material also raises the question whether successive reviews reconsidered the underlying basis for the classification or principally reaffirmed the original evidentiary assessment.

The customer also identifies differing treatment within the same portfolio. R4, described as a conventional residential dwelling, and R1, described as rooming accommodation, continued to attract one set of fixed residential charges, while R7 and R8 attracted five. The material supplied does not identify the criteria by which R1 was distinguished from R7 and R8.

Issue for investigation: What review and quality-assurance controls ensure that dwelling classifications are reconsidered against the applicable definition, that competing evidence is transparently assessed, and that materially comparable premises are assessed using consistent criteria?

Taken together, the examples illustrate a narrower systemic issue: on the material reviewed, the methodology by which information about a property is converted into a chargeable dwelling quantity is not fully ascertainable, including the weighting and verification of evidence and the controls used to ensure consistency.

That question extends beyond the particular properties because the resulting dwelling quantity is the input used to determine the number of fixed residential service charges applied. Section 5 explains why that methodological gap is relevant to the QCA's consideration of Distributor-retailer Prices under F(1.1), and to the supporting pricing principles concerning transparency, predictability and administrative simplicity.

5. Why the methodological gap matters to the QCA

5.1. Materiality and systemic significance

The potential customer impact is material. The Collective understands that Urban Utilities' dwelling-count methodology may affect approximately 300–500 properties within the Collective's portfolios alone. Many more properties are expected to be affected. At the published FY2025–26

Submission concerning Urban Utilities

prices, changing a property from one to five chargeable dwellings would add approximately \$3,876 per annum in fixed Water Service and Sewerage Service charges, before any change in water consumption. That annualised amount represents four additional sets of the published daily Water Service charge of \$0.694 and Sewerage Service charge of \$1.961.²⁴

The Collective reports to us that, each week, they are receiving Water Bills calculated on dwelling counts of five dwellings rather than one. The examples given above demonstrate that the methodology is capable of, and is in fact, producing material consequences beyond an isolated account dispute. As explained in section 3.2, recorded residential dwelling quantities provide the baseline from which forecast dwelling quantities used in price setting are developed. The number of existing premises reassessed, the resulting changes in recorded dwelling quantities and fixed charges, and whether those changes are reflected in the quantities underpinning Urban Utilities' pricing forecasts are matters that Urban Utilities can be called upon to provide to the Authority to inform this investigation.

5.2. The choice and application of “dwelling” as the charging unit

The Collective's primary concern is the methodology used to determine dwelling quantities. A related, but secondary, issue is the basis for Urban Utilities' selection of the dwelling as the residential fixed-charge unit. Urban Utilities describes the movement of Water Service and Sewerage Service charging parameters from a per-account or per-lot basis to a per-dwelling basis as a structural tariff reform.²⁵ Dwelling count is therefore a selected charging determinant, rather than merely another description of an account, lot or physical connection.

Urban Utilities' published material explains broader pricing objectives, including revenue adequacy, cost reflectivity, equity, simplicity and customer control. It also provides a capacity-based rationale for the non-residential Water Service charge, which is scaled according to actual meter size, while residential dwellings are deemed to have a 20 mm meter.²⁶ The Collective has not identified an equivalent explanation of why the dwelling was selected as the appropriate residential fixed-charge unit, including where several separately classified dwellings share a physical meter or connection.

Earlier QCA analysis provides relevant context but does not determine the present issue. In its 2014 pricing-principles report, the QCA identified a number of possible approaches to allocating fixed costs and described an equal charge per “customer or connection” as a widely adopted approach for residential services.²⁷ In considering Aurora Tower, the QCA regarded the number of customers, rather than the number of physical supply points, as relevant to the allocation of

²⁴ FY26 Pricing Guide, section 2.2.2.

²⁵ Annexure 10, s 3, p 7.

²⁶ Annexure 10, s 3.1.1.1, p 8.

²⁷ Queensland Competition Authority, SEQ Retail Water Long-Term Regulatory Framework – Pricing Principles – Part C (September 2014) (**2014 Pricing Principles**), pp 33–34.

Submission concerning Urban Utilities

fixed water costs.²⁸ That analysis does not establish that a dwelling is equivalent to a customer or connection, nor does it prescribe Urban Utilities' present tariff structure. Its relevance is narrower: the choice of fixed-charge allocator requires identification of the customer or service unit intended to bear those costs.

The Collective does not contend that per-dwelling charging is inherently inappropriate, that each additional fixed charge must correspond precisely to an incremental cost attributable to a dwelling, or that there is a single economically correct allocator. The narrower submission is that, because Urban Utilities has selected the dwelling as the residential fixed-charge unit, it is appropriate for the QCA to consider whether the basis for that choice is discernible and whether the methodology used to identify and count those units is sufficiently transparent, predictable and consistently administered for the purposes of assessing forecast Distributor-retailer Prices under F(1.1) and the matters under s 26 of the QCAAct.²⁹

5.3. Data governance supports a targeted inquiry

The reliability of the recorded dwelling quantity also warrants targeted examination. Annexure 3 identifies the number of residential Water Service dwellings recorded in Urban Utilities' billing system, HansenCIS, as the starting point for the residential pricing connection forecast. Table 7-1 states that the current number of active residential dwellings is sourced from HansenCIS for each council region and used as current data for setting prices.³⁰

Urban Utilities' digital investment material provides relevant, but limited, supporting context. It identifies fragmented systems, inconsistent data and reliance on manual processes and workarounds as characteristics of its existing digital estate. Its Digital Core Modernisation program includes modernisation of customer and billing platforms, together with data governance and master-data management, and is expected to improve data quality and reduce manual workarounds and reconciliation effort. It separately identifies accurate billing and end-to-end customer lifecycle management as objectives of modernising customer and billing systems.³¹

Those statements do not identify HansenCIS as one of the systems affected, establish that dwelling-count data is inaccurate, or demonstrate any deficiency in the controls presently applied to that data. The point is narrower. Because HansenCIS-recorded dwelling quantities provide an input to the pricing forecast, the QCA can appropriately seek information about the controls governing creation and amendment of those records, supporting evidence and authorisation, auditability, validation and any reconciliation with the quantities subsequently used for pricing and levying charges.

²⁸ 2014 Pricing Principles, p 54.

²⁹ 2021 Pricing Principles, s 3.1, p 12; s 3.4.2, p 24, Principle 7. The QCA describes its principles as a general guide and recognises that judgment may be required in balancing them in a particular investigation.

³⁰ Annexure 3, s 7.1, Table 7-1, pp 21–22.

³¹ Annexure 6, ss 1.3–1.4, 5.3.1.4; Table 6-3, pp 5–6, 36, 49.

Submission concerning Urban Utilities

This data-governance point is not advanced as a separate productivity or digital-investment issue under another Part 2 Stated Matter. Its relevance here is as supporting context for assessing the reliability of a chargeable quantity used in the pricing process under F(1.1).

6. Information and findings sought from the QCA

6.1. Information the QCA should obtain

The Collective asks the QCA to obtain the following information from Urban Utilities to assess the methodology for determining residential dwelling quantities and their use in pricing.

- | | |
|---------------|---|
| Item 1 | Decision framework and classification criteria: the policies, work instructions or other decision framework governing dwelling-count assessments; the circumstances that trigger an assessment or reassessment; and the operational criteria used to determine whether an area constitutes a self-contained residence, including the treatment of food-preparation areas, kitchens and kitchenettes, shared facilities and exclusive use. |
| Item 2 | Evidence and verification: the evidence that may be relied upon in a desktop assessment; any minimum evidentiary requirements; how the accuracy and currency of that material are verified; the treatment of planning approvals, approved plans, building classifications and occupancy documentation; how conflicting evidence is resolved; and the circumstances in which a physical inspection is required. |
| Item 3 | Decision-making, review and consistency: who is authorised to determine or amend a dwelling count; any approval or escalation requirements; how the decision and reasons are recorded and communicated; the process for receiving and considering contrary information from customers; and the quality-assurance measures used to promote consistent treatment of materially comparable premises. |
| Item 4 | Dwelling-count data and pricing forecasts: the processes and controls governing the creation, amendment and validation of dwelling-count records in HansenCIS, including evidence retention, authorisation, audit trails and correction procedures; and how those records are reconciled with, and incorporated into, the residential dwelling quantities used in pricing forecasts. Urban Utilities identifies HansenCIS-recorded residential dwellings as the starting point for its residential water pricing forecast. ³² |
| Item 5 | Pricing rationale: the regulatory and economic rationale for selecting the dwelling as the residential fixed-charge unit, including the relationship between |

³² Annexure 3, s 7.1, Table 7-1, p 22 [PDF p 23].

Submission concerning Urban Utilities

that charging unit and service costs, capacity or service availability, and how the rationale applies where multiple residential occupancies share a physical connection or meter.

- Item 6** **Extent and pricing consequences of reassessments:** the number of existing premises whose residential dwelling counts have been reassessed over an appropriate recent period; the resulting changes in recorded dwelling quantities and fixed service charges; and whether and how those changes have affected the actual dwellings levied as compared to the number of dwellings forecast and the number of new dwellings constructed; and the dwelling quantities underpinning the FY28–FY30 pricing forecasts. Urban Utilities should distinguish changes resulting from new development or new connections from changes resulting from reassessment of existing premises both in FY26 and in the forecast period.

Where the relevant methodology or practice is not formally documented, Urban Utilities should be asked to explain the practice followed and the controls by which consistent application is secured.

6.2. Findings and recommendations sought

The Collective asks the QCA, for the purposes of its assessment of forecast Distributor-retailer Prices under F(1.1), to examine and report on:

- A. whether Urban Utilities has a sufficiently transparent, predictable and consistently administered methodology for determining and maintaining residential dwelling quantities;
- B. whether the controls governing the creation, amendment and validation of dwelling-count data provide an adequate basis for reliance on those quantities in pricing; and
- C. whether the use of the dwelling as the residential fixed-charge unit is supported by an articulated pricing rationale.

If deficiencies are identified, the Collective asks the QCA to recommend that Urban Utilities:

- A. publish sufficiently clear criteria for determining when accommodation constitutes a separate chargeable dwelling, together with the evidence and verification processes used to apply those criteria;
- B. maintain a documented assessment and review process that identifies decision-making responsibility, evidentiary requirements, reasons, review mechanisms and appropriate consistency controls; and

Submission concerning Urban Utilities

- C. where there is a reasonable basis to consider that deficiencies may have affected recorded dwelling quantities, review the potentially affected records and explain any material consequential effect on the dwelling quantities used for pricing purposes.

These requests concern the systemic charging methodology and the reliability of a quantity used in Urban Utilities' pricing framework.

When conducting its investigation, the Collective also asks that the Authority have regard to the following matters for the purposes of s 26 of the QCAAct:

- A. the Water Bill Impact upon the highly cost-sensitive rooming accommodation tenants;³³
- B. whether Urban Utilities' dwelling definition and charging approach reflects the actual cost of providing the service to each individual tenant of rooming accommodation, as compared to the cost of providing the service to a household;³⁴
- C. the consequences of the inconsistency between Urban Utilities' definition and approach to 'dwelling' and 'self-contained' as compared to definitions used for the purpose of the Planning Act 2016 and the Building Act 1975, with impacts upon certainty for the industry and property owners and the inefficiencies of differing regulation;³⁵ and
- D. the disincentive to investment in the rooming accommodation sector, which is a matter of State interest in providing affordable housing, and especially supported by Parliament's changes to the *Planning Act 2016* (Qld) and *Planning Regulation 2017* (Qld) which were design to simplify and expedite the development of rooming accommodation.³⁶

³³ *Queensland Competition Authority Act 1997* (Qld) s 26(1)(c) and (i).

³⁴ *Queensland Competition Authority Act 1997* (Qld) s 26(1)(d)(i).

³⁵ *Queensland Competition Authority Act 1997* (Qld) s 26(1)(k).

³⁶ *Queensland Competition Authority Act 1997* (Qld) s 26(1)(j) and (k); *Planning Amendment Regulation 2025* (Qld) (amending the *Planning Regulation 2017* (Qld), Explanatory Notes, Planning Amendment Regulation 2025, pp 2–3: rooming accommodation increases the supply of smaller, often more affordable rental housing; the streamlined provisions address housing shortage.