WATER SERVICES ASSOCIATION OF AUSTRALIA

Urban water and the 2021 Australian Infrastructure Plan

There are a number of key recommendations and challenges outlined in the Plan for the urban water industry. Below provides detail on our responses to key themes and recommendations.

A renewed National Water Initiative

WSAA continues to call for all states and territories to commit to a new National Water Initiative (NWI) to assist the urban water sector to deliver water security and healthy, liveable communities for customers, in the face of challenges including climate change and population growth. We agree with Infrastructure Australia that "it is imperative that the owner of the NWI has a sufficiently robust governance model, independent of government, with clear terms of reference and a transparent work plan".

A national approach is more necessary than ever across a range of areas including water security, to improve the liveability and amenity of communities, to manage affordability and financial resilience and to remove roadblocks to ensure better outcomes for customers.

Responding to the pressure of climate change

Infrastructure Australia notes "changing climate and increasing water scarcity will define the future of the water sector". The water industry is uniquely positioned to respond and adapt to the impacts of a changing climate on the delivery of our services and improve the resilience of our communities and the environment as we seek to mitigate our impact on our climate. As an industry we are seeking to accelerate our response as we transition to a net zero future. Earlier this year we released the WSAA industry climate change position which outlines the contribution of the urban water industry to meeting the challenges of climate change. The statement will be regularly reviewed and revised to stay relevant in this rapidly evolving area, and especially in light of the recent IPCC report on climate change.

All options on the table including purified recycled water

As outlined in the Australian Infrastructure Plan, a diversified water supply portfolio is essential to future water security and "Governments must remove outdated barriers that prevent use of all water supply options". Irrespective of the source of water, Australian water utilities provide their communities with high quality water that meets the requirements of the Australian Drinking Water Guidelines.

Each Australian city and community should consider all options on the table within their local context. By understanding all of the options available, we can be more resilient to respond to change and implement water supply options to provide water security to Australian cities and regions. This is likely to include options that do not depend on rainfall, like desalination and purified recycled water for drinking.

There are now over 35 cities around the world that have adopted purified recycled water as part of their drinking water supply. Many more are also investigating it, for example with demonstration projects. In our report All options on the table: lessons from the journeys of others we provide insights and perspectives regarding community engagement on purified recycled water for drinking around the world. From our research we know that the views of customers and communities are vital to shaping water supply decisions.

Performance measurement

The Australian Infrastructure Plan outlines a number of targets for measuring progress. The urban water industry has a long history of transparency through robust and regular public reporting in the annual National Performance Report. As an industry we support measurement and reporting that benefits customers.

Targets for affordability

Water is and remains affordable. As a sector, water bills are currently tracking at about 1.2% of household income in capital cities and 1.7% in the regions and this has remained consistent for the past 5 years. The sector is strongly committed to supporting customers that struggle to pay their bills. To ensure long-term affordability the bill increases should be predictable and consistent to give customers as much time as possible to adjust. Our position is that targets should be about the change in water affordability over time. We do not believe targets linked to a level of affordability are useful in a policy context (for example “less than 3 per cent” as a percentage of average annual gross household income).

Targets for quality (leakage)

The target in the Australian Infrastructure Plan uses the International Leakage Index (ILI). The ILI is the measure used for reporting in the National Performance Report and is the preferred measurement for leakage and has strong international acceptance.

Healthy, liveable, thriving communities

We agree with Infrastructure Australia that “water must be regarded as a critical precious resource for liveable communities, healthy environments and economic growth”. Investment in blue and green infrastructure is critical to supporting physical and mental health by making our communities cooler, greener, healthier and more attractive and productive places to live, work and play. Recent work has shown that the urban water industry’s contribution to green and blue infrastructure has health benefits of up to $94/person/day.

Going forward, decisions around water will be vital in transforming our cities and regions into cooler, greener and more liveable places. However, unlocking the potential range of liveability benefits from water industry investment requires addressing several key challenges:

- Harnessing the full water cycle
- Integrating our approach to planning
- Implementing an effective framework for measuring liveability benefits
- Funding green and blue infrastructure as social infrastructure.