



WATER SERVICES
ASSOCIATION OF AUSTRALIA

WSAA Strategy 2021-23





ACKNOWLEDEMENT OF COUNTRY

The Water Services Association of Australia acknowledges and pays respect to the past, present and future Traditional Custodians and Elders of this nation. We recognise their continuing connection to land and waters and thank them for protecting our waterways and environment since time immemorial.



FOREWORD

The path to net zero; the new and changing investment in infrastructure required for a world almost certainly on a path to 2 degrees hotter, deeper droughts, more intense flooding; COVID-19 and a new form of urbanism, more local, less central, cooler, greener, thriving, healthy communities and ecosystems; a digital world and all that it promises; and an engaged and informed customer base. I'm not sure we've seen a landscape quite like this.

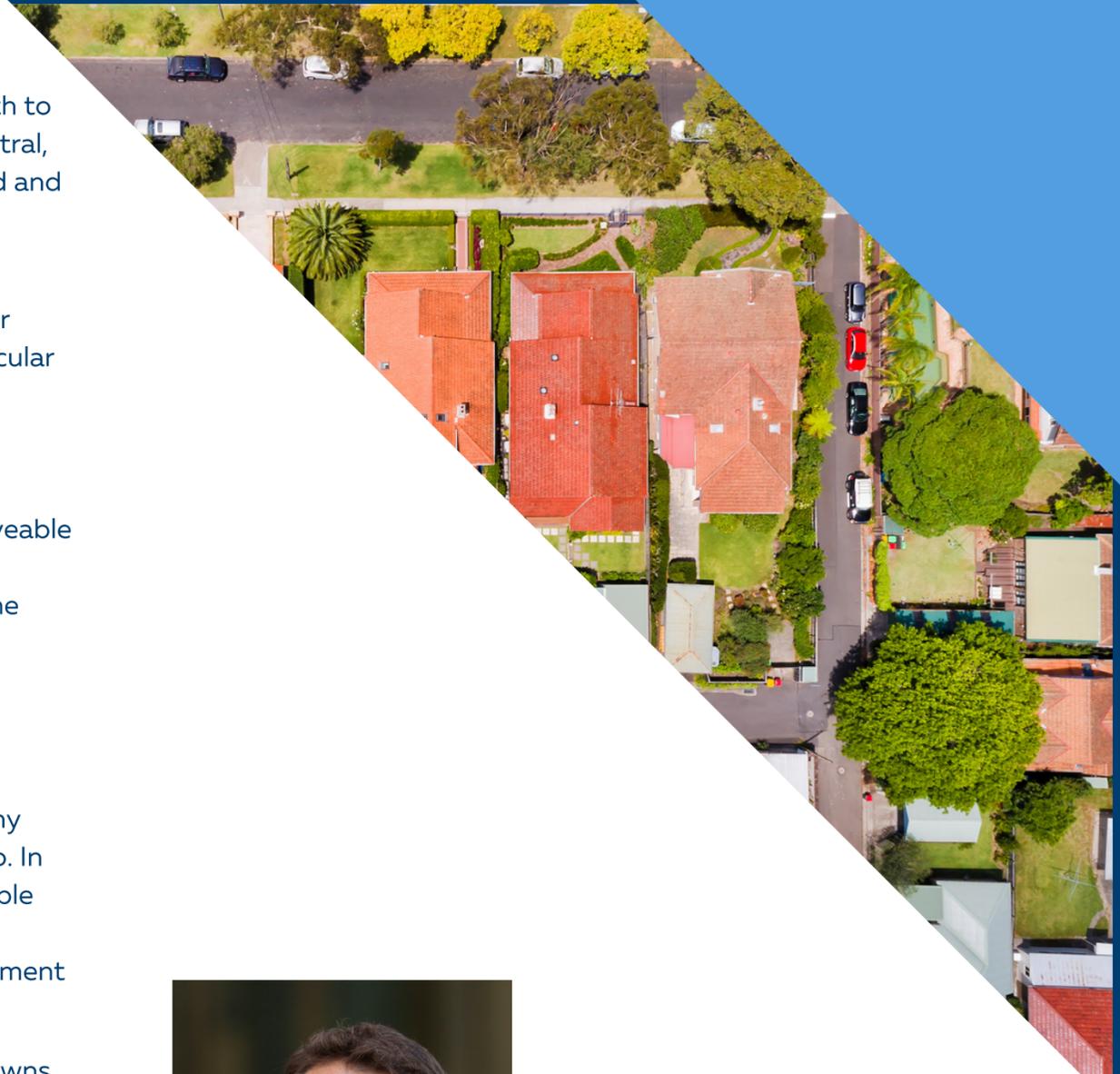
As we stand on the verge of COP26 in Glasgow and the world re-opening after a pandemic for the ages, urban water services are at the forefront of action and recovery. More than the provision of 24/7 essential services, the urban water industry has a pivotal role to play in enhancing mental and physical health with green liveable spaces and leading a circular economy that is less linear and more regenerative. There are many opportunities to be realised: hydrogen; nutrients; resource recovery and reuse. There is so much value that we can create collaboratively and through individual and organisational action.

In 2021, reports by the Productivity Commission and Infrastructure Australia outlined water's critical role in creating liveable cities and healthy environments, as well as the need for a renewed and modernised National Water Initiative (NWI), Australia's national water plan. Further, the Three Waters Reform program in New Zealand is tackling many of the same complex issues: integrating urban water systems including stormwater, to provide quality services to customers and enhance the natural environment. WSAA agrees, and in this context, with the backdrop of two of the worst droughts recorded in recent history in various parts of Australia and New Zealand, we argue that diversifying our water supply sources requires renewed vigour and commitment.

Both countries have traditional indigenous owners who have embraced and cared for the natural environment for many years and that is - at varying maturity and speed - being recognised in new water plans. But there remains much to do. In Australia, many remote and Aboriginal water services are in need of investment to ensure safe drinking water is available and a focus on the water rights of Traditional owners is slowly being recognised. As providers of essential water and wastewater services, the industry in Australia and New Zealand want to see the realisation of the Sustainable Development Goals, a blueprint for a sustainable and prosperous future for both people and planet.

The industry continues to face many challenges, including improving regional water services. Liveability for regional towns and communities is no less important and integrated water cycle management is vital to improving community access and green space for mental and physical health. Improved telecommunications and digitalisation of the economy will create new opportunities for regional service providers but will also require a new focus on skills and capacity.

Regardless of politics, the common anchor for the industry is the paying customer. In 2021, we surveyed around 9,000 customers across Australia and New Zealand. It highlighted the generally excellent reputation of the industry with significant improvements across the board in trust and value for money, rivalling the usual leader Australia Post. To meet the industry outcomes identified in our Strategy 2021-23, the industry will build on this reputation to embrace a new approach to the circular economy and accelerate the response to climate change through adaption and mitigation while maintaining affordability and supporting customers in difficulty.



ADAM LOVELL
EXECUTIVE DIRECTOR

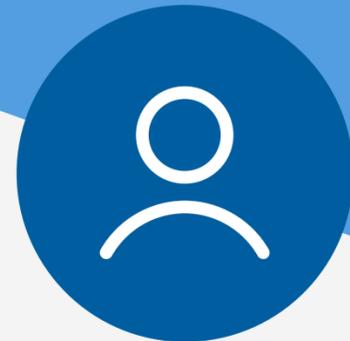
Urban water industry drivers

Beyond COVID-19, there are four key drivers that underpin the industry outcomes, industry enablers and WSAA priorities in the WSAA Strategy 2021-23



CLIMATE CHANGE

The Sixth Assessment Report by the Intergovernmental Panel on Climate Change (IPCC) concludes that climate change is widespread, rapid, and intensifying. Though the water industry's activities contribute approximately 0.8% to Australia's total annual emissions profile (BOM 2020), Infrastructure Australia has noted that of all the forms of infrastructure, the potential risks and costs of climate change are greatest in the water sector due to increased severity of drought and floods. Many utilities have adopted Net Zero emissions targets, some earlier than 2050, to help drive further reductions in emissions.



CUSTOMER & COMMUNITY EXPECTATIONS

The expectations of water customers continue to change and grow, reflecting broader community shifts. Our 2021 National Customer Perceptions Survey found significant increases in customer trust and value around the country. In terms of value for money, since 2015, no other sector has improved as much as water. However, challenges remain with the Survey showing only a small percentage (2.5%) of those experiencing trouble paying their bill (20%) reach out to their water provider for help. An increasing number (75%) are willing to engage on purified recycled water for drinking.



MACRO INDUSTRY TRENDS

The urban water industry is adapting to the challenges of increasing climate variability and population growth. While affordability has been protected through efficiency and falling interest rates, operating and capital costs are rising. As a national average, prices have not risen in real terms since 2014. Over the same period capital expenditure has increased from around \$4 billion to \$6 billion annually. Adapting to climate change will likely incur increased expenditure and the whole sector, including regulators and government, will need to evolve their approaches to be prepared.



CIRCULAR ECONOMY

Looking beyond the current take-make-dispose extractive industrial model, a circular economy aims to redefine growth, focusing on positive society-wide benefits. Water utilities play an important role as resource stewards and are beginning to proactively position themselves as resource recovery enterprises – focusing on the whole interconnected system of water, energy including hydrogen, nutrient and mineral flows.

WSAA STRATEGY 2021-23

INDUSTRY OUTCOMES

- Meet and exceed customer expectations, maintain affordability and support customers in difficulty
- Accelerate the industry transition to net zero in response to climate change
- Water sector resilience, including through diversity of supply
- Lead water's contribution to thriving communities
- Embed water's role in the circular economy

WSAA PRIORITIES

- National advocacy supporting industry outcomes
- Understanding drivers of customer trust and value
- Driving progress on the Sustainable Development Goals including a focus on uplift of regional, remote and Indigenous water services
- Promoting health, liveability and wellbeing
- Fostering the transition to a low carbon future and circular economy
- Performance improvement initiatives

INDUSTRY ENABLERS

- Leadership, capability and culture
- Diversity and inclusion
- Health, safety and wellbeing
- Sharing and lifting performance
- Deep knowledge through data and actionable insights
- Stakeholder engagement and partnerships
- Driving an industry innovation ecosystem



Industry Outcomes



Meet and exceed customer expectations, maintain affordability and support customers in difficulty

Overview

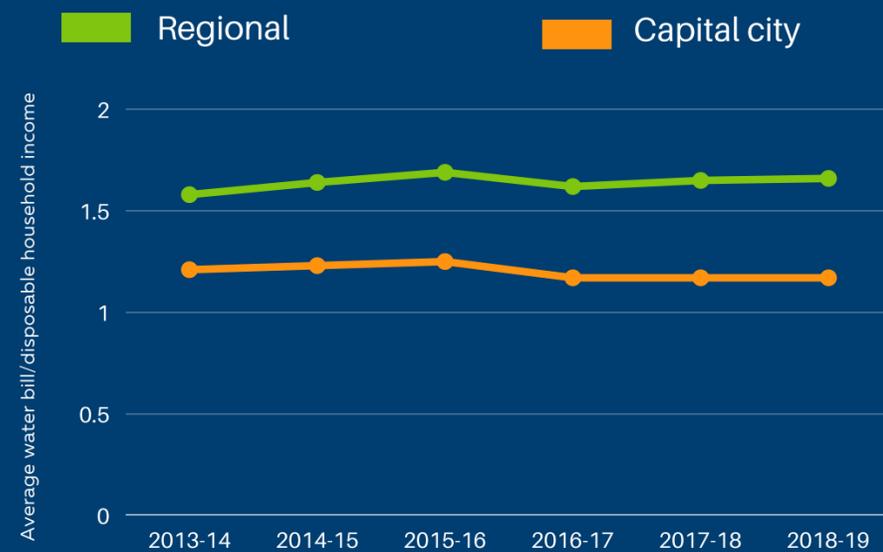
- As a minimum, customers expect reliable services, safe drinking water and affordable bills, with certainty and time to adjust to price rises
- Interact with customers in an easy, seamless manner and leave them with a good experience and support those unable to pay bills with best practice customer support programs
- Understand customers through engagement, research and customer feedback, and deliver value in areas that are important to them
- Collect and analyse data to improve customer experience, prioritise investments and drive efficiency
- Higher expenditure will put pressure on prices in the medium term
- Affordability is about managing the change in prices rather than an arbitrary target.

Related WSAA priorities

- Understanding drivers of customer trust and value
- Driving progress on the Sustainable Development Goals including a focus on uplift of regional, remote and Indigenous water services
- Performance improvement initiatives

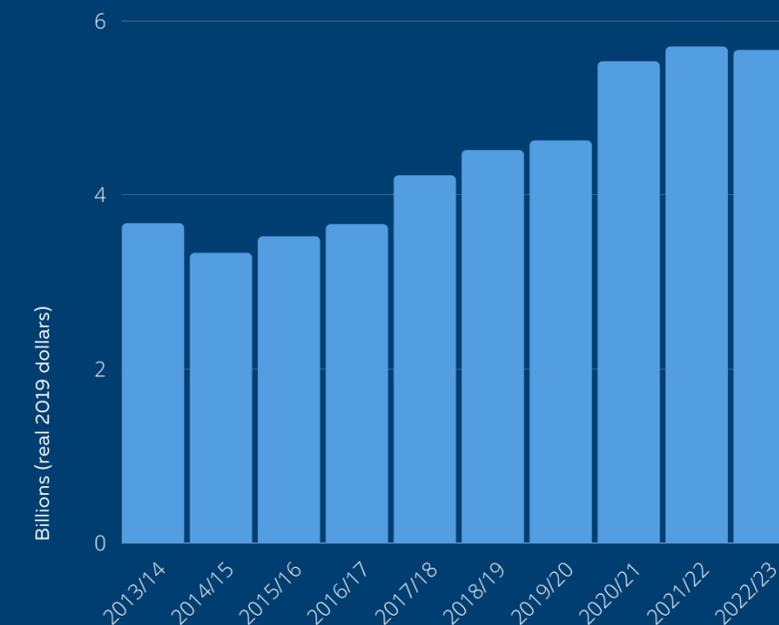
Water is affordable

Average bills as a proportion of household income



Capital expenditure is growing

17 large utilities over 10 years



Value for money in Australia





INDUSTRY OUTCOME

Accelerate the industry transition to net zero in response to climate change

Overview

- The Intergenerational Panel on Climate Change (IPCC) Sixth Assessment Report found that unless there are immediate, rapid and large-scale reductions in greenhouse gas emissions, limiting warming to 1.5°C or even 2°C will be beyond reach. It also found that emissions of greenhouse gases from human activities are responsible for approximately 1.1°C of warming since 1850-1900.
- The urban water industry will achieve net zero greenhouse gas emissions by 2050 and sooner where it aligns with customer expectations
- We will work with customers and communities to balance the costs of achieving net zero emissions with affordability for customers and the cost of emissions impacting future generations.
- The water industry is uniquely positioned to mitigate our impact on our climate, 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 in adapting to a changing climate.

We will achieve net zero greenhouse gas emissions by pursuing opportunities such as:

Avoiding energy use and emissions through innovative smart design of new and renewed water and wastewater assets



Minimising energy and emissions through efficiency and optimisation of pumps and the way we operate our systems



Recovering and generating renewable energy (e.g. wind, solar, biogas, hydrogen) and local upcycled materials (e.g. soil conditioner, biochar) from our activities



Substituting emissions-intensive energy with zero-emissions renewable energy sources



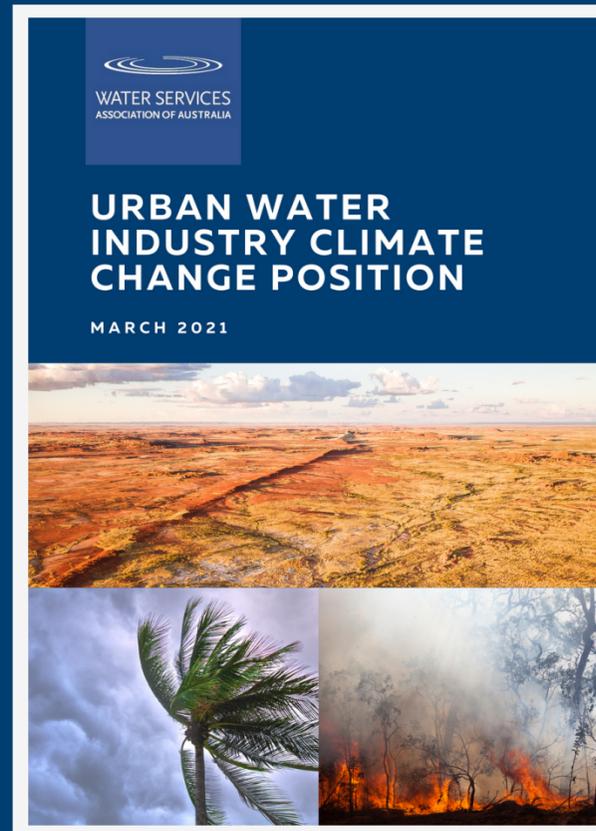
Embracing new technologies and innovative solutions that reduce emissions



Sequestering carbon (e.g. native forests or wetlands on land managed by water utilities)



Offsetting residual emissions, using local offsets where possible and exploring initiatives that enhance liveability and climate change adaptation for our communities and environment.



Related WSAA priorities

- National advocacy supporting industry outcomes
- Promoting health, liveability and wellbeing
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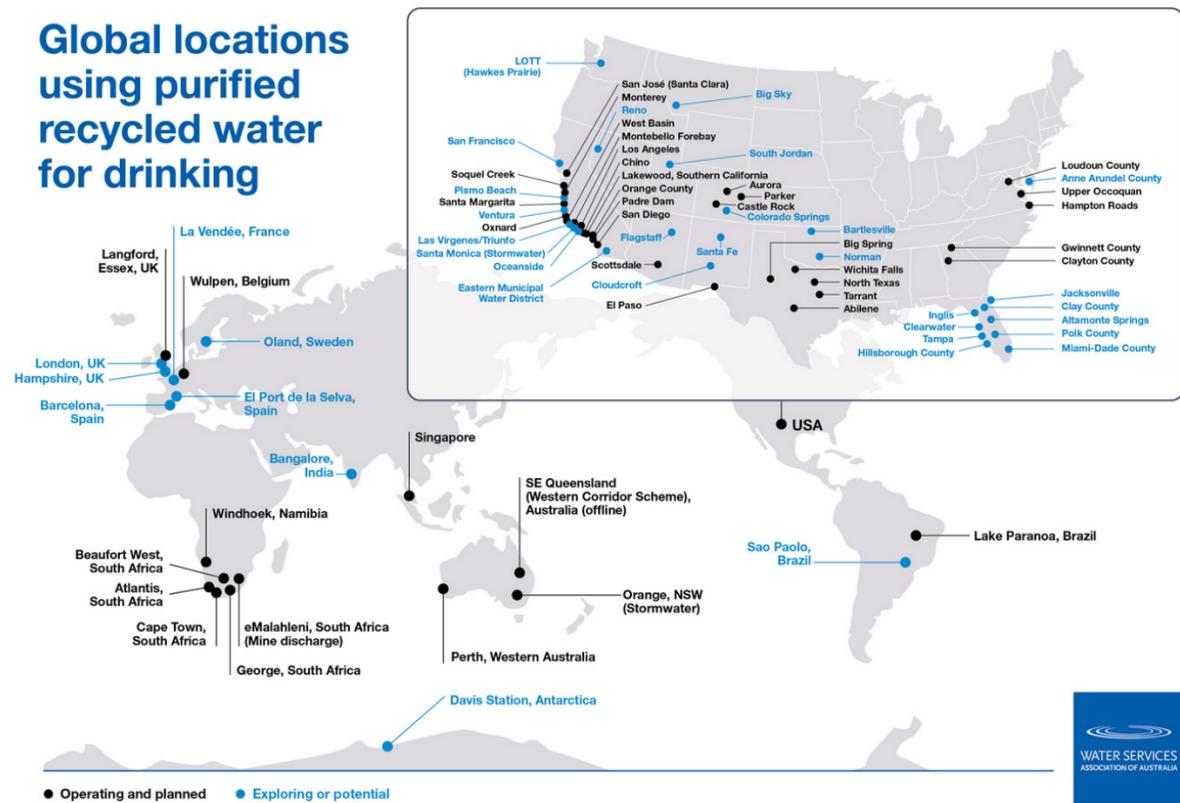
INDUSTRY OUTCOME

Water sector resilience, including through diversity of supply

Overview

- A resilient water supply to adapt to climate change and growth
- Ability to manage extreme weather events such as floods, bushfires, droughts and storms
- Enhanced business resilience through leadership and optimised service delivery
- Diversify to rainfall independent supplies to improve resilience
- Advocate for all options for water supply to be considered in all jurisdictions
- Highlight the use of purified recycled water for drinking in many countries and cities, including Perth
- Support demonstration plants and transparent customer engagement.

Global locations using purified recycled water for drinking



Related WSAA priorities

- National advocacy supporting industry outcomes
- Promoting health, liveability and wellbeing
- Fostering the transition to a low carbon future and circular economy

Map from WSAA Paper: All options on the table: lessons from the journeys of others, 2019



INDUSTRY OUTCOME

Lead water's contribution to thriving communities

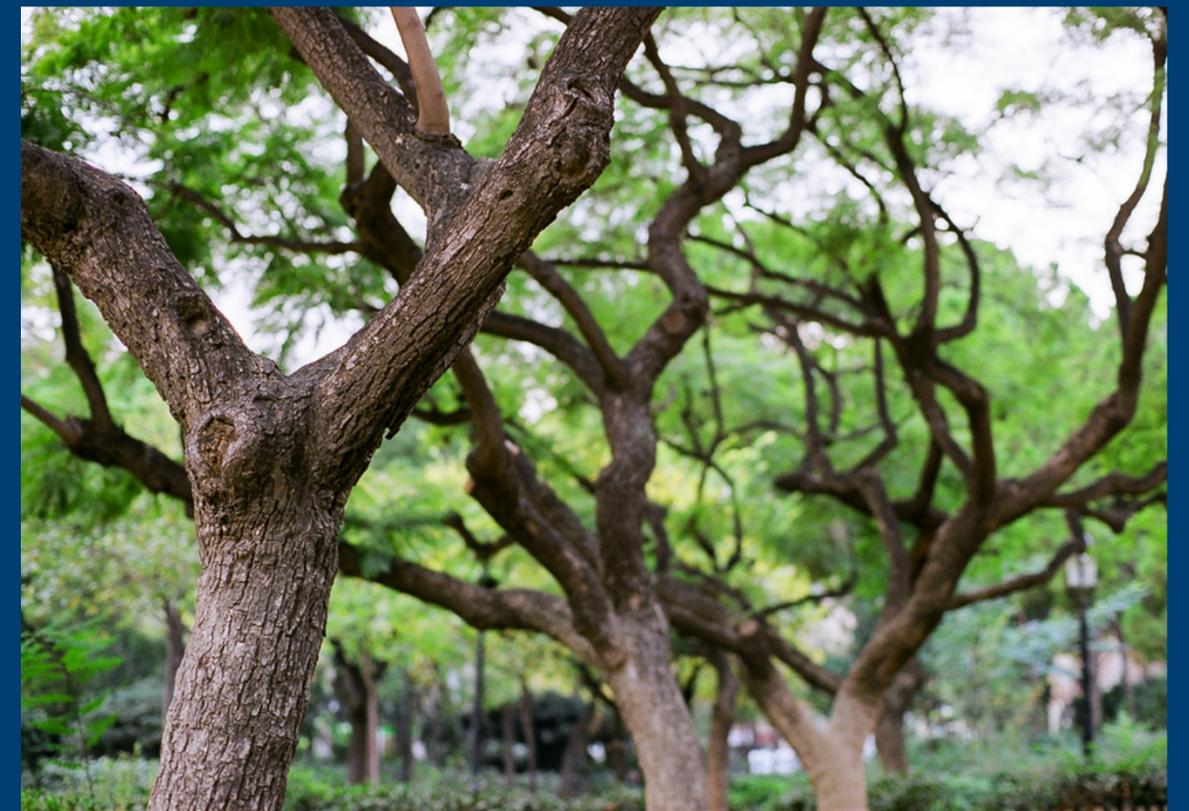
Overview

- Water is essential to thriving, healthy and liveable communities
- Deliver sustainable environmental outcomes
- Support clean beaches and healthy waterways
- Adapt to and mitigate climate change, urban cooling, urban heat island effect
- Promote the wider value and impact of water
- Enable recreational areas around water storages.

Related WSAA priorities

- National advocacy supporting industry outcomes
- Promoting health, liveability and wellbeing
- Fostering the transition to a low carbon future and circular economy

The water industry is well placed to contribute to the liveability of the community



Extract from WSAA Paper: Blue + green = liveability, 2019



INDUSTRY OUTCOME

Embed water's role in the circular economy

Overview

- Unlock the circular economy to better manage resources, make and use products and to regenerate natural systems
- Water utilities as agents for the circular economy and playing an important role as resource stewards
- Shift from a linear to a circular economy to realise multiple economic, social and environmental benefits
- Seek opportunities to apply circular economy principles across the roles of water: as a resource, nutrient carrier, source of energy and service.



Related WSAA priorities

- National advocacy supporting industry outcomes
- Promoting health, liveability and wellbeing
- Fostering the transition to a low carbon future and circular economy



Extracts from WSAA Paper: Transitioning the water industry with the circular economy, 2020



**Industry
Enablers**



INDUSTRY ENABLER

Leadership, capability and culture

Overview

- Leadership, capability and culture drive and underpin industry performance.
- Become the industry of choice for employment
- Develop clear leadership commitment statements for the sector around critical issues including health and safety, and climate change
- Build on historic programs to enhance productivity outcomes and tailor workforce skills development
- Develop our young water professionals through the YUL program
- Harness the capability of the private sector



Enables WSAA outcomes and priorities

Outcomes:

- Enablers are critical to meeting ALL industry outcomes

Priorities:

- National advocacy supporting industry outcomes
- Understanding drivers of customer trust and value
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INDUSTRY ENABLER

Diversity and inclusion

Overview

- Diversity and inclusion contribute to greater innovation, robust decision-making, and better business performance. – stronger as a water industry when we embrace and recognise all diversity
- Inclusive cultures benefit everyone – employees, customers, and local communities.
- Identify barriers and opportunities to fast-track diversity and inclusion progress in the urban water industry.
- Diversity includes, but is not limited to, gender, ethnicity, indigenous background, age, ability or disability, sexual orientation, language, skills, experience, education, industry sector, and thinking approaches. Inclusion is a feeling of belonging, where people feel valued, respected, and share a sense of fairness.



Enables WSAA outcomes and priorities

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INDUSTRY ENABLER

Health, safety and wellbeing

Overview

- The urban water industry strives to be free from harm and injury, both physical and psychological.
- The health, safety, and wellbeing of our people, communities, and workplaces is critical.
- Undertake benchmarking, develop guidelines and frameworks to lift sector understanding and performance in health and safety

<p>1 Demonstrate leadership commitment</p> <p>Define and live health and safety leadership through communication of vision, commitment and authentic engagement</p>	<p>2 Establish clear governance and accountability</p> <p>Establish strong governance accountability and protocols for health and safety at the board and leadership, and define health and safety responsibilities throughout the organisation, including delivery partners</p>	<p>3 Facilitate open and honest communication</p> <p>Have open and honest communication and disclosure on health and safety matters at all levels of the organisation, with delivery partners, and other stakeholders</p>	<p>4 Ensure effective systems and structures</p> <p>Ensure appropriate systems and structures are designed to inform and enable effective decisions</p>
<p>5 Strengthen partnerships and relationships</p> <p>Promote strong partnerships with delivery partners and other stakeholders</p>	<p>6 Promote a culture that supports health and safety</p> <p>Promote a culture of engagement and trust and through actions, strive to be free from harm and injury, both physical and psychological</p>	<p>7 Drive innovation and improvement</p> <p>Empower our people to consider new and better ways to work</p>	<p>8 Advance health and safety risk management</p> <p>Ensure that adequate and effective risk management processes and practices are in place to identify and control risks</p>

Enables WSAA outcomes and priorities

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Sharing and lifting performance

Overview

- Transition emerging business practices and technologies into business as usual, in a manner that minimises business disruption and enhances business performance
- Sector benchmarking across all key business operations to share leading practice relative to scale and scope
- Adopt best practice from other industries
- Develop industry guidelines to establish good practice for core business services
- Ensure the quality of high volume and high-risk products used by water businesses through Australian Standards, WSAA Codes and product appraisals
- Develop a sector response to emerging threats and opportunities



Enables WSAA outcomes and priorities

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Deep knowledge through data and actionable insights

Overview

- Support members in enhancing their digital capabilities to generate efficiency and improved customer service
- Comparison of key benchmarking results over time to determine trends and gaps in sector and business performance
- WSAA data analysis and presentation tools providing tailored services to identify performance improvement opportunities



Enables WSAA outcomes and priorities

Outcomes:

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Priorities:

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INDUSTRY ENABLER

Stakeholder engagement and partnerships

Overview

- As we broaden the value and contribution of the urban water industry, collaboration and partnerships are critical
- Integrated water cycle management including bringing stormwater into the water cycle requires working with councils and other stormwater providers
- Working with other utility sectors to help customers in difficulty in a wholistic way
- Working with key stakeholders to improve whole of industry response to SDGs and for Indigenous services
- To manage resources efficiently, WSAA coordinates with other stakeholders in the water industry such as AWA, WaterRA, VicWater, Qld Water Directorate, NSW Water Directorate.



Enables WSAA outcomes and priorities

Outcomes:

- Enablers are critical to meeting ALL industry outcomes

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Driving an industry innovation ecosystem

Overview

- Facilitate open collaboration
- Support the identification and selection of new and emerging technologies
- Build industry intelligence to inform market responses
- Apply industry level standards, codes and appraisals to build trust and confidence in new and emerging products
- Help develop confidence in new and emerging technologies, products and services.



Enables WSAA outcomes and priorities

Outcomes:

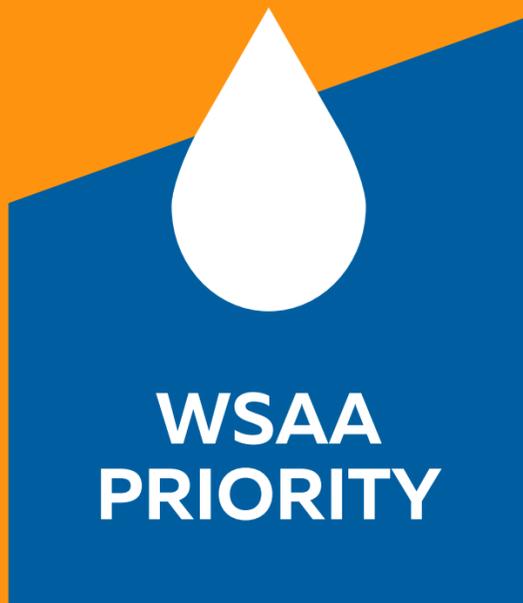
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**WSAA
Priorities**



National advocacy supporting industry outcomes

Overview

- Long term strategic and reactive tactical advocacy to support members and industry outcomes
- Submissions to state and national government inquiries and reviews to ensure the voice of members is heard
- Relationship building with key stakeholders
- Lead industry input on key changes affecting the industry (including climate change policy and legislation).



Current initiatives

- Strategic advocacy on purified recycled water for drinking and the circular economy
- National Water Reform, including a new National Water Initiative and data collection via a renewed National Performance Report
- Input and advocacy to legislative changes and developments including commitments as part of COP26
- Input to regulatory reviews to advocate for the long term interest of customers

Future directions/initiatives

- Implementation - pathway for the new National Water Initiative
- Engaging Federal and State governments on the value of water



**WSAA
PRIORITY**

Understanding drivers of customer trust and value

Overview

- Building trust and customer value is the foundation for water utilities as it gives us a social licence to carry out our business
- WSAA's role is to complement the research of utilities through surveys, analyse the broader data set to understand drivers of value of trust and identify strategies of improvers
- Networks and webinars to share leading practices, particularly in the area of engagement and insights
- Develop and encourage the use of tools and frameworks to improve capability and lift performance in areas important to customers
- Collaboration with other sectors to deliver improved customer experiences.



Current initiatives

- Customer experience capability maturity framework
- Better practice customer support framework
- MoU with the Energy Charter to share learnings, research and resources and encourage collaboration
- Customer research, surveys and measuring performance

Future directions/initiatives

- Improving water literacy (consistent messages, shared resources and measurement)



**WSAA
PRIORITY**

Driving progress on the Sustainable Development Goals including a focus on uplift of regional, remote and Indigenous water services

Overview

- Partnerships across the industry to improve regional performance, focusing on capacity and capability
- Integrate the development of innovative digital and technological solutions for regional and remote communities
- Fostering connections with Traditional Owners including recognition of cultural values of water
- Support efforts to streamline engagement with Indigenous communities

**6 CLEAN WATER
AND SANITATION**



Current initiatives

- Support work through collaboration with NSW and Qld water directorates
- Projects to promote cultural water values
- Reconciliation Action Plan

Future directions/initiatives

- Report on delivery of essential service in remote areas across Australia



**WSAA
PRIORITY**

Promoting health, liveability and wellbeing

Overview

- Water is essential to thriving, healthy and liveable communities
- Understand indicators and measurement of liveability
- Advocate to integrate stormwater into the water cycle
- Advocate for all options on the table for water security, including purified recycled water for drinking
- Promote the physical and mental health benefits of blue and green infrastructure.



Current initiatives

- Seek greater commitment and better define the pathway and timing to net zero for the industry
- Climate change and extreme event preparedness
- Collaboration with peak planning bodies on blue and green infrastructure, including financing
- Circular Economy Action Plan

Future directions/initiatives

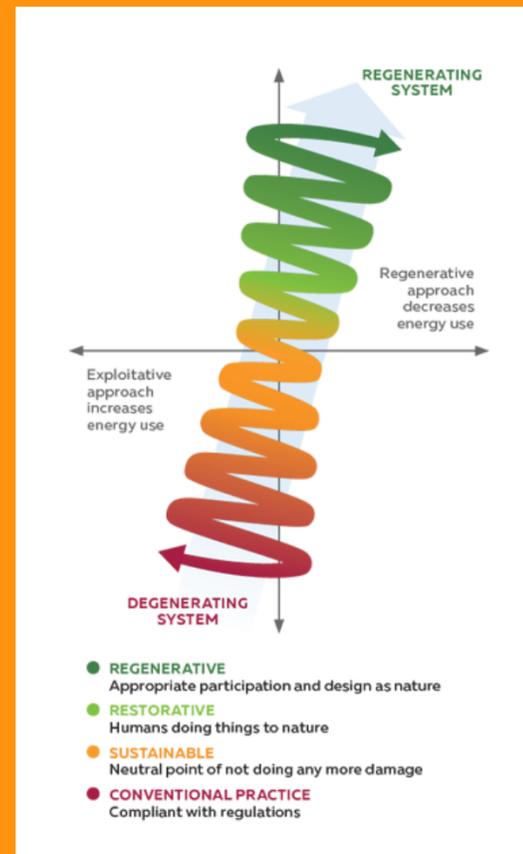
- Launch of Water360 knowledge hub on purified recycled water for drinking and other industry issues



Fostering the transition to a low carbon future and circular economy

Overview

- Support water utilities to progress circular economy approaches
- Creation of circular economy knowledge hub
- Exploring end uses and markets for the circular economy
- Scoping barriers to circular economy approaches
- Positioning the urban water industry as a resource recovery sector.



Current initiatives

- Circular economy action plan
- Urban water's role in a Hydrogen future
- All options on the table

Future directions/initiatives

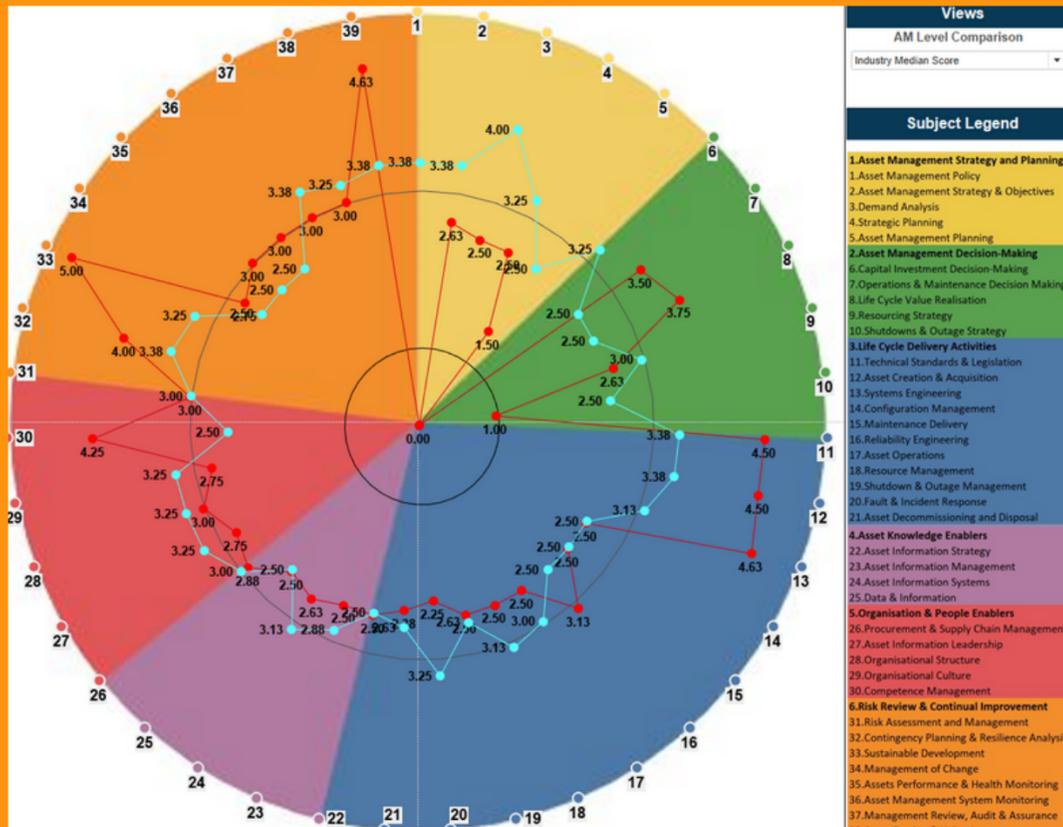
- Explore global circular economy measurement frameworks
- Ongoing review of the water industry climate change commitment



Performance improvement initiatives

Overview

- Initiatives to continuously improve efficiency across the water industry
- Sector benchmarking across all key business operations to share leading practice relative to scale and scope
- Uplifting the industry through the development of good practice guidelines
- WSAA holds and manages data on behalf of members through a wide range of benchmarking activities
- Supporting innovation to improve value and efficiency
- Sharing experience and best practice across all operations.



Current initiatives

- Asset Management Customer Value process benchmarking (AMCV)
- Health and Safety Benchmarking
- Operating Expenditure benchmarking
- Financial sustainability tracking
- Digital program
- Codes and Appraisals
- Customer benchmarking
- WLab

Future directions/initiatives

- Linking data sets and value added analysis
- Totex benchmarking
- Compare best practice internationally

