Brief comments received

No.	Comment
1	Why aren't there lower cost solutions? > this is why: 1. Utilities are incentivised to avoid failure, not minimise cost Water utilities (especially in places like New South Wales) operate under: strict public health regulation environmental compliance political scrutiny when things go wrong Failure = front page news. Saving money = largely invisible. So the default behaviour becomes: proven technologies redundancy conservative design margins 👉 Innovation that might reduce cost but introduces risk is often seen as unacceptable. 2. Regulatory models don't strongly reward cost innovation Economic regulators typically: allow cost recovery + a return on capital scrutinise overspending but don't strongly reward step-change efficiency That leads to: preference for capex-heavy, "safe" solutions weak incentives to adopt: modular systems decentralised treatment nature-based solutions 👉 If you save money, you don't necessarily keep the benefit. 3. "Innovation" in the sector is often not cost-focused There is a lot of innovation — but it's usually aimed at: compliance (e.g. tighter nutrient limits) resilience (drought, floods) ESG / net zero goals Not primarily: reducing unit cost of water or wastewater services So when the article talks about rising costs, it's partly because: innovation is being applied to do more things, not to do the same things cheaper 4. Asset legacy locks in high-cost pathways Water utilities are dealing with: decades-old centralised infrastructure sunk capital rigid network designs That makes it hard to pivot to: distributed systems lower-cost, local solutions "good enough" service models 👉 You're optimising an expensive system, not redesigning it from scratch. 5. Social expectations are extremely high In Australia, customers expect: near-perfect reliability very high drinking water quality strong environmental protection Politically, it's difficult to say: "we'll deliver a slightly lower standard for a much lower cost" So the conversation becomes: "how do we fund this?" rather than "do we need all of this?" 6. The AWA's role shapes the narrative The Australian Water Association is: an industry body representing utilities, consultants, suppliers It tends to: reflect mainstream sector thinking build consensus avoid pushing disruptive positions that challenge members' business models 👉 A strong push for "radically lower-cost solutions" would: challenge consultants challenge capital programs challenge regulatory settings So it's not surprising the framing is: value, funding, and trade-offs rather than systemic cost disruption 7. Innovation is happening — just not at scale (yet) There are examples of lower-cost thinking emerging: digital optimisation (reducing chemical/energy use) smart networks nature-based treatment decentralised reuse But they face barriers: approvals standards risk allocation internal capability 👉 So they remain pilots, not the default. The uncomfortable truth Essentially : "Costs are going up — society needs to decide how to pay." Your question is pushing a different (and valid) challenge: "Why aren't we redesigning the system so it costs less in the first place?" The honest answer is: the sector is not structurally optimised for cost disruption it is optimised for risk minimisation and compliance Where real change would have to come from For the industry to genuinely shift toward lower-cost solutions, you'd need: Regulatory reform (reward efficiency, not just allow cost recovery) Procurement change (outcomes-based, not prescriptive design) Service level debate (what is "good enough"?) Risk reallocation (accepting some innovation risk) Leadership from major utilities (e.g. Sydney Water or state government)
2	Given Chair Danielle Wood's call for a growth mindset in policy decisions, will the Commission be turning its mind to this issue? This includes the case for optimism and the notion of abundant water for people, nature and industry. Would submissions on those themes be welcomed? The 2026 terms of reference ask the Commission to update

No.	Comment
	its 2024 inquiry report. That report argued for diversified water sources and explicitly canvassed desalination, recycling for industry, purified recycled water for drinking, managed aquifer recharge, water conservation, and rural-urban trade.