

Brief comments received

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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

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	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.
3	The NWI requires governments to ensure infrastructure investments are economically viable and ecologically sustainable. To give effect to these principles going forward, the following must be consistently applied: All infrastructure proposals must be subject to rigorous, transparent cost–benefit assessment that considers all feasible options to meet identified needs. Business cases must undergo independent scrutiny prior to funding decisions. Projects must not proceed where assessed costs outweigh the estimated benefits to the community. Funding decisions, including those under programs such as the Australian Government's National Water Grid, must clearly demonstrate alignment with NWI principles and be supported by publicly available evidence. These requirements are essential to restore confidence that investment decisions are delivering genuine economic and environmental value.
4	It's time Australia mandate or the least encourage house holds to install such small innovative devices that saves water everyday without changing user behaviour. https://www.smartdropcertified.org/blog/prozrted
5	Commonwealth now own all water \$\$\$, on both sides of the Great Dividing Range. Snowy Hydro 2 will delivering flows they will take \$\$\$\$. First Nations not stakeholders why? No \$\$\$.
6	There is a large opportunity to improve the commercial viability of the water industry through synergies of waste water treatment with Data Centres, also relieving some pressure on drinking water supplies. - Production of commercial biogas, biochar, CO2 from waste water treatment, augmented with other biowaste streams, such as mandated municipal Food Organics Garden Organics and biowaste from livestock accommodation and crop & food processing > biowaste sites are licensed and published on public registers making opportunity aggregation easier. https://www.epa.nsw.gov.au/Licensing-and-Regulation/Public-registers/about-prpoeo/list-of-licences >An example of aggregation with food processing biowaste https://www.barwonwater.vic.gov.au/about-us/major-projects/renewable-organics-networks > An example of aggregating waste water biowaste stream with FOGO municipal waste. https://www.accc.gov.au/about-us/news/media-updates/accc-authorises-sydney-water-and-some-sydney-councils-to-procure-development-of-organic-waste-biorefinery - Mandated recovery of waste commercial cooking oils & fats, to prevent these forming 'fatbergs' in sewerage networks and the significant additional maintenance & removal costs. The cooking oils & fats are a feedstock for refining biodiesel. > collection service providers are all members here (regulates compliance with mad cow prevention measures) https://www.ausrenderers.com.au/en/ > Significant issues created in Sydney by the fatbergs https://www.theguardian.com/environment/2025/oct/24/source-of-fatbergs-closed-sydney-beaches-revealed-report - Colocation of Data Centres with Waste Water Treatment plants, to use the Data Centre waste heat to treat & process the biowaste, producing biogas, biochar, CO2, and recycle the water. At the same time, the treatment plant 'grey water' cools the Data Centres, rather than drawing upon drinking water

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	supplies. Additionally, planning approvals will be easier & cheaper for Data Centres when colocated, and share the electricity supply investment. Hope these comments are included and valued as part of the review.
7	The words “optimism”, “optimistic”, “growth mindset” and “Intelligent Water Networks” are absent from the report. Given the Chair’s recent comments and participation in the Treasurer’s Economic Reform Roundtable last year, they deserve a place. Renewed water reform needs an optimistic, growth-oriented mindset, supported by collaborative networks such as IWN that turn innovation and shared learning into operational value.