WATER SERVICES
ASSOCIATION OF AUSTRALIA

Submission to the Productivity Commission's Public Inquiry into National Water Reform 2026

May 2026

Table of Contents

Introduction

Although the 1994 COAG reforms may seem recent, the reality is, that 1994 is closer to the moon landing than it is to 2026. That framework was built for a World that no longer exists. Thirty-two years is not an update cycle; it is a generation. Australia needs reform equal to the scale of what has changed, and to the scale of what is coming.

The Water Services Association of Australia (WSAA) welcomes the opportunity to provide a submission to the Productivity Commission's Public Inquiry into National Water Reform 2026. Given the short timeframe for this inquiry, our submission addresses key overall themes rather than providing detailed responses on all questions.

Globally, the water industry is in a fundamental transition of the same scale as the energy transition. WSAA released a major report, *Water in Transition: Rising costs and the decline of free environmental services*, analysing the underlying causes of the transition.

The terms of reference for this inquiry are therefore timely. Part A encompasses an assessment of the progress of national water reform. Part B focusses on critical issues facing the industry:

> The Commission should also examine all jurisdictions' water policy and regulatory settings required to support the long-term sustainability of Australia's water services industry, having regard to water affordability, productivity and other key priorities (housing supply, net zero transition, National Closing the Gap targets and the sustainable development of new industries, including data centres).
>
> The Commission should provide recommendations on approaches that Australian governments and the water services industry can take to improve the security, resilience and sustainability of water services, and support productivity and affordability, through consideration of:
>
> - pricing:
> - ensuring efficient resource allocation and the long-term financial sustainability of the water services industry
> - approaches to the challenge of balancing affordability with long-term service resilience.
> - economic oversight and regulatory design that:
> - balances national consistency with jurisdictional diversity
> - achieves efficient cost recovery while meeting distributional and social policy objectives
> - promotes proactive and sustainable asset management
> - is responsive to emerging challenges such as environmental contaminants
> - supports utilities' long-term planning, including investment in circularity and moving operations towards net zero.
> - governance options to improve the overall sustainability of the industry
> - regional and equity considerations, including structural challenges faced by regional and remote utilities.

Australia is facing an unpredictable geopolitical future, particularly in terms of global supply chains. Recently biofuels, fertiliser, plastic products and chemicals have dominated these concerns and the water sector has both opportunities and impacts across these areas. Nations including the UK and Canada are taking deliberate steps to minimise exposure to geopolitical risks and have recognised the role the water industry can play in producing biofuels and fertiliser from wastewater. Further the role of water in underpinning agriculture, resources, advanced manufacturing and data centres is burgeoning yet still requires careful government policy thinking and coordination.

Considering the water reform triennial assessment (Part A), to navigate the water transition, WSAA calls for a genuine commitment to national coordination. The National Water Agreement is floundering from a lack of engagement by all jurisdictions including the Commonwealth.

Despite investing billions of dollars in the energy transition, the Commonwealth Government has not committed to any investment for water for cities and towns, such as new financial incentives, to achieve a new National Water Agreement. This is despite national housing targets as well as national productivity relying on increased investment in water infrastructure. There is no 'Future Made in Australia' without secure, reliable and affordable water services. For their part, state and territory governments have not committed to a new National Water Agreement or perceived the value of coordinated action. Many have not recognised the scale of the investment challenges ahead and appear to be more focussed on the short-term affordability of water bills and their current budget constraints rather than the long-term investments required for the community.

The impacts on the water sector through climate change are severe and growing. The risks are not limited to water supply security but to flooding and dangerous storm impacts to the point where some urban zones are now uninsurable. Adapting to these impacts will require serious long-term investments.

The most climate resilient new water supplies are desalination and water recycling. Yet outside of the capital cities, water supplies of some regional centres have been secured, notwithstanding the efforts of local governments, through fortuitous and timely rain rather than coordinated and clear forward planning and investment. The risks that of small to medium sized regional centres running out of water particularly in severe drought are not remote, and for inland centres one of the only plausible new water supply options is purified recycled water. This requires not only community support but clear policy and regulatory settings and work should be undertaken now to ensure smooth decision making. This will require all levels of government to come together through the National Water Agreement to navigate a consistent policy, regulatory and investment framework to react quickly to severe drought.

WSAA considers that at this stage a joint commitment to national action is more critical than the specific form of that action. WSAA considers that the primary contribution the Productivity Commission's inquiry can make is to set out the case for further reform

Navigating these issues will challenge utilities, governments, stakeholders, customers and communities. This warrants exploring new approaches. Options sometimes floated include a national regulator, changes to the corporatisation model, amalgamations or structural reform. In our view, no option should be off the table – all approaches have potential pros, cons and legacy aspects that need to be considered given sufficient time and clear-eyed consideration.

This submission provides comments on Part B of the inquiry's terms of reference this submission about:

- pricing
- economic oversight and regulatory design
  governance options
- regional and equity considerations, including Closing the water for people and communities Gap.

Findings and Recommendations

Key findings

- Australia's national water reform settings are outdated for the scale of change now facing the sector; the 1994/2004-era framework is not designed for the 2026 operating environment.
- The water sector is undergoing a structural "water transition" comparable in scale to the energy transition: declining "free" environmental services, tighter health/environment expectations, and climate variability are pushing systems toward more engineered, capital-intensive solutions (e.g., higher treatment, recycling, desalination).
- A permanent step change in investment is underway: WSAA projects capital expenditure will approximately double to about $13–15 billion per year, driven by growth servicing, climate resilience, regulatory change, and renewal of ageing assets.
- Underinvestment has high, compounding costs (public health, environmental harm, service failures and economic disruption), as illustrated by international examples and growing risks in Australia's ageing networks. Underinvestment fuels intergenerational inequity.
- Asset renewal rates implied by recent replacement data are inconsistent with long-run sustainability (implying implausibly long asset lives), indicating renewal needs are being questioned or deferred despite ageing risks.
- Real price rises are unavoidable to fund sustained investment; deferring price adjustments increases future bill shocks and worsens intergenerational equity outcomes.
- Australia's regulatory settings are still too focused on a "steady state" paradigm and short-cycle efficiency tests, rather than managing long-term risk and resilience.
- Regulatory fragmentation is increasing duplication and inconsistency across economic, health, environmental and planning regimes, raising compliance burden without clear customer or environmental benefit—especially for regional and remote utilities.
- Price increases alone will not ensure that utilities are financially resilient: there is a trend across utilities of accumulating high debt; WSAA estimates $20–40 billion in equity injections may be needed over the next decade.
- Regional water reform remains unfinished: smaller customer bases, constrained capability, fragmented planning, under-pricing and grant dependence undermine sustainability; clearer state-led coordination is needed.
- Closing the Gap for First Nations communities requires substantial and sustained capital and operating funding, improved indicators and monitoring, and attention to wastewater/sanitation (not just drinking water).

Key recommendations

1. Commit to a national “reset” through a renewed National Water Agreement, with genuine engagement by all jurisdictions (including the Commonwealth) and clear accountability for delivery.
2. Refocus economic regulation to support long-term sustainable prices and the investment transition—explicitly recognising long-term risk, resilience and intergenerational outcomes.
3. Strengthen the role of customer engagement so it consistently influences regulatory decisions.
4. Manage affordability through targeted hardship and vulnerability programs, rather than deferring or cutting necessary investment; pursue steady, predictable price paths to avoid sharper future shocks.
5. Embed earlier and broader system coordination into regulatory processes (economic, health, environmental, planning and customer), to reduce duplication, resolve conflicts, and align price reviews with water security planning, asset renewal and net-zero/circular economy obligations.
6. Adopt consistent, rigorous regulatory impact analysis for water-sector reforms across jurisdictions, including transparent costings, feasibility assessment and explicit justification where jurisdictions diverge from nationally consistent settings.
7. Develop national principles for developer charging so developers make a fair contribution to growth infrastructure.
8. Moderate water-utility dividend expectations to free up internal funding for renewal and resilience investment.
9. Plan and deliver significant equity injections/direct shareholder funding (state/territory—and where appropriate Commonwealth) to maintain utility financial resilience during the investment step change; treat water as a national enabler comparable to energy in funding priority.
10. Improve transparency by establishing an annual, public stocktake of utility financial resilience, pricing and governance (similar to Ofwat-style monitoring) to complement periodic price reviews.
11. Strengthen state-led regional water security planning and oversight, with targeted CSO-style funding (particularly for high-cost regional utilities) in place of ad hoc capital grants.
12. Accelerate Closing the Gap investment: fund priority capital works and commit ongoing operating funding to maintain assets; expand funding to wastewater/sanitation in First Nations communities within 3–5 years; and expedite practical indicators/data for Target 9B.

About WSAA

The Water Services Association of Australia (WSAA) is the peak body representing Australian water utilities. Our members provide water and wastewater services to over 24 million customers in Australia and New Zealand and many of Australia's largest industrial and commercial enterprises. WSAA facilitates collaboration, knowledge sharing, networking and cooperation within the water sector. The collaborative approach of WSAA members has led to sector wide advances to national water issues.

Contact

WSAA welcomes the opportunity to discuss this submission further.

, Executive Director

The water industry is in a transition of the same scale as the energy transition

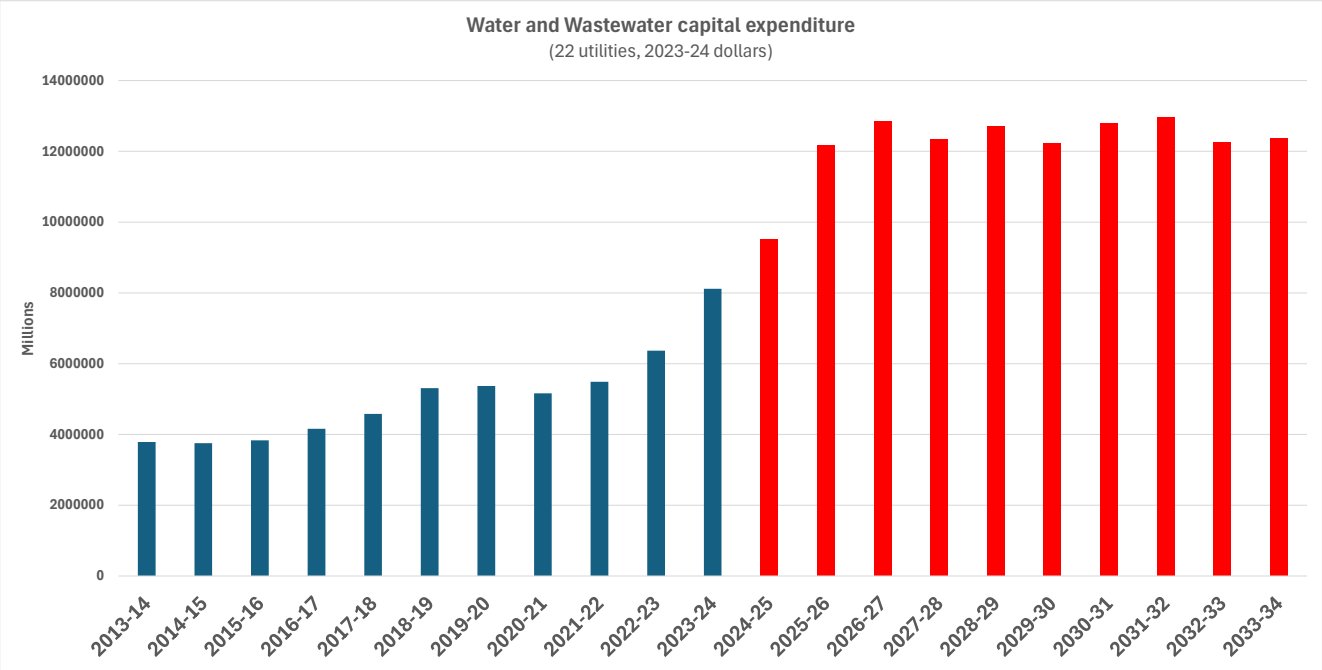
Response to Productivity Commission section: A2 Barriers and Emerging Risks

Globally, the water industry is in a fundamental transition of the same scale as the energy transition. WSAA released a major report, *Water in Transition: Rising costs and the decline of free environmental services*, analysing the underlying causes of the transition. That report should be read in conjunction with this submission.

In summary, for centuries the water industry has relied on "free" natural capital inputs or "free" services from the environment (such as healthy rivers and waterways, and natural hydrological processes that replenish water flows). However, increasingly, the water industry must rely less on free environmental services and must produce water and wastewater services using conventional capital, assets and labour. This includes infrastructure systems to draw, treat, transport and discharge water of all sources and uses sustainably and with less reliance on rainfall.

At the same time the water and wastewater assets that were installed many decades ago are ageing and require major upgrades to continue to deliver services. The impact of the water transition and ageing infrastructure has profound implications for the future of the industry.

In Australia these trends will result in a permanent doubling of capital expenditure to $13-15 billion a year (Figure 1):



Source: National Performance Report data, WSAA projections

Figure 1: A step change in investment in water and wastewater is occurring

The transition is manifest in higher expenditure needed to:

- provide water and wastewater for housing and business to support population growth
- provide water security in a changing climate, where rainfall patterns are more variable, including to new industries such as data centres
- comply with changing regulations[1], and
- maintain and renew ageing assets.

Similar changes are also occurring in the UK and the USA. In the US, prices for drinking water alone are expected to double to move beyond the asset replacement era[2]. In the UK:

> "Looking ahead, a significant increase in investment across the water sector is required. Our PR24 final determinations support record levels of spending by water companies over 2025-30 (AMP8): £104 billion – including a quadrupling of investment in new infrastructure and resources."[3]

Consequently, prices are rising in real terms across the UK by an average of 36 per cent and up to 50 per cent for some utilities. The UK is remaking its regulatory framework to better handle the challenges the water industry faces, following a comprehensive independent review[4].

The water sector is committed to the long-term interests of customers. To support our customers and organisations through the water transition, water utilities are taking action to strengthen productivity, resilience and service delivery by:

- developing and implementing long-term asset management plans
- improving procurement approaches to drive efficiency and provide clear signals to the market
- investing in a safe, healthy and capable workforce
- maximising the use of technology, data and AI.

All policy makers in Australia must recognise that water is not in a steady state. A policy reset is required to ensure the industry has the operational and financial resilience to deliver the scale of investment required for the long-term interests of customers.

[1] Examples include changes to requirements for dam safety, security of critical infrastructure, managing the potential impacts of PFAS and other emerging contaminants on water and wastewater systems.
[2] American Water Works Association *Beyond the Replacement Era: Balancing Compounding Infrastructure Needs With Household Affordability*, March 2026 - estimates more than $1 trillion [USD] nationwide over 25 years (2011-2035) to replace and expand aging drinking water systems.
[3] OFWAT, *Monitoring Financial Resilience Report 2024–25*, November 2025
[4] The UK Government commissioned an independent review led by Sir Jon Cunliffe. Final report June 2025.

There are high costs from underinvestment

Response to Productivity Commission section: A2 Barriers and Emerging Risks

As set out in the 'Water in Transition' report, underinvestment in water infrastructure inevitably leads to a water crisis. This script has been written many times and it only ends one way. The report sets out the water crisis in the UK water industry that has led to fundamental changes to the regulation of the sector to encourage investment and protect the environment.

New Zealand is also suffering from the consequences of underinvestment in water and wastewater services. Since the major water quality crisis at Havelock North, which resulted in approximately 5,500 illnesses and up to four deaths, New Zealand has recognised that it has a major backlog of infrastructure investment. Estimates put the back log at $185 billion for a nation of 5 million people (https://infrastructure.org.nz/wp-content/uploads/2023/12/Infrastructure-NZ-Policy-Postions-Water-Infrastructure-002.pdf).

In the latest incident on 4 February the Moa wastewater treatment plant on Wellington's south coast completely failed discharging millions of litres of wastewater a day into Cook Strait. For two days raw sewage was released 5 metres from the shore at one of Wellingtons most popular beached. "Discharge was then redirected to a long outfall which continues to release untreated sewage about a kilometre from the Tapeteranga Marine Reserve… the discharge continues at roughly 70 million litres per day" (The Conversation 17 February).

The Mayor of Wellington and the Prime Minister have announced an independent inquiry:

> "[the mayor] said the failure of the capital's wastewater infrastructure, and the impact it has had on communities, the economy and the environment were "com*pletely unacceptable" and an "independent and transparent" inquiry was required to determine the causes," (Moa Point sewage failure to be independently reviewed | RNZ News).*

At the same time the sector faces a once in a generation transition it also has a rapidly ageing asset base. As Infrastructure Australia states:

> "As Australia's water assets age and reach end of life, the services they provide may no longer meet health and environmental standards.
>
> Significant proportions of water and wastewater networks across Australia are concurrently reaching the end of their useful life and increased investment is likely to be required for asset renewals and upgrades over the coming decades.
>
> Ageing and poorly maintained wastewater and drinking water assets increase the likelihood of system failures, non-compliance and service disruptions, risking public health and environment protection outcomes. Continued investment in maintenance and upgrades of water and wastewater infrastructure is required to meet Australia's water needs, now and in the future."

System performance (leaks and breaks) has not deteriorated across Australia. However, the ageing of the network is real. Sydney Water outlined the current state of its major water and wastewater assets in its response to IPART's draft determination (Table 1. They make for sobering reading.

Table 1 Status of Sydney Water's major network asserts
(Excerpt from Sydney Water response to IPART's draft price determination)

Table 6: Critical issues in our major ocean systems

Asset	Age	Status / condition
Bondi Ocean Outfall Sewer (BOOS)	143 years	• Services approx. 15% of Sydney's population. • Brick lining is failing in multiple locations causing silt accumulation and reducing hydraulic performance of the sewer.
South and Western Suburbs Ocean Outfall Sewer (SWSOOS)	84 years	• Services around 40% of Sydney's population. • SWSOOS Section 2 prioritised for rehabilitation consists of 2 reinforced concrete box structures a third concrete lined tunnel. • Widespread acid attack on structures and lining with fallen concrete causing silt accumulation and reducing hydraulic performance of the sewer.
Northern Suburbs Ocean Outfall Sewer (NSOOS)	109 years	• Services around 25% of Sydney's population. • The original concrete lining is failing in multiple locations causing silt accumulation and reducing hydraulic performance of the sewer.

Table 7: Critical issues with drinking water assets needed to maintain system reliability and support rainfall independent supplies

Asset	Age	Status / condition
Watermain WMN01 (1800mm diameter)	137 years	• Decommissioned in 2014 due to poor condition but will be needed in a future configuration with RFIS and to support other major asset renewals • Lead in each one of its 2000 joints
Watermain WMN02 (1800mm diameter)	125 years	• Operational but condition is poor with constant leaks through corroded joints • Running at reduced pressure to manage risk
Watermain WMN03 (1800mm diameter)	100 years	As for WMN002
Distribution chamber at Potts Hill	100 years	• Operational but condition is poor • One wall held in place by temporary brace

In 2025 WSAA data indicates that Australian utilities replaced 0.14 per cent of the water network and 0.18 per cent of the wastewater network.

At this rate the implied asset lives of the networks would need to be hundreds of years. While there may be limitations to this data, this data hardly supports a view that the Australian water industry is too risk averse in maintaining assets. Yet efficiency reviewers for price determinations are quick to question whether renewal investment is required, while governments are focussed on servicing population growth rather than maintaining existing capacity.

Price rises are inevitable to support investment – regulation should be reset to provide long term sustainable prices

Response to Productivity Commission section: B1 Pricing and economic regulation

Higher and sustained investment must be supported by additional revenue, including unavoidable higher prices to customers. Figure 2 shows that bills across the country have been flat for over a decade – but reflecting the rapid increase in expenditure, are now beginning to increase. In Australia significant real price rises will be necessary, and these must continue at a steady pace if the industry is to be financially resilient.

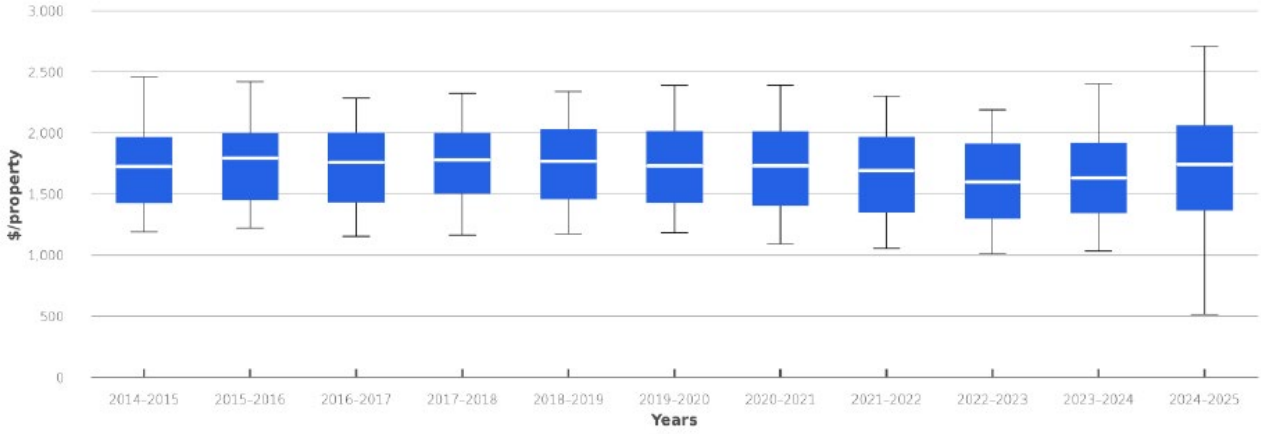


Figure 2: Typical residential bill: drinking water supply and wastewater ($) for all service providers, 2014-15 to 2024-25

In the UK, the recent price review process (PR 24) has prices rising in real terms across the UK by some 40 per cent.

Price outcomes should be managed through steady, predictable adjustments rather than deferring costs and creating sharper future shocks. Adjustments should be accompanied by targeted and effective support to protect customers experiencing hardship and vulnerability.

Economic regulation should be reset to focus on providing long-term sustainable prices to support the long-term interests of customers.

Collectively, recent Australian price determinations demonstrate that economic regulation must evolve from managing a steady-state sector to guiding a long-term investment transition, with greater emphasis on risk, system resilience and intergenerational outcomes, while maintaining transparency, independence and customer trust. In our view:

- Regulatory reform must be based on an explicit recognition of the scale and ability to sustain the required investment transition
- Greater weight should be given to long-term risk and life cycle assessments when assessing “efficiency”.
- Affordability concerns should be addressed through programs to support customers experiencing hardship and vulnerability, not investment deferral.
- Strong regulatory independence is increasingly important.
- Earlier and broader system coordination should be embedded in regulatory processes.
    - In recent determinations we have seen very large changes between the draft and final reports. It might be argued that this reflects the regulatory process

working as it should in response to comments. However, a close review of the determinations showed that the draft reports did not adequately incorporate key health, environmental or other stakeholder issues that were already in the public domain. As set out below, the evolution of the “propose response model” is required to manage a more complex regulatory environment.

- Customer engagement outcomes must play a more substantive role in regulatory decisions.
- There should be national principles for developer charging to ensure that developers make a fair contribution to the high costs of growth infrastructure.

Water regulators need to talk to each other and work together

Response to Productivity Commission sections: B1 Pricing and economic regulation, B2 Governance, accountability and coordination, B4 National consistency and intergovernmental coordination

The traditional “propose–respond” model requires evolution to handle a more complex and demanding operating environment. The traditional model focusses heavily on the utility and economic regulator engaging formally every four years, with limited opportunities for customer and other stakeholder input. This approach is not well-aligned in a multi-agency regulatory framework, which is creating competing and conflicting priorities. The timeframes have also been challenged by the emergence of new large water use customers such as data centres who prioritise speed to market and certainty. See Box 1 for commentary on the optimal regulatory balance.

The water industry supports effective regulation to protect public health, customers and the environment, and recognises that these arrangements have generally served Australia well. The sector supports regulation that is practical, proportionate and outcomes-based in delivering safe and secure drinking water and wastewater services.

Utilities are increasingly finding that regulatory requirements across different agencies are misaligned and overlapping, creating duplicated reporting and monitoring effort without delivering clear operational or community benefit. Greater collaboration and coordination between regulators within each jurisdiction are needed to streamline requirements and improve efficiency.

A further complication arises when regulatory requirements conflict with or fall short of broader government policy — as illustrated, for example, by the Productivity Commission's 2025 inquiry into Australia's circular economy (Report No. 107, Canberra). The report found that, despite national and state policy commitments to accelerate Australia’s transition to a circular economy, progress has been slow because businesses continue to face barriers including prescriptive, outdated and inconsistent regulations and coordination failures. Another example is the draft Tasmanian price review (2026), which severely reduced TasWater proposed Capex, despite the EPA indicating that only 9% of the wastewater treatment plants were compliant with environmental requirements. Such contradictions introduce tension and uncertainty for utilities, which must then navigate competing delivery expectations from both customers and shareholders.

The regulatory burden falls disproportionately on regional and remote water utilities, underscoring a critical need for greater proportionality and coordination in how obligations are designed and applied. The National Water Agreement reform presents a significant opportunity to address this directly, by fostering genuine coordination among states and territories to uplift capability across jurisdictions, collectively identify priorities, and present a unified basis for targeted Commonwealth intervention and investment where it is needed most.

Such alignment and coordination at the national level would also deliver tangible efficiency and productivity gains, reducing the cumulative regulatory burden across Australia by eliminating the repeated time, effort and cost involved in considering, consulting on, implementing and revisiting slightly different approaches in each jurisdiction.

Underpinning this improved coordination must be a more rigorous and consistent approach to regulatory impact analysis. Regulatory impact analysis that considers cost-benefit analysis and community expectations should be applied consistently to all water sector

reforms using a standard methodology that assesses costs, implementation feasibility, interaction with existing economic regulation, and the impacts of jurisdictional inconsistency. This should include early utility consultation, transparent assessment of capital, operating and compliance costs, and clear impact statements where jurisdictions depart from nationally consistent settings.

Scotland's Strategic Review of Charges 2021–2027 (SRC21) is a useful reference for the Productivity Commission's consideration of water utility governance, because it shows how regulatory coordination can improve outcomes without weakening accountability (See Case Study 1). It is representative of a shift to more effective regulation through clearer long-term objectives, better evidence, stronger application of customer input and more disciplined, adaptive investment decision-making.

Box 1: Optimising the regulatory balance

Striking the right balance in economic regulation requires navigating several core tensions. For example, maintaining independence of decision-makers while fostering agility and adaptivity in utility operations. Similarly, between collaborating on important regulatory matters, but avoiding regulatory capture. The Scottish WICS model (see Case Study 1) provides a good reform model which treads this balance and brings in customers and stakeholders more frequently than the formal price review cycles. Water Industry Commission of Scotland CEO David Satti recently noted[1]:

- "Judgement matters: A six member Commission in Scotland is there to exercise judgement on really important decisions that impact every water customer in Scotland. Models and analysis inform. They don't decide.
- You need to be close enough to understand: We place particular focus on understanding every aspect of Scottish Water and do so via constructive, continuous and trust based engagement. This approach is grounded in Ethical Based Practice and Ethical Based Regulation.
- But... distant enough to judge: Being closer gives you better insight and helps ensure more insightful challenge but the risks of capture and group think are real. We are conscious of this and ensure our regulatory system mitigates against this."

Equity injections or direct funding from shareholders will be required

Response to Productivity Commission sections: B1 Pricing and economic regulation, B2 Governance, accountability and coordination

The terms of reference include considering 'governance options to improve the overall sustainability of the industry'. Government shareholders are a key element of the governance framework.

Price rises alone will not be enough to ensure the long-term viability of utilities. As shareholders, State and Territory Governments have a role to play.

Governments have and continue to benefit from significant dividend payments from water utilities. Dividend payments have reduced in recent years as profitability across the sector has fallen. Given the high investment needs, it is appropriate that they moderate further, to free up internal funds for investment.

However, even with reduced dividends, utilities will still be heavily reliant on borrowings. Capital injections, equity injections or other forms of direct funding from Government shareholders will also be required on a significant scale to support higher investment without imposing an unreasonable burden on current future customers.

WSAA estimates that equity injections of $20 to $40 billion will be required over the coming decade if the Australian water industry is to remain operationally viable and financially resilient. Financial resilience is not an end in itself but a pre-condition to enable making sufficient investment to support the delivery of services in the long-term interests of customers.

There are two factors driving the need for equity injections. One is specific to parts of the water industry, and one is more general to all capital intensive business.

Firstly, prices are at unsustainably low levels for some utilities and this has accelerated a build-up of debt.

Costs across utilities (and under full cost recovery customer bills) differ for many reasons. For example, the scale of the utility, the density of its settlement, its geography and topography, the composition of its water sources (dams and rivers, groundwater, desalination and recycling) and the level it is required to treat wastewater to. However, its gearing levels (debt to its regulatory asset base), should not be among the factors accounting for differences in customers' bills.

This is not what WSAA is observing in Australia. There is a relationship where none should exist – there is a relationship between customer bills and gearing levels. In Figure 3 below[5], almost half of the variation in customer bills can be associated with the utility's debt levels. This relationship arises because unsustainably low bills have accelerated high debt levels, and a burden on future customers. Correspondingly, higher bills are correlated with lower more manageable debt levels. Major water utilities are now operating under a letter of comfort[6] from their governments because there are doubts they could meet their financial obligations and continue operating as a going concern.

[5] Major utilities cover the majority of the Australian population so represent a relevant data set. However the same relationship is not apparent if smaller council owned and non-dividend paying utilities are included.
[6] Whereby governments encourage utilities to continue to spend, despite potential reservations about their solvency

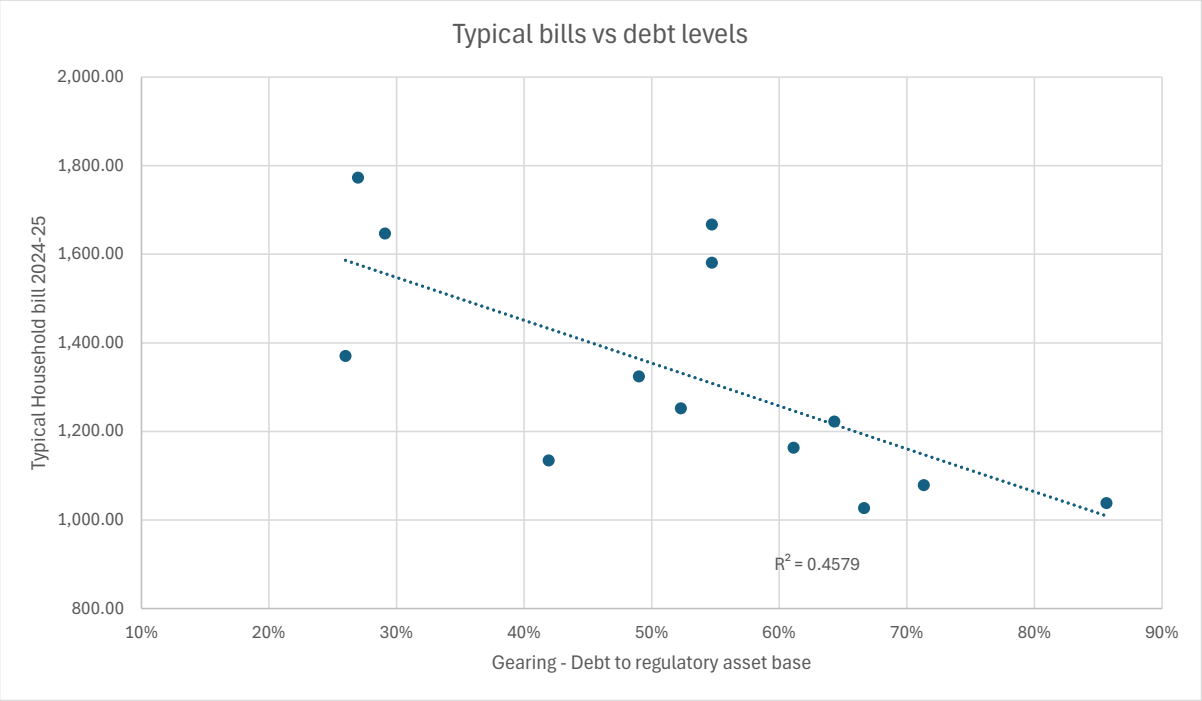


Figure 3 Typical bills vs gearing for major Australian retail utilities (WSAA data, 2025)

Secondly, the very high growth in capital expenditure being experienced across the industry (Figure 1) will further drive the need for equity injections. This is because most large water utilities in Australia operate on a commercial basis, borrowing to fund capital investment and repaying those loans over the life of the assets — often across many decades.

Like any commercial business, in a time of rapid investment, borrowings will increase. However, periodically equity injections are also required to ensure the utility remains financially resilient and debt remains at manageable levels. This is true of any infrastructure owner whether they are privately or publicly owned. This is not confined to the water industry; equity injections from shareholders are a natural and inevitable consequence for any capital-intensive industry undergoing high growth. They are consistent with a full cost recovery model. There is precedent for this in water – to name just one example, the Tasmanian government made an equity injection of $200 million to TasWater in 2018/19, to allow TasWater to speed up its renewal of ageing infrastructure.

UK equity injections, financial resilience monitoring and reporting

In the UK, the water industry is privately owned. One of the roles of the economic regulator is to ensure that shareholders provide additional equity when required to maintain financial resilience.

For example, in the UK, in November 2025 Ofwat reported that:

> Over the past year, companies have taken steps to strengthen their financial resilience. In some cases, action has been necessary to address financial challenges. In 2024–25, four regulated companies received equity totalling £575 million*, bringing the total equity injected into the regulated companies during AMP7 to nearly £5 billion. Since March 2025, a further £1.4 billion in new equity has been received or committed to support financial resilience, investment and performance improvements where needed.

It further reported that:

> Delivering this scale of investment requires substantial new funding – **both debt and equity**. [emphasis added]

In Australia this is not a challenge to be faced at some point in the future. State, territory and local government should be making equity injections now.

Water and wastewater services are essential to support the Commonwealth Government's national priorities, including housing supply, economic development and new industries. The Commonwealth Government should consider equity injections to the water industry in the same way it funds the energy industry.

In the UK, Ofwat has set a limit on debt funding at 70 per cent of assets. In its 2023-34 Monitoring financial resilience report it stated:

> For PR24 we signalled a notional gearing level at 55% within the final methodology, together with our view that gearing above 70% is above the level necessary for a water company to maintain long-term financial resilience.

When utilities have exceeded this level of borrowing Ofwat has insisted that shareholders provide more equity to maintain financial resilience. For example, most recently, Northumbrian Water received an equity injection from its shareholder. As reported by the UK Water Report[7]:

> Northumbrian Water has confirmed that it has received a £400m equity injection from CKI and KKR to support the company's £4.5bn investment plans for AMP8 (the current approved capital investment program):
>
> … At 31 March 2025, the Northumbrian Water Group reported debt/RCV of 72.4%, compared to average regulatory gearing across the sector of 67.9%. Fitch, at the time, estimated the Group needed around £300m to maintain gearing below 70% by 2030.

In Australia, a number of utilities already exceed a 70 per cent debt to regulatory assets ratio. Several utilities operating under letters of comfort face solvency issues on a stand-alone basis. If the UK rules applied to Australia, we estimate that at least 6 utilities across three jurisdictions would require equity injections immediately and this will affect many more utilities in the future.

If a regulator supports a higher gearing ratio it should release a comprehensive analysis setting out how utilities with a high capital program can maintain those gearing levels without equity injections or whether it is assuming substantial price rises from future customers to maintain financial resilience.

Transparency is critical across the water sector. Annually Ofwat releases a report on the financial state of the industry entitled 'Monitoring Financial resilience'[8]. Australia could implement this too. The Australian annual water reporting framework, the Bureau of Meteorology's National Performance report, contains limited financial data. There is no comprehensive assessment available for Australia and individual economic regulators have not taken up this role on a jurisdiction by jurisdiction basis. This is an opportunity for improvement, and would help to 'hold utilities and regulators to account' on a more timely, agile basis than pricing reviews every 4 or 5 years.

[7] The Water Report, The week in water 7 April 2026
[8] Monitoring Financial Resilience 2024-25 report here

WSAA recommends that as part of the Productivity Commission's existing remit in water, it conduct and release a similar financial stocktake on the financial resilience, pricing and governance of utilities across Australia.

A national reset is required and the Commonwealth has a role to play

Response to Productivity Commission sections: B1 Pricing and economic regulation, B2 Governance, accountability and coordination

There is no future made in Australia without water. Through the National Competition Policy in the 1990s and the National Water Initiative in the early 2000s, the Commonwealth has supported nationally agreed principles and arrangements for urban water for over 30 years.

The Commonwealth should continue in this role, while state and territory governments retain the primary responsibility for detailed policy settings, regulation and service delivery within their jurisdictions.

The Commonwealth can use incentives to drive reform, supporting national priorities such as housing supply, economic development and enabling new industries (e.g. data centres) via the renewed National Water Agreement or other measures. Otherwise, national housing targets will not be achieved and the potential productivity lift from data centres will be lost. In the UK, housing developments are blocked in five counties because of a lack of water, and data centres are reporting moving offshore to prioritise countries where water is available. The Commonwealth Government's Expectations of Data Centres[9] are a step in the right direction and the water sector looks forward to supporting and enabling data centre expansion in a sustainably way.

Furthermore, water research and science are critical enablers of effective, resilient and efficient water system management. However, they are too often treated as implicit functions rather than core capabilities needed to support the sector's long-term performance. Short-term and episodic funding places the sustained research required for evidence-based decision-making at ongoing risk. Unlike comparable sectors, the water sector does not have a dedicated and enduring national mechanism to fund, coordinate and translate research into policy, planning and regulatory practice. This limits the sector's ability to scale innovation beyond pilots, share productivity gains nationally, and ensure that decisions are supported by a robust and current evidence base.

The Commonwealth should put in place the enduring national leadership, capability and accountability required to implement and administer the National Water Agreement. The current operating model for most water utilities was set out in the National Competition Policy reforms of the 1990s. Roles and responsibilities within states and territories across policy, regulation and service delivery have blurred over time, weakening accountability and decision-making. The current trajectory of this model through a death of a thousand cuts is not in the long-term interests of customers.

The renewed National Water Agreement provides a direct opportunity for the Commonwealth to strengthen the national water science base. By taking a stronger stewardship role, the Commonwealth can help ensure science-based decision-making becomes an expected foundation of national water reform, rather than an aspiration. Without this, the ambitions of the reform agenda will be difficult to achieve.

WSAA recognises that governance arrangements may naturally evolve over time in response to a more complex operating environment. Nevertheless, it is important to ensure that governance arrangements remain fit for purpose – particularly in a time of transition.

[9] March 2026, Expectations of data centres and AI infrastructure developers | Department of Industry Science and Resources

Northern Ireland provides a case study of the problems a lack of role clarity can provide (Case Study 2)

WSAA recommends that as part of a new National Water Agreement, jurisdictions clarify roles and responsibilities between governments as policy makers, and shareholders and utilities as service providers. This could occur via the Minco process, with jurisdictions presenting to the national water ministers and making recommendations. In doing so they should ensure that governance arrangements continue to promote transparency and accountability and ensure the ongoing financial viability of the industry.

The outcome of this process could involve recommitment to the corporatisation model, or explicitly identifying setting out the governance arrangements that each jurisdiction considers best positions the water sector to meet the long-term interests of the community.

Water reform in regional Australia is unfinished business

Response to Productivity Commission section: B3 Regional, remote and equity considerations

Water and wastewater services are essential to supporting housing supply, economic development and new industries in regional Australia. Many businesses in regional Australia are substantial contributors to Australia's GDP, 'punching above their weight' in output relative to size.

Regional utilities face amplified water supply security, water quality and funding challenges, with smaller customer bases and constrained capability.

State governments are closely involved in metropolitan water supply planning, where major investments in dams, desalination, water recycling and drought security are treated as matters of state significance. In regional areas, planning for town and city water supply is often more fragmented and left largely to local water utilities, with less consistent state oversight, investment and strategic support. This inconsistency in planning and governance should be addressed through a more coordinated state-led approach to regional water security, with clearer long-term planning frameworks, stronger institutional support and targeted investment to ensure regional communities are not left behind.

The detail, consistency and availability of drinking water quality reports continues to vary for regional and remote areas. WSAA supports the Productivity Commission's previous recommendations for transparent reporting of drinking water quality reports accessible to customers.

In our view, the operating context and features of water suppliers have not changed since the Productivity Commission's assessment in 2020:

> "Ongoing under-pricing of some water services, alongside continued grant funding, indicates that some providers are not financially sustainable. Where utilities do not earn enough revenue to cover ongoing operational and maintenance costs, they are unlikely to be able to fund the infrastructure renewals necessary to maintain service standards over time, including maintaining water supplies during extreme events." *Productivity Commission (2021). National Water Reform 2020 Inquiry Report no. 96 – Urban water services regional and remote communities. Supporting Paper G, p13.*

We support the Productivity Commission's repeated recommendations for better targeting of State government assistance to provide high-cost utilities with additional resources so that they can maintain adequate services to customers. WSAA strongly supports establishing a community service obligation (CSO) for NSW and Queensland regional local government water utilities. Governments need to replace capital grant funding with CSO payments. Capital grants can be prone to political favouritism, and overly focussed on providing the initial asset with insufficient regard for the ongoing costs of operating and maintaining it.

CSO payments are more transparent and timely, and better able to fund improvements holistically and meet the actual gaps utilities face. Those payments should not be competitive, should be tied to capital expenditure and should target low performing, unviable or high-cost regional and remote water services, regardless of other changes across the water industry.

Despite active regulatory reform for local water utilities in NSW, especially water utility strategic planning and infrastructure construction works approvals, WSAA supports the

NSW Water Directorate's analysis that the regulatory framework has remained unnecessarily prescriptive and onerous, leading to significant delays in delivering infrastructure solutions.

Structural models

Across Australia, states, territories and local governments have implemented a range of urban water supply delivery models. For example, some utilities are vertically integrated from drinking water supply and reticulation, sewerage and some stormwater, such as in South Australia and Western Australia; while in others, there has been structural separation between bulk water supply, distribution and retail functions —such as in Sydney and Melbourne. WSAA's Water360 website provides a good breakdown here.

A key learning from Australian urban water sector reform is that there are multiple ways to achieve financially sustainable business models, and no one size fits all solution. In particular, different approaches have been applied to manage the challenges of financial viability and scale in regional areas. Commercial models that achieve scale economies can operate under local government ownership and management or collaboration. A transparent CSO arrangement can subsidise services where regional services cannot provide water of adequate quality at a price that customers can afford. Successful reform requires coordinated transparent oversight and appropriate incentive and monitoring arrangements to ensure collaboration of regional governments and utilities.[10]

Rationalisation of water suppliers into a smaller number of independent utilities has improved water sector financial resilience and resource capability. It provides for financially sustainable businesses, an ability to attract skilled management and staff, more affordable services and better customer outcomes.

States have adopted a range of structural solutions. For example:

- The Tasmanian approach has been to achieve scale in operations through amalgamating regional utilities under joint council ownership to deliver a program of asset upgrades.
- In South East Queensland, there are a number of commercial corporatised utilities, owned by local councils.
- Victoria has rationalised water utilities to 18 state-owned statutory corporations independent of local government, with 13 in regional areas. This combines sufficient economies of scale with a strong connection between water services and the local communities they serve.

[10] WSAA submission to Productivity and Equality Commission's Review of Alternative Funding Models for Local Water Utilities Investing in regional NSW essential water services

Major investment is required to Close the Gap

Responses to Productivity Commission sections: B3 Regional, remote and equity considerations, B4 National consistency and intergovernmental coordination

Significant capital and operating investment is needed to address ongoing disparities in water and wastewater service standards between First Nations and non-Indigenous Australians.

WSAA's Closing the Water for People and Communities Gap report found:

- Multiple and regular exceedances of the Australian Drinking Water Guidelines for analytes including uranium, arsenic, fluoride, manganese and nitrate.
- Over 500 remote communities without any water quality monitoring, making it difficult to verify that drinking water is safe to drink, in other Australian communities an absence of monitoring would lead to water being classified as unsafe to drink.
- Underinvestment in the order of $2.2 billion in drinking water quality. There is also underinvestment in water security and wastewater services leading to risks to public health and the environment.
- High variation in implementing the Australian Drinking Water Guidelines for First Nations communities across Australian states and the Northern Territory.
- Complex and varied governance models across the country.

Based on information from state and territory governments and water utilities, we estimate over $700 million in capital investment from all governments is required over the next 5 years to reduce the risk to First Nations communities from water and wastewater services. State and Territory governments and water utilities have indicated a commitment of at least $500 million in capital funding over the next 5 years. This provides the Commonwealth Government with an opportunity to fund $200 million to reduce the highest risks to communities.

A further $250-300 million of operating funding over the next 5 years is required from all governments to operate and maintain infrastructure to ensure the intended outcomes of the capital investment are achieved. State and territory governments have committed at least $200 million over 5 years in operating funding, leaving a significant gap of at least $50 million over 5 years.

Recognising the funding rules of the Commonwealth, WSAA strongly supports a refreshed model where the Federal Government proportion of funding for capital investment is increased to recognise that the States and Territories take on a significant burden in operating and maintenance costs over many years.

The National Water Grid in its expansion to funding remote and rural communities has developed a well supported and mature model which should be continued. WSAA recognises that at this stage:

- Aesthetic water quality issues are often deprioritised compared to microbiological and chemical health risks, which is understandable. Yet in many hundreds of communities the water may be safe but unpalatable (taste, colour and/or odour), leading people to avoid tap water and substitute with other drinks, with significant health impacts (risk of diabetes, kidney issues etc). We recommend aesthetic water quality is given greater attention and funding into the future.
- Wastewater (sanitation) services are not generally supported and we strongly urge all governments to begin allocating funding to wastewater services in First Nations communities in the next 3-5 years for health, environment and liveability benefits.

The Closing the Gap Targets were announced by the Australian Government in 2021, with an end date of 2031. After 5 years, indicators for water and wastewater services are not defined and Target 9B is not able to be reported against as there is no data source currently available which includes all required data elements.

We understand there is some work underway in jurisdictions across Australia attempting to develop indicators for Target 9B (e.g. Northern Territory, Queensland, NSW). However, the work is challenging and delayed by trying to incorporate all essential services. Continued delays risk knee-jerk reporting requirements as the 2031 date for Closing the Gap approaches. Rather than wait for governments, the WSAA Board decided in November 2025, that WSAA is in the best position to develop potential indicators on behalf of organisations that are delivering First Nations water programs and we commenced this work in January 2026.

CASE STUDY 1: Scotland's review to regulating water prices — coordinated regulation and improved governance

Context and drivers for reform

Scotland's Strategic Review of Charges 2021–2027 (SRC21) provides a useful example of how economic regulation can be redesigned to support safe, secure services, environmental protection and long-term utility performance. The review process recognised that while existing regulatory models had delivered benefits, including improved efficiency and customer focus, the bigger issue was whether the existing determination model was still fit for the new and emerging challenges facing the water sector.

The review was prompted by four connected problems:

(i) The traditional price review process had become too adversarial, limiting openness between Water Industry Commission for Scotland (WICS - as the economic regulator), and Scottish Water.

(ii) The sector faced long-life asset decisions where underinvestment or poor sequencing could affect customers well beyond a single six-year regulatory period.

(iii) The existing model relied heavily on fixed investment lists, which encouraged delivery against agreed outputs but gave limited flexibility to respond to changing risks or to pursue better whole-of-life options.

(iv) Customer and community views were not sufficiently embedded in ongoing decisions about service priorities, bills and long-term asset stewardship.

The Scottish Government's net-zero objective and increasing climate pressures made these weaknesses more material. A price review model designed mainly around short-period cost control was not well suited to decisions about resilience, asset renewal, carbon and intergenerational equity.

How the model works

SRC21 moved the process from late-stage consultation to structured co-design. Rather than asking stakeholders to comment once the core regulatory positions were settled, WICS established mechanisms for sustained engagement between the economic regulator, Scottish Water, customer representatives, government and quality regulators (environment and health). The purpose was not consultation for its own sake. It was to create a common evidence base, reduce duplicated effort, and expose assumptions earlier, before they became locked into regulatory or investment positions.

The investment framework also changed. The previous approach centred on a business plan and a defined list of projects for the regulatory period. SRC21 shifted toward a Strategic Plan and an Investment Planning and Prioritisation Framework. This created a rolling process in which needs and opportunities could move from a long-term list, through prioritisation and development, to committed delivery. Scottish Water retained responsibility for planning, prioritisation and outcomes, but stakeholders had structured points to review needs, challenge assumptions and assess whether proposed investments aligned with ministerial objectives, customer expectations and the sector vision.

This is the important regulatory design point. SRC21 did not replace scrutiny with trust. It made flexibility conditional on stronger evidence and clearer accountability. WICS sought to move from “lowest cost within the control period” to “highest value over the life of the asset”, including consideration of carbon, social capital and natural capital.

Outcomes and lessons learned

The different approach taken through SRC21 helped build shared commitment around sustainable asset management, climate change, openness and transparency. Stakeholders regarded the process as worthwhile, despite the additional time and effort required. It also improved the capacity of the regulatory system to respond to change, including the introduction of the net-zero objective and the disruption caused by COVID-19..

The lessons are directly relevant to the Australian context and the scope of the Productivity Commission review. Collaborative regulation needs discipline: clear milestones, defined roles, transparent reporting, active constructive challenge, and visible change by both the regulator and the utility. It also requires engagement beyond the regular group of sector participants, so that customer and community expectations are shaped by genuine input rather than assumed through institutions talking amongst themselves. Coordination therefore needs to sharpen accountability, not blur it.

Australian relevance and barriers

For Australia, the Scottish case is relevant because water utilities already operate under multiple legitimate regulatory expectations: economic, health, environmental, customer, planning and, increasingly, climate, cyber security and resilience obligations. These requirements protect important public outcomes. The problem is that they are often developed, consulted on and implemented separately, creating overlap and reporting effort that does not always improve services or environmental performance.

A comparable Australian approach would require formal coordination between economic regulators, health departments, environmental regulators, customer forums and planning agencies. Price reviews would need to be better aligned with water security planning, asset renewal, wastewater and stormwater obligations, net-zero pathways and community expectations. Regulators would need to coordinate information requests, timing and expectations so that scrutiny is sharper but less duplicative.

The barriers are real and include fragmented jurisdictional arrangements, mixed utility ownership, uneven independent economic regulation, regional capability constraints, and ministerial intervention in pricing or investment decisions. Some may say these features make a single national model unlikely, others may consider such factors as good reasons to move towards a federal regulation model. The transferable lesson from Scotland is therefore not to copy SRC21 wholesale. Its value lies in disciplined, transparent and accountable collaboration that reduces duplication, improves investment decisions and keeps regulatory effort focused on safe, secure and environmentally responsible services.

Source: The above case study is based on the report, *Scotland’s Approach to Regulating Water Charges: Innovation and Collaboration,* by the OECD (2022) Available online: https://doi.org/10.1787/fcc8c6df-en.

CASE STUDY 2: Northern Ireland – fiscal risk from unresolved water funding and governance

Significant Investment shortfall through structural issues and no water charging exacerbating slow housing growth and poor environmental outcomes

Funding model and exposure

Northern Ireland Water (NI Water) is a government-owned, non-departmental public body responsible for all water and wastewater services in Northern Ireland. Households do not pay water charges; domestic services are funded through public subsidy, placing operating and capital costs directly on the public sector.[1]

Independent analysis has concluded this model is unsustainable. The Northern Ireland Fiscal Council has stated that domestic water charges are "inescapable" if infrastructure needs are to be met.[2] NI Water and its regulator estimate long-term investment needs of up to c. £7bn to address wastewater capacity, environmental compliance and resilience.[2]

Capital constraints and asset condition

Capital funding for NI Water has been repeatedly constrained. In 2024/25, its capital allocation was reduced from £590m to £321m as part of wider fiscal consolidation by the Northern Ireland Executive.[3] Sector reporting indicates that this has led to deferral of planned wastewater upgrades and increased infrastructure backlog, raising future whole-life costs.[4]

Public balance sheet and contingent liabilities

NI Water cannot raise capital independently and is financed through departmental loans supported by Executive guarantees against insolvency. Financial, environmental and delivery risks therefore sit fully with the public sector.[1]

The UK Treasury's April 2026 Open Book Review (as reported publicly) estimated that household water charges of around £465 per household could raise approximately £357m per year, indicating the scale of revenue currently substituted by public funding.[5]

Budgetary control risk

In 2024/25, NI Water's leadership advised that statutory obligations could not be met within the allocated budget, resulting in deliberate overspend to maintain safe core services. Sector and committee reporting characterise this as a consequence of unrealistic baseline budgets rather than discretionary spending.[4]

Environmental and legal risk

Underinvestment in wastewater infrastructure has contributed to pollution incidents and environmental degradation. The Office of Environmental Protection has opened investigations into whether wastewater discharges in Northern Ireland breach environmental law and whether public authorities have failed to comply with statutory duties.[6]

NI Water has historically been shielded from pollution fines due to underfunding, but this position is under review, increasing the risk of future enforcement costs and mandated capital expenditure falling on the public sector.[7]

Housing and economic spillovers

Wastewater capacity constraints are preventing connection of tens of thousands of properties, directly constraining housing delivery.[8] Media and independent analysis link these constraints to historically low levels of housebuilding, with wider implications for labour mobility, regional growth and public finances.[3] [8]

Limits of partial mitigations

Proposed developer contribution schemes and short-term funding uplifts are widely regarded as insufficient relative to the scale of infrastructure need. Sector and media analysis emphasises that without a durable funding reform, these measures defer rather than resolve long-term fiscal exposure.[2] [9]

Key learnings for Australia

The Northern Ireland case illustrates the risks that arise when essential water services are funded through politically constrained public budgets rather than a sustainable pricing and investment framework. Suppressed user charging combined with constrained capital funding has shifted costs and risks onto the public balance sheet, reduced transparency, and delayed necessary infrastructure investment.

For Australia, the lesson is not to replicate the Northern Ireland model, but to recognise the long-term fiscal, environmental and housing risks of under-recovering costs or deferring investment in water and wastewater services. Where funding, pricing, structural or governance arrangements constrain timely investment, liabilities do not disappear — they accumulate and ultimately crystallise through higher public spending, regulatory intervention or economic constraints.

Sources

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2. Financial Times, *Northern Ireland faces 'inescapable' prospect of charging households for water*, 10 June 2025.
3. Financial Times, *'Nothing can be built': Northern Ireland sewage crisis hits housing construction*, 1 December 2024.
4. Water Magazine, *Northern Ireland's draft budget signals tight capital outlook for water and wastewater*, 26 February 2026.
5. BBC News, reporting on Treasury Open Book Review of NI finances, April 2026.
6. Office of Environmental Protection, investigation notices relating to wastewater discharges, 2024–25.
7. BBC News, *NI Water could face stronger pollution fines under water quality reforms*, 4 March 2026.
8. BBC News, *Water problems are stopping me from moving back to my home village*, 22 March 2026.
9. BBC News, *Developers will be able to pay towards wastewater upgrades, says minister*, 20 March 2026.

CASE STUDY 3: Housing is a whole of government issue – but out of sequence growth is difficult and costly

Water and wastewater infrastructure is a critical housing enabler, but delivery is constrained by funding, sequencing and system coordination rather than statutory approval processes. Water utilities generally meet legislated and published timeframes for assessing development applications and connections, however there are no mandated timeframes for delivering major growth infrastructure. The provision of trunk water and wastewater capacity is contingent on planning alignment, capital funding decisions, network constraints and construction complexity. Servicing costs vary substantially—from low-cost infill (on average $5000 per lot) to highly expensive (in excess of $50,000) out-of-sequence or capacity-constrained growth—meaning infrastructure delivery reflects policy and investment choices rather than a guaranteed service entitlement. Where sequencing and funding are misaligned, water infrastructure becomes a binding constraint on housing commencements.

The central issue for housing delivery is uncertainty and misalignment across planning, funding and infrastructure provision. Water utilities prioritise growth servicing through approved capital programs and growth servicing plans aligned to government-nominated growth areas, structure plans and housing accords. Developments that fall outside agreed sequencing or require network augmentation cannot be given fixed delivery dates, as this would shift risk and cost onto existing customers and undermine system reliability. Delays most commonly arise from late changes to development staging, unrealistic growth forecasts and limited early alignment between land-use planning, housing targets and infrastructure investment. The system is intentionally designed to protect planned growth and community affordability, rather than optimise individual projects.

Improving housing outcomes requires earlier coordination, clearer expectations and shared accountability rather than prescriptive delivery mandates. Governments are encouraging utilities to move from reactive, asset-led responses to proactive, system-planned infrastructure delivery, with clearer growth servicing plans, better alignment with housing strategies and more transparent signalling of capacity and constraints. Feasible reforms include earlier agreement on infrastructure funding contributions, stronger alignment between planning agencies and regulators, independent assurance of growth frameworks (rather than project-by-project intervention), and clearer articulation of what utilities are—and are not—accountable for in enabling growth. These changes support the objectives of housing accords by reducing uncertainty, lowering long-term costs and ensuring water infrastructure enables, rather than delays, housing supply—without requiring major legislative change.

Further readings and evidence – key WSAA documents

Submissions

- Invest to avoid a water crisis: submission to IPART on NSW price determinations
- Submission to IPART's Draft Report – Review of prices for Sydney Water from 1 October 2025
- Submission to the Melbourne Water Price Review by the Essential Services Commission
- Submission to IPART's Draft Report – Review of prices for WaterNSW
- Submission to TasWater Price Review by Independent Pricing and Regulatory Tribunal
- Submission to the North East Water Price Review by the Essential Services Commission
- Submission to the NSW DCCEEW on local water utility funding models

Reports

- Water in transition: Rising costs and the decline of 'free' environmental services
- Sleepwalking into a water crisis
- Data Centres and Water in Australia: A resource for sustainable data centre development
- Closing the Water for People and Communities Gap: A review on the management of drinking water supplies in Indigenous remote communities around Australia
- Investment needed to Close the Gap for Clean Water and Sanitation in First Nations Communities