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Productivity Commission

Submission via email to waterreform2026@pc.gov.au

10 August 2026

Dear Commissioners,

RE: Submission to the National Water Reform Inquiry – Interim updates

Introduction

The Central Land Council (CLC)¹ welcomes the opportunity to provide a follow-up submission to the Productivity Commission's (PC) Inquiry into National Water Reform (**Inquiry**). CLC welcomes the PC's first and second interim updates that include and reflect the concerns in our previous submission on to the Inquiry.

The CLC is grateful to the PC for your visit to Central Australia and for meeting with our Executive Committee and staff to discuss our members' concerns and recommendations regarding the regulation and management of drinking water services in the Northern Territory (NT). This brief submission confirms and further details the feedback from those discussions focusing on recommendations in response to the first interim update – **Interim Update 1: Water Services Reform Directions**. Our previous submission covers our concerns regarding National Water Initiative (NWI) compliance in detail.

Overall, CLC hopes your visit to central Australia and our submissions highlight the extent of the need for water infrastructure upgrades, the political and financial barriers that impede water service delivery and the need for improved communication in remote communities about water services. CLC urges the Productivity Commission to make a strong recommendation that the Federal Government re-instate funding for the National Water Grid, and explore all avenues for Federal support and incentives for accountability and improved decision-making in the NT.

While this submission focuses on drinking water services, we note briefly for the PC's awareness the NT Government's latest comments about datacentres in the NT in particular that they will seek to move ahead with datacentres prior to national standards being set, and in fact have

¹ As you know, the CLC is a Commonwealth statutory entity established under the *Aboriginal Land Rights (Northern Territory) Act 1976* (Cth). CLC is also a Native Title Representative Body established under the *Native Title Act 1993* (Cth). One of CLC's statutory functions is to ascertain and express the wishes of Aboriginal people living in CLC region regarding the management of Aboriginal land and appropriate legislation concerning that land. As such, CLC has a longstanding mandate to ascertain, and advocate for, the rights, interests and aspirations of Traditional Owners and other Aboriginal people across 780,000 km² in the southern half of the Northern Territory.

rejected Federal Government's calls for regulating the industry.² In the context of our constituents' concerns about water management and the NT's increasing backsliding on best practice (as per our previous submission), this is deeply concerning and we seek that the PC makes strong comments for states and territories to ensure compliance with incoming national standards before rushing into projects.

As our Executive Committee members said:

'At the end of the day its people's lives. We are trying to push you so you can push the government to do it right. Everything we do is controlled by government and government is not listening to us. Water is the main source of life, for you and me and future generations. Government need to think.' Executive Committee member, 25 June 2026.

'We want water all the time, not depending on what's happening in the world.' – Deputy Chair, 25 June 2026.

Recommendations

1. National issues in water service delivery

1.1 National reporting standards

CLC agrees that nationally consistent reporting is essential to ensure accountability, comparison of services and equity across regions, and critically, to ensure drinking water remains a priority for federal government funding initiatives like the National Water Grid.

CLC supports the PC's suggestion that reporting standards could be included in national legislation.

Recommendation 1: Legislate national drinking water monitoring and reporting standards to apply to all utility providers providing public drinking water supply

Recommendation 2: legislated drinking water monitoring and reporting standards should include:

- a) Clear indication of compliance with the ADWG health and aesthetic standards;
- b) Minimum, maximum, average values for water compliance outcomes;
- c) Frequency and dates of testing undertaken;
- d) Boil water alerts, do-not-drink notices and other warnings including high nitrates with respect to bottle-fed babies;
- e) Where alternative supplies are being provided and for how long;
- f) Annual reporting with a requirement that the results are published within 3 months after the end of the reporting period;
- g) Requirements to consult on *how* these results should be published for relevant communities to ensure the information is accessible and culturally appropriate.

² [NT government opens door to global AI industry powered by Beetaloo gas - ABC News](#) 25 July 2026; [NT minister claims Earth's magnetic poles could flip if territory doesn't use more groundwater | Northern Territory | The Guardian](#) 23 July 2026; [Queensland and NT reject Labor's push to ensure that power-hungry AI datacentres use renewable energy | Datacentres | The Guardian](#) 29 July 2026.

1.2 Transparent, accessible and culturally appropriate reporting

As our Executive Members and remote residents made clear:

1. The NT Government and Power and Water Corporation do not provide information about community drinking water supply. Our members have said they would like information on water security, including the sustainability of the source aquifer (water storage against demand over time) and the status of the community's bores, tanks, treatment processes and other infrastructure and when they may need repair/replacement.³
2. Remote communities would like the NT Government and Power and Water to share how they prioritise infrastructure projects in each community.
3. Remote residents would like to know if and when leaks will be fixed, and who is responsible for fixing leaks (in the NT for example it depends: Power and Water Corporation manage community drinking water supply up to the meter at the edge of residential blocks, where responsibility swaps to NT Housing who hold the lease for the house and manage the infrastructure behind the meter).
4. The NT Government and Power and Water Corporation do not provide the existing information on drinking water quality in a culturally appropriate and accessible way for remote residents to encourage trust in their drinking water provision.

CLC supports Power and Water Corporation's detailed annual report on water quality for remote communities and recognises this is a vast improvement on other jurisdictions where this reporting is inconsistent or not publicly available. However, we note it could be improved by:

- a) Publishing the results more promptly after the reporting period to build trust and ensure transparency. We recognise that it takes a lot of work to publish the results however note that the most recent annual report for 2024-2025 financial year was published in April 2026, so the data is nearly a year old by the time it became publicly available.
- b) Co-designing a plain-English summary for each community (for example community essential service dashboards) for publishing online and physically in the community.
- c) Holding a meeting in each community with an interpreter where possible to accompany the delivery of this notice to provide background, answer questions and a follow-up contact as needed. CLC welcomes the NT Government's efforts to do this and to collaborate with the CLC in a few communities and encourages the practice to expand and continue.

³ As previously reported, CLC used to receive 'traffic light reports' annually from the NT Government that summarised communities' essential services infrastructure. This practice stopped in 2022. These were very useful in being able to understand where communities sit in terms of infrastructure needs. The CLC has been advocating for years to reinstate this important mechanism for transparency, and in June 2026 the NT Government shared the latest traffic light report with the NT Land Councils through the Joint Steering Committee on Housing. CLC welcome this and seek that it remains regular practice. We would like the next step to be co-designing plain-English and accessible summaries of this information for sharing with remote residents.

Overall, we emphasise that the national standards should consider not only what information is reported but how, so that it meets the needs of remote consumers. What is culturally appropriate and accessible will vary depending on the community and should be determined through consultation, however in our experience in central Australia some important ways this can be done is through for example:

- a) Summarising the findings in plain English and local language where possible and visual aids,
- b) Accompanying the written with verbal, face-to-face meeting to answer questions This works best when Government staff collaborate with local organisations and attach their meeting to a known committee with senior Aboriginal community members in attendance;
- c) Printing physical copies to put up at the community store noticeboard or as advised by senior community members.

Our remote residents and Executive further recommended the simple but important step that the utility provider send a notice about their works in the community (for planned, as early as the dates are known, and for emergency, as soon as practicable) that explains what the contractors are doing, when and why. They should also provide a follow up notice that explains what work was undertaken and the result (including water quality testing results). Remote residents expressed frustration that contractors often come out without any explanation or may say they are testing the water but never come back with the results. These steps as well as the above would go a long way in improving communication and building trust.

1.3 Reporting in homelands

CLC note that, as recognised by the PC, service providers in homelands in the NT do not currently undertake any drinking water quality reporting. While this must be addressed, it is essential that any changes are managed carefully and in collaboration with homelands residents, the NT Government Homelands team and the Homelands Service Providers to ensure:

- a) The data is appropriately explained, owned and controlled by the homelands residents so they can make informed decisions about their water.
- b) The data cannot be used to make any homelands ineligible for funding (for example, non-compliance with the Australian Drinking Water Guidelines must explicitly not impact eligibility for funding).
- c) The NT Homelands Team and Homelands Service Provider must be funded and supported to undertake this testing and reporting and to respond appropriately with a solution as agreed with the homeland's residents.

Recommendation 3: PC consider tailored advice for the application of national reporting standards for homelands based on further consultation with homelands residents, state and territory governments and service providers in homelands to ensure data is collected and used according to the needs of homelands, and there is appropriate funding and support to address water quality issues.

1.5 Reporting on essential services in National Parks

As raised by one of our Executive members from Mutitjulu, there is no public reporting of water quality at the remote community of Mutitjulu as it sits within the boundaries of the jointly

managed Uluru-Kata Tjuta National Park. Residents have expressed significant concern about this lack of information sharing and called for more transparency. Mutitjulu's essential service provision differs from the rest of the communities in CLC's region: sitting inside the National Park it does not come into the footprint of Indigenous Essential Services/Power and Water Corporation, instead the responsibility for essential services, including the provision of drinking water, rests with the Director of National Parks.

CLC has followed up with Parks Australia seeking drinking water quality data for Mutitjulu and we have not received responses, however we understand Traditional Owners are working with Parks Australia to resolve the issue through the Anangu Kapi Taskforce, a formally constituted Anangu-led entity under the joint the Uluru-Kata Tjuta National Park Board of Management.

We provide this example to demonstrate the importance of PC considering essential services delivery by Parks Australia elsewhere to avoid other communities potentially falling through the same gap.

Recommendation 4: PC consider the essential services provision and regulation for communities that fall within Commonwealth National Park boundaries and ensure proposed national standards for monitoring and compliance also apply through consultation with Parks Australia.

1.6 Closing the Gap target 9B: Essential Services parity

CLC agree with the priorities identified by the PC for self-determined improvements to water services and that many of these priorities align with Closing the Gap Priority Reforms and various targets, including primarily Target 9b for equitable access to essential services. However, a critical limitation of using Target 9b to call for these reforms is that Target 9b still lacks any agreed indicators or data sources. Without these there is no way to measure progress or use Target 9b to compel improvements in drinking water (and power) services.

The NT Land Councils and Aboriginal Housing NT proposed development of NT specific indicators with the NT Government however this process has not yet been agreed, and recommend this should take place alongside national processes to ensure national applicability and adoption.

Recommendation 5: The Australian Government prioritises working with Aboriginal peak organisations and Land Councils to establish draft agreed, consistent indicators, reporting arrangements and data sources for Closing the Gap Target 9b. This must be undertaken through partnership with Aboriginal community-controlled organisations to ensure the indicators and data sources meet the needs of those most impacted by the Target and are resourced appropriately.

2. Role of Australian Government investment and funding programs

2.1 Sustainable funding

The CLC is deeply concerned about the Australian Government decision to re-direct the uncommitted funding from the National Water Grid in the 2026-2027 budget. CLC's Executive Committee had provided support letters for critical proposals to replace and upgrade drinking water projects infrastructure that are at a high-risk of failure. Our members are concerned about what this means for future funding and the priorities of the Australian Government if drinking water safety is now up against all broader projects through the federal budget cycle. Addressing

the drinking water needs of remote communities requires dedicated sustainable, long-term funding.

Recommendation 6: The Australian Government re-commit long-term funding for the National Water Grid, with ring-fenced funding for First Nations water projects.

Recommendation 7: Ensure National Water Grid funding (and any other future funding arrangements) requires and prioritises First Nations infrastructure proposals with whole-of-life operational and context specific asset management plans and costings, local workforce capability development commitments, alignment with the basic level of service and evidence of community support.

Recommendation 8: Establish a national agreement for essential services that mirrors the Joint Steering Committee for Remote Housing NT through a partnership agreement, including transparency, reporting and dedicated funding for infrastructure aligned with housing programs.

2.2 Co-designed basic level of service

CLC support the initiative for a co-designed basic level of service for all remote communities managed by Indigenous Essential Services (the government-owned subsidiary of Power and Water Corporation that operates in remote communities) that:

- a) is based on public health improvement (not embedding current inequities)
- b) protects continuity of supply and pressure, not just quality of drinking water
- c) ensures emergency supply arrangements
- d) includes wastewater and sewerage systems
- e) culturally appropriate and accessible public communication and reporting.

Recommendation 9: We reiterate previous calls for all NT Government funding for Indigenous Essential Services to support a basic level of service to be made through transparent Community Service Obligations.

2.3 Basic level of service in homelands

As previously supported and recognised by the PC, homelands – Aboriginal living areas where family groups live on traditional ancestral lands – are not serviced by Indigenous Essential Services and are most at risk of drinking water infrastructure failure and water quality concerns. However, the application of a basic level of service to homelands in the NT must be carefully considered in close collaboration with homelands residents and Homelands Service Providers. Without additional protections, support and consideration of all implications, overly onerous regulatory or administrative requirements may lead homelands service providers to pull out of service provision in homelands, or as above, impact on a homeland's eligibility for funding. In homelands, the emphasis must be put on financial and governance support and capacity building to bring homelands up to the standard, and ensuring residents have the information they need to make informed decisions about their drinking water service.

Recommendation 10: The Australian Government should consider specific bespoke funding arrangements for resourcing, a basic level of service in homelands. This should emphasise:

- a) building technical and governance capacity of service providers including support and training;
- b) an improvement-based rather than punitive approach

- c) ensuring transparency and accountability of service providers to residents; and
- d) State/Territory Government oversight of service providers compliance with their contractual obligations with meaningful avenues for addressing issues.

2.4. Remote Jobs and Economic Development Program

CLC agrees the Remote Jobs and Economic Development Program could be leveraged for more essential services roles. Yapa-Kurlangu Ngurrara Aboriginal Corporation manages an Essential Services Officer contract with Power and Water in seven remote communities and this is a model that could be extended with increased resourcing and capacity building for other Aboriginal Corporations and Homelands Service Providers.

3. Research

As the PC acknowledges, communities across the Northern Territory experience health and other impacts due to poor drinking water quality, lack of information, and lack of continuous access to safe water. This includes impacts relating to levels of heavy metals and other contaminants but also the environmental health impacts from hard and saline water.

CLC recommends more research is needed to compel reform, direct resourcing and address these issues, particularly on:

- a) The impacts of heavy metals and hard water on kidneys
- b) The costs of environmental impacts on the health system for example due to diseases resulting from sanitation and hygiene and degraded health hardware in homes.

Conclusion

Thank you for the opportunity to make this follow-up submission. We welcome any opportunities to discuss our recommendations further with the Productivity Commission.

Yours sincerely,

Les Turner

CHIEF EXECUTIVE OFFICER