

Submission to the Productivity Commission on the National Water Reform Inquiry

2024-02-02

Aurecon supports sustainable water management

Water is essential to every aspect of life and supports an array of environmental, social, and economic values. It is vital that Australia's water resources are managed sustainably.

Aurecon is a design, engineering, and advisory company. Our purpose is bringing ideas to life, to imagine and co-create with our clients a better future for people and the planet. We welcome the Australian Government's commitment to renew the National Water Initiative (NWI), sustain focus on water policy, and drive collaborative action across jurisdictions and regions to address current and emerging water priorities.

With extensive experience in the water sector - particularly as long-term advisory, design, and engineering partners to many of Australia's largest water utilities - and in other critical infrastructure sectors, such as energy, transport, and mining, that rely on and interact with water resources, we are privileged to support many utilities, businesses, government organisations, and others in the planning and management of their services and infrastructure to support Australian communities. This gives us insight regarding many significant challenges, and opportunities, to position Australia's water future.

In our submission we have chosen to focus on principles, outlined overleaf, that we feel would represent important qualities of the future NWI focus, and that build on the NWI Renewal Advice from the *National Water Reform 2020 Inquiry Report*.

We value being part of the Australian water sector and look forward to the findings of the Productivity Commission's review.

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See more about Aurecon at: <https://www.aurecongroup.com/>

Considerations for the National Water Reform Inquiry

Aurecon appreciates the vital importance of water availability, security, health, and resilience to our society, environment, and economy. We support and value the objectives for heightened national focus on critical water challenges through the National Water Initiative renewal. We also acknowledge advancements in coordinated national water management that have resulted since the onset of the first National Water Initiative, the focus it has driven, and the efforts made by many in public & private sectors, academia, governments, industry bodies, and others to sustainably manage Australia's water resources for now and into our future. With the National Water Reform Inquiry upon us, we provide two inputs for the Productivity Commission's consideration.

1. Outcomes from an industry discussion on 'challenging conversations for the water industry'

In May 2023, at the Australian Water Association's *Ozwater* conference (Australia's largest annual gathering of water professionals and stakeholders) Aurecon ran a 'challenging conversations' session that brought together over 60 people to map out the challenges the Australian water industry must address so that we can truly be considered as responsible water stewards. The cohort framed the important attributes of future water stewardship as statements about how the industry and broader society can respond:

- **We must:** strive for fairness and equity in water access and quality for all, including remote communities; elevate the place of cultural, social, and community values when making decisions about water use; keep water services affordable; recycle, reuse, and regenerate water resources in a circular economy future; play our part in ensuring water is playing its role in mitigating and adapting to climate change.
- **We should:** be more collaborative across industries to learn and innovate for better water resource management; be braver and encourage greater innovation, especially around new technology for water treatment, transfers, and sustainable infrastructure; strive to move faster, in a responsible way, to adopt water management innovations; continuously encourage jurisdictional cooperation and inter-regional collaboration for land and water management.
- **We will not:** assume community views about water, their connections to water, and values derived from water resources – rather we will consult, listen, and seek to understand; compromise future generations' chance to experience joy from water-supported natural wonders.

2. Building on the NWI Renewal Advice from the National Water Reform 2020 Inquiry Report

Aurecon notes the themes that have emerged from the 2020 Inquiry Report and support their framing as a focus for the 2024 inquiry. Below, based on our recent experiences working with Australia's largest infrastructure agencies, including most of Australia's large metropolitan and rural water utilities, we offer the following principles that would enhance a future National Water Initiative:

Theme	Detail
Evidence-based	<ul style="list-style-type: none">• The baseline context and risks for Australian water services on which the NWI priorities are built should be anchored in science and facts.• Responses for mitigation of climate related risks should be based on analysis which provides sufficient granularity to understand where needs are greatest.
System perspective	<ul style="list-style-type: none">• Decisions and proposed investments should be made in the context of deep understanding of the performance of end-to-end, and often cyclical, water systems, the changing contexts in which they operate, and how the proposed interventions will enhance overall system performance.• Acknowledgement that water systems and businesses are part of bigger, and changing economic/social value systems (energy,

	<p>circularity), and that strategies and investments should invest from a “future system” perspective.</p>
<p>Address unacceptable disadvantage and risk in the near term</p>	<ul style="list-style-type: none"> • Explicitly addresses indigenous, remote, and rural community disadvantage – further accelerates closing of the gap in provision of the most essential service to disadvantaged communities. • Forges partnerships to provide confident pathways to resolve water resilience challenges for at risk communities.
<p>Provides a catalyst for establishing foundations for the future, and collaboration for prudent and efficient work for long term benefit</p>	<ul style="list-style-type: none"> • Materially encourages expanded collaboration by Australian water businesses in finding contemporary solutions to common and emerging challenges (e.g., supply resilience; ageing infrastructure, etc.) to avoid unnecessary duplication of costs for Australian communities. • Helps accelerate pathways to industry resourcing and service models that can resolve critical skills gaps in managing regional water systems. • Identify and challenge current regulatory and corporate structures which inhibit the path to long run performance and resilience for management of these systems for the benefits of Australian communities. • Explicitly addresses intergenerational equity – investments today must have a story that stacks up for the communities of tomorrow.
<p>Elevates water literacy</p>	<ul style="list-style-type: none"> • Framing of the NWI establishes a public profile for water matters which further contributes to water literacy by communicating the facts of Australia’s water priorities and challenges, and further builds community awareness/acceptance of the choices needed to strengthen our water systems (dealing with ageing infrastructure; criticality of water recycling and circular economy solutions, etc.).
<p>Action orientation</p>	<ul style="list-style-type: none"> • Matches the extremity of supply, health and environmental risks for some regional/remote communities, and the barriers to addressing future needs, with boldness of action.

