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National Water Reform 2024
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

2 February 2024

Dear Commissioners

Unitywater submission to National Water Reform 2024

Thank you for the opportunity to contribute to National Water Reform 2024, an inquiry into the National Water Initiative (NWI).

Unitywater shares views from our position as an urban water services provider for a region of more than 5,200 square kms of South East Queensland, comprised of the City of Moreton Bay, Sunshine Coast and Noosa Regional Councils. Through our \$3.8 billion of water, wastewater, and recycled water infrastructure we currently serve more than 370,000 customer connections and a population of more than 800,000 people – projected to grow to over 1 million by 2031.

We exist for our customers, providing safe and reliable water services to enable thriving and healthy communities. Our services are essential to life and growth, with the ability to support liveable communities, and operate sustainably to maintain cleaner waterways, cultivate green spaces and model a circular economy.

We continue to support the intent and principles of the NWI and believe it has made a positive contribution to the broader national water sector and delivered a range of positive outcomes for Australians.

With some time having passed since the NWI's inception, we believe it should be renewed to reflect the progress that has been made to address earlier challenges and provide refreshed guidance for a common approach to navigating contemporary issues for the benefit of our customers and communities.

We provided detailed submissions to National Water Reform 2020 and broadly support the resulting renewal advice that resulted from the inquiry. We note the continuing relevance of the renewal advice and its role as a baseline for this inquiry.

We support the opportunities a renewed NWI can deliver as outlined by the Water Services Association of Australia (the industry body representing more than 100 urban water services businesses, including Unitywater) and place priority on:

- improving water security, diversity of sources and system resilience in a changing climate
- closing the First Nations water gap and achieving equity in services
- valuing the role of water in building productive, liveable cities, and



- unlocking circular economy potential with the re-use of water and operational by-products.

In addition, Unitywater recommends consideration of the following priorities:

- **Liveability and the use of water in emerging (greenfields) communities**

Liveable communities into the future, reliant on access to climate-independent water, is an area of policy which appears to be moving slowly relative to the speed of new housing developments, with the resultant long term water efficiency and use in design to create cool communities not yet integral to planning codes nationally.

Our concern in relation to this is for the longer term – that lowest-cost infrastructure funded by governments and developers usually involves a lack of water reuse or water sensitive design, with the potential for the creation of communities in the future being high temperature and relying on inefficient water and energy methodologies for cooling.

- **Recognising different approaches to achieving the best economic outcomes for customers**

Urban water services businesses in South East Queensland are not currently subject to economic regulation, but through mature business planning, effective governance and close connection to customers and community stakeholders, are achieving price and service outcomes in keeping with – if not better than – regulated peers around Australia¹.

Unitywater's ownership model sees customers across three local government areas represented by 30 councillors, as opposed to many other regulated utilities where owner's representatives are often a single shareholding Minister.

Consumer advocates have observed that economic regulation has the potential to be politicised, with short-term price reduction imperatives prioritised over consistent and sustainable investment in essential infrastructure, resulting in deferred investment being pushed to future generations to bear^{2 3}. Public commentary has also linked this approach with the failure of British water services business to manage the impact of wastewater on the environment and the near-collapse of Thames Water⁴.

- **Balancing any burden of new regulatory or reporting requirements with the outcomes achieved**

We understand and support the role of open and robust performance monitoring and reporting, to demonstrate the outcomes being delivered to customers and shareholders across a diverse range of metrics and that these should evolve to remain contemporary and fit for purpose.

¹ http://www.bom.gov.au/water/npr/npr_2021-22.shtml

² <https://indaily.com.au/news/2022/06/23/sa-caps-water-prices-below-cpi/>

³ https://www.sacoss.org.au/sites/default/files/public/Annual%20Water%20Briefing%20to%20the%20Minister_final.pdf

⁴ <https://www.theguardian.com/commentisfree/2023/jul/04/crisis-regulatory-failure-thames-water>



Water services businesses in Queensland are subject to a significant range of governance and reporting requirements, and assurance processes through internal and external audit.

For efficiency and effectiveness, regulatory or reporting changes should be considered with the aim of removing duplication and ensuring that the requirements directly foster a benefit or outcome that is commensurate with the inputs required to measure, monitor and report.

- **Facilitating engineering and digital technology innovation to improve customer and environmental outcomes**

Across the sector, urban water services businesses are committed to continuously improving service outcomes for customers and making positive contributions to the natural environment and efforts to address climate change. The leaps required to meet carbon and nutrient reduction targets, or create step changes in customer experience, will require new approaches to be developed, trialled and commercialised.

For further information on Unitywater's submission please contact Joshua Zugajev, Executive Manager Strategic Engagement on [mobile number] or at [email address].

Yours sincerely

Anna Jackson
Chief Executive Officer