

Draft
LGNSW Submission on *Productivity Commission*
National Water Reform Inquiry Issues Paper

August 2020

Table of contents

1. Opening	3
2. Background	3
3. LGNSW Advocacy Priorities	4
4. Assessing Jurisdictional Progress of the NWI, Adequacy to Meet Current and Emerging Challenges and Future Reform Directions	5
5. Water Security, Managing Extreme Events and Planning for Long-Term Changes in Climate	6
6. Water Accounting and Compliance	7
7. Managing Environmental Water and Indigenous Water Outcomes	8
8. Water Services and Planning in Rural and Regional regions	9
9. Other Issues	11
Ongoing Momentum of NWI Reform and Action	11
Water Quality	11
Capability and Capacity Building	12
Sustainability and Water Recycling	12
10. Conclusion	12
Attachment 1 - List of Recommendations	14

1. Opening

Local Government NSW (LGNSW) is the peak body for local government in NSW, representing NSW general purpose councils and related entities. LGNSW facilitates the development of an effective community-based system of local government in the state.

LGNSW welcomes the opportunity to make a submission to the Productivity Commission review of the National Water Initiative. There are 89 council owned and operated local water utilities (LWUs) in NSW providing services to more than 1.8 million people, generating over \$1.5 billion in annual revenue, and holding total water supply and sewerage assets valued at around \$28 billion.

This is a draft submission awaiting review by the LGNSW Board. Any revisions made by the Board will be forwarded to the Committee in the form of an updated submission.

2. Background

Under the Water Act 2007, the Productivity Commission is required to undertake three-yearly inquiries into the progress of reform in Australia's water resources sector. This is the second such inquiry. It is assessing the progress of all Australian governments in achieving the objectives, outcomes and timelines of reform directions proposed in the 2004 Intergovernmental Agreement on a National Water Initiative (NWI). Following the consultation and review process, the Commission aims to offer practical advice on ways in which the NWI might be improved.

In undertaking the Inquiry, the Commission is assessing:

- progress in jurisdictional adoption of NWI principles, objectives and key outcomes, and where these have not been adopted, the impacts and opportunity costs of not doing so
- the outcomes to date of the NWI and related water reform efforts, taking account of other drivers of reform
- the extent to which the NWI reforms are adequate to support government responses to emerging or changing water management challenges such as climate change
- provide any further practical advice on addressing the joint governments' priorities for implementation of a renewed NWI; and
- provide specific practical advice on ways in which the NWI could be improved to support better social, economic and environmental outcomes.

The Commission is also considering:

- the interaction of water policy with other policy areas such as climate, energy agriculture, forestry, land use planning and urban development
- the policy ramifications of emerging climate change impacts on water resources
- the provision of reliable water services to regional, rural and remote communities
- the principles to be satisfied for any government investment in major water infrastructure projects
- issues identified in the Commission's 2017 Report; and
- international experiences and examples.

3. LGNSW Advocacy Priorities

This submission is aligned with current LGNSW and the Australian Local Government Association (ALGA) Advocacy Priorities.

LGNSW Policy Platform (April 2020)¹ details four Position Statements relevant to this submission. These are:

Position Statement 1 (Drought) which calls for improved planning and preparedness for effectively mitigating against the impacts of drought improving the mechanisms for responding to prolonged severe drought. With climate change likely to lead to an increase in the frequency and duration of droughts and impact communities not previously susceptible to drought. LGNSW calls on the State and Commonwealth Government to commit to the substantial investment required to implement drought proofing and water security measures listing them and identifying the triggers for when these measures will be activated. Better and more transparent demand management of river systems and water catchments to ensure the best possible social, economic and environmental outcomes are achieved, particularly during drought.

Position Statement 4 (Services in Rural Communities) calls on the State and Commonwealth Government to accept that rural councils will never be able to fund the basic standard of infrastructure and public services to which all Australians are entitled from its own source revenue. Councils also call for new models for rural and regional infrastructure and service delivery that are built on close collaboration between local, state and federal government.

Position Statement 10 (Climate Change) calls on the state and Commonwealth governments to take urgent action to address the climate emergency in a bipartisan manner to make clear, effective and unambiguous steps to avert a climate crisis in NSW. It also calls on the state and Commonwealth governments to work with councils to build climate resilience in their communities and introduce a range of funding mechanisms that would allow councils to build climate resilience in their communities.

Position Statement 11 (Sustainability) calls for closer coordination between state and local government authorities to ensure all decisions made by these two spheres of government are in harmony and take into account the majority views of residents and the long term environmental, economic and social impact. It also calls for ambitious but realistic policies and practices that promote council, community, industry and government commitment to environmental protection, natural resource management and resource efficiency.

Recommendation 1: That the Commission recognises that the extensive and devastating drought that occurred in between its inaugural review of the NWI and this review has exposed serious shortcomings in drought preparedness, response and resilience that has posed a serious threat to communities including those who have never experienced drought conditions before.

Recommendation 2: That the Commission recognises that much more urgent action is required to plan for and forecast the negative impacts of climate change on water resources and related infrastructure than has previously been the case and that significant investment is required by both State and the Commonwealth Governments to build in greater resilience.

¹ https://www.lgnsw.org.au/Public/Policy/Policy-Platform/Public/Policy/Policy_Platform.aspx?hkey=4cd76f65-089a-401d-906d-63431b9f6661

4. Assessing Jurisdictional Progress of the NWI, Adequacy to Meet Current and Emerging Challenges and Future Reform Directions

The NWI remains a key element of Australian Governments' approach to managing the nation's finite water resources. It has brought a more consistent approach to the sustainable management of water and helped to ensure that it is more fairly allocated across communities and industry. It has helped to deliver increased transparency and accountability for the management of water and improved the consultation and planning around how water is allocated. It has also helped to improve the planning and delivery of important water-related infrastructure.

There remain, however, opportunities for the NWI to be further strengthened and its focus on key issues sharpened. Since the last review of the NWI by the Productivity Commission in 2017, NSW councils and their local communities and businesses have been seriously impacted by the effects of one of the longest and most extensive droughts on record. Despite assurances to the Commission in the previous review that drought preparedness was robust, the plans and measures taken to address the advent of this drought were clearly inadequate. It is also clear that existing infrastructure for water capture and storage, along with plans for environmental water flows are not as resilient as hoped.

A renewed NWI should also emphasise opportunities for improving water resource accounting and compliance through the implementation of new technologies such as 'smart' water meters. An increased focus on urban water reform and water security should also be prioritised. Modernising the regulatory framework for urban water in NSW by moving away from the current prescriptive framework towards a more outcome focussed and risk-based approach that recognises the maturity of LWUs in regional NSW should also be a goal. The drought also highlighted water quality as a serious issue with the health of communities potentially threatened at times by water contamination. As such, the implementation of microbial health-based targets for drinking water supplies remains essential.

Additional areas for consideration in future reform of a non-capital investment nature should include investment in capacity building, developing a minimum standard for water operator training and encouraging collaboration with trainers and Registered Training Organisations in training delivery. Investment in supporting water utility business continuity planning and asset management systems is also an area that continues to warrant further attention and emphasis. Increased collaboration, including water utility alliances for geographically dispersed water and sewerage schemes as seen in the Central NSW Joint Organisation and Orana Water Utilities Alliance also have the potential to improve efficiencies and economies of scale. Promoting community water literacy to improve understanding of urban, rural and other water matters would also be of value.

Recommendation 3: That the Commission continues to ensure the existing strengths of the NWI such as bringing a more consistent approach to improving transparency and planning around water use are reinforced.

Recommendation 4: That the Commission encourages the review of and reinforcement of drought planning following the extreme drought events of the past three years to ensure that communities and industry throughout Australia improve water security through improving resilience for extreme drought events.

Recommendation 5: That the Commission ensures that a renewed NWI includes an increased emphasis on water quality and urban water reform.

5. Water Security, Managing Extreme Events and Planning for Long-Term Changes in Climate

In reviewing submissions to the 2017 Productivity Commission review of the NWI, most viewed drought preparedness as a relative strength of existing water planning at the time. However, in the intervening period, one of the most sustained droughts to affect NSW, Queensland and other parts of the country demonstrated that these plans were only adequate in the early stages of the drought but were insufficient to ensure water security for its duration. This resulted in many ad hoc arrangements brought about by the severity and length of the drought that saw water being trucked into many communities and the most severe water restrictions on record.

Under normal circumstances, LWUs perform very well in providing safe, secure and affordable water services in regional NSW. However, in January 2020, more than 50 town water supply schemes in regional NSW were at high risk of failure. NSW only managed to avoid the worst effects of the drought through various emergency government assistance schemes including the NSW Government's Emergency Water Infrastructure Projects fund which totalled some \$87.8m and delivered over 30 urgent water infrastructure projects for drought affected communities. Communities that had previously thought that they were secure from the worst effects of drought found that this was not the case and clearly, we do not want to find ourselves in a similar position in the future.

Climate change analysis well before the recent drought had forecast that Australia would start to experience more severe and prolonged droughts. Yet, despite scientific evidence pointing to the increased likelihood of such events, there was little genuine preparedness for such a severe drought. This was evidenced by the high level of emergency infrastructure and support that needed to be delivered by the Australian and NSW Governments. The lack of urgency to act was costly not only in terms of the short-term investment needed to mitigate against its worst effects but has also resulted in severe economic losses and damage to community wellbeing. Farms went out of business ruining livelihoods and the cost of food increased due to failed crops and the loss of cattle. LGNSW hopes that the lessons learnt over the past three years will result in real action needed to ensure water security for our communities in the years to come.

There is an urgent need to develop a coordinated whole of government approach to ensuring water security for all communities as the drought has revealed systemic issues in everything from emergency response, to regulatory inflexibility, demand management through to a lack of infrastructure preparedness to be able to ensure water supplies are secured to where they are needed. Clearly, this is unsustainable and serious action and significant government investment needs to be accelerated to make our communities more resilient to drought.

As called for in the LGNSW Annual Conference Resolutions for 2019², measures to help address this include:

- a comprehensive, integrated, and funded emergency plan is developed by the state government in partnership with councils and Aboriginal communities to address the immediate water supply crisis afflicting NSW towns and communities and a disaster recovery plan for when the drought breaks
- long term (30-40 year) water supply strategies for catchments throughout the state are developed to mitigate the risks from future droughts and the predicted impact of climate change to help ensure population and economic growth targets can be achieved and supported

² <https://www.lgnsw.org.au/common/Uploaded%20files/PDF/2019-LGNSW-Annual-Conference-resolutions.pdf>

- state and federal governments bring forward planned water infrastructure projects and identify new infrastructure projects that will assist in providing long term water security
- state and federal governments provide financial assistance to councils to help bring forward planned council projects for infrastructure, water conservation and demand management
- state government creating provisions for funding local government drought coordinators
- a more integrated approach to securing water supplies including would involve having off-river storage and groundwater access as well as moving to purifying recycled water to replenish drinking water supplies
- state and federal governments increasing provision of financial and mental health support for communities impacted by drought
- state and federal governments agreeing to extend the Disaster Recovery Funding Arrangements to include LWUs
- mitigating against the negative impacts of inadequate water supplies as firefighting crews were left in situations where water was scarce – the same bushfire events also damaged water-related infrastructure affecting the quality of water supplied to communities
- Encouraging the uptake of genetically modified crops that are less water reliant and more drought resistant

Recommendation 6: That the Commission ensures that the NWI continues to drive comprehensive, integrated planning across the wide variety of stakeholders and government agencies responsible for ensuring water security.

Recommendation 7: That the Commission urges State and Federal Governments to accelerate planned water infrastructure projects and identify new infrastructure projects that will assist in providing long term water security for councils in NSW and their communities.

Recommendation 8: That the Commission urges State and Federal Governments provide financial assistance to councils to help bring forward planned council projects for infrastructure, water conservation and demand management.

Recommendation 9: That the Commission urges State and Federal Governments to have disaster recovery plans in place for when the drought breaks and that the Disaster Recovery Funding Arrangements are extended to local water utilities.

Recommendation 10: That the Commission ensures that a renewed NWI encourages a more pro-active and urgent response to the impacts that climate change is having on existing water infrastructure so that it is more resilient to extreme events in immediate future.

6. Water Accounting and Compliance

Extreme drought and the increased scarcity of water have highlighted the need to ensure water is effectively accounted for and usage is monitored. As the Matthews' Report (2017) highlighted, in NSW, past self-reporting practices such as using logbooks to record and account for water usage are unreliable. In response, the NSW Government has since established the Natural Resources Access Regulator (NRAR) and commenced water usage regulation including monitoring, compliance, education, and enforcement activities. It has also instituted a "no-metering, no pumping rule" as well as enabled the public to easily access details of water entitlements, licence conditions and other water trading activities.

This echoes the general direction and themes of the NWI which has been to help drive increased transparency around water usage and the amount of water that is drawn from shared river and

related systems by individuals and organisations. This is a direction that the NWI should continue to emphasise to help ensure the fair allocation of water through improved accounting and compliance practices, along with the improved transparency that this provides. Although most parties have been compliant in their usage in the past, there will always be outliers that necessitate accounting and compliance systems as deployed in NSW since the last review of the NWI in 2017.

We note that the Urban National Performance Report Framework is currently under review, due for completion in 2021. The Framework is an important component of water accounting and compliance in NSW but as noted in the review report Recommendation 8.1, the Framework should be extended to include water service providers with less than 10,000 connected properties. LGNSW supports this recommendation as currently, all LWUs report to a state framework. We also note that the NSW Government has recently implemented a Water Reform Action Plan that will improve transparency and governance in water management.

Recommendation 11: That the Commission increases the scope of the NWI to encourage the implementation of new technologies to assist with water accounting and compliance.

7. Managing Environmental Water and Indigenous Water Outcomes

A key area of water resource planning and management that continues to warrant closer attention is identification of socio-economic impacts of environmental water recovery on regional communities and associated structural adjustment needs. A more systematic and holistic approach to identifying and addressing these impacts and needs could help to ensure fairer and more equitable outcomes for these very important water sources. This includes the implementation of, sustainable levels of water diversions to protect the environmental health, resilience, and productive base of river systems in NSW and beyond. However, we are concerned about the impacts this might have on the social and economic fabric of regional communities.

For example, in February to March this year, a Northern Basin First Flush event took place following an extended period of severe drought. Many towns had already exhausted their river supplies and others were close to exhausting theirs. The NSW Government intervened, creating policy related to the first flush on the fly and imposed water restrictions to manage flows across the Northern NSW Basin rivers. This included restrictions on floodplain harvesting. Unsurprisingly, perhaps, this unprecedented event resulted in criticism³ about the balance between critical town water supplies being met, irrigators gaining access to water and meeting the environmental health needs including for traditional wetland areas.

The draft report of the Independent Panel Assessment of the Northern Basin First Flush Event made several recommendations for managing critical human and environmental needs. One aspect relating to town water supplies was that access to first flush water should not be granted unless critical needs for town water supplies were first addressed, measured by the number of years of supply available. It also recommended that the evidence base for managing future first flush events is quantified, science-based and made publicly available. It also recommended improved flow forecast modelling and real-time monitoring capability, including measurement of extractions and monitoring end of system flows.

In terms of indigenous water outcomes in NSW, the Productivity Commission 2017 review of the NWI found that although progress has been made in ensuring better consultation with Aboriginal communities in water plans, there are still opportunities to also improve the integration of Aboriginal cultural values in water plans. As has been identified⁴, there are a number of examples

³ <https://www.abc.net.au/news/rural/2020-02-12/lower-darling-flood-plain-embargo-lifted/11956862>

⁴ <https://watersource.awa.asn.au/community/engagement/what-needs-to-change-to-secure-indigenous-water-rights/>

of where current water management plans overlook native title rights as recognised in the law and a future iteration of the NWI could place greater emphasis on these aspects of indigenous water usage and outcomes. We understand that this will be a greater focus of the draft Regional Water Strategies currently under development in NSW.

In practical terms, the NSW Aboriginal Communities Water and Sewerage Program has been operating since 2008. This collaboration between the NSW Government, NSW Aboriginal Land Council (NSWALC) and local government will see \$200 million invested over 25 years to provide funding for the maintenance, operation and repair of water supply and sewerage systems in 63 eligible Aboriginal communities. This has, over time, increased access to safe drinking water and sewerage services for remote aboriginal communities in areas of NSW and has widely been hailed as a success to date. However, there are still instances, particularly in relation to the recent drought where water has had to be sourced from emergency bores. Although testing has typically shown the water complies with the Australian Drinking Water Guidelines⁵, it is often the case that it has higher sodium content and should ideally be desalinated for both taste and appearance. Urban communities would likely object to having drinking water supplied of this quality and Aboriginal communities in these situations should be provided with appropriate equipment to bring this water up to standard that anyone might reasonably expect for their drinking water.

Recommendation 12: That the Commission recognises that environmental water flows, particularly in times of drought, should prioritise urban water requirements.

Recommendation 13: That the Commission acknowledges that although good progress has been made in progressing Aboriginal water and sewerage outcomes, there is still a continuing need to ensure drinking water meets the equivalent health standards as urban water supplies.

8. Water Services and Planning in Rural and Regional regions

Councils in regional NSW continue to make excellent progress towards achieving the NWI's objective of efficient and sustainable urban water services. Councils also remain best placed to deliver efficient and sustainable urban water services in regional NSW. Councils ensure an integrated and locally appropriate approach to water supply and sewerage management and optimal whole-of-community outcomes. Regional alliances of LWUs allow them to capture scale efficiencies and the benefits of regional solutions without having the disadvantages of institutional settings where water supply and sewerage functions are removed from councils. There are 89 council owned and operated LWUs providing services to more than 1.8 million people, generating over \$1.5 billion in annual revenue, and holding total water supply and sewerage assets valued at around \$28 billion.

LWUs have been successful in delivering water supply and sewerage services in a safe, secure, efficient and affordable manner. They operate under a comprehensive regime of health, environmental and economic regulation within a stringent performance measurement framework, outlined in the Department of Primary Industries – Water's Best Practice Management of Water Supply and Sewerage Framework ("best practice framework")⁶.

The implementation of the best practice framework, and the related achievements in the provision of urban water services, have been largely the result of the reform blueprint provided by the National Competition Policy (1995) and the NWI.

⁶ <https://www.industry.nsw.gov.au/water/water-utilities/best-practice-mgmt>

Since the NSW Office of Water's *Best Practice Management of Water Supply and Sewerage Guidelines 2007*⁷ were introduced, councils have:

- Established business units, separate from their general-purpose activities, that are responsible for providing water supply and sewerage services (councils' LWUs).
- Put in place long term, strategic business planning, integrated water cycle management, asset management and financial planning by their LWUs.
- Implemented efficient, consumption based and cost reflective water pricing.
- Made significant progress towards meeting drinking water quality standards and implementing drinking water quality risk management frameworks under the Australian Drinking Water Guidelines (2011) (ADWG).
- Manage the water cycle in an integrated way and deliver water sensitive urban design by coordinating their water supply, sewerage, stormwater management and land use planning functions.
- Pursued institutional reform and have established regional alliances of LWUs to share resources, undertake regional water resource planning, and deliver regional water supply infrastructure; and,
- Worked in partnership with the NSW Government to identify and provide funding for urban water infrastructure investment in areas of need, including where required service levels may have been otherwise unaffordable.

Councils, together with their regulators DPIE Water and NSW Health, have identified, and are addressing, a number of challenges and reform priorities. These include:

- Modernising the regulatory framework towards more outcome and risk-based regulation that recognises the maturity of LWUs.
- Implementation of microbial health-based targets for drinking water supplies and addressing associated funding needs.
- Water security and climate change impacts; and
- Addressing concerns over private sector involvement and competition.

Regarding Community Service Obligations (CSOs), LGNSW supports the Commission's 2017 Inquiry Report recommendation that CSO payments be targeted at remote communities or communities facing acute urban water risks. While we believe the NSW Government has made some progress towards this with their risk assessment framework under the Safe and Secure Water Program Guidelines⁸, more communication and collaboration is required with LWUs in identifying and quantifying utility risk. The suggestion that larger utilities work to extend support to smaller utilities through regional alliances has merit, but care should be taken to ensure that this does not overburden larger utilities.

While this current capital grants approach to CSO in NSW has been beneficial in ensuring the supply of vital infrastructure, it has hindered the ability of LWUs to direct the funds to areas of greatest need, which are often non-build solutions. A broader approach to CSOs would provide incentive to manage water utility risk and improve levels of service from existing infrastructure by allowing funding to be directed into improved operational management training, upskilling staff in the field, the deployment of better water monitoring and flow monitoring technologies. It would also

⁷ http://www.water.nsw.gov.au/_data/assets/pdf_file/0008/554489/town_planning_water_utilities_best-practice_management_of_water_supply_and_sewerage_guidelines_2007.pdf

⁸ https://www.industry.nsw.gov.au/_data/assets/pdf_file/0003/205860/sswp-program-guidelines-2019.pdf

recognise that it isn't always possible to deliver cost-effective water solutions in rural and regional areas as has been recognised with the delivery of other government-related services such as public transport in regional and rural areas. While cost recovery is preferable in any service delivery, governments must acknowledge that service delivery is not always going to be cost-effective particularly in rural and regional areas – particularly when it comes to the essential infrastructure and services needed to deliver clean water to remote communities. LGNSW's position on CSOs in relation to water is supported in the recently published NSW Productivity Commission Green Paper (2020)⁹.

Further, broader CSO funding could be used to support:

- Capability development – subsidised training and professional development, funding of best practice asset management systems
- Investment in digital technology and remote support
- Regional planning, project and program management
- Regional procurement of supplies and services
- Knowledge sharing through in-kind support from larger utilities.

Recommendation 14: That the Commission recommends State and Federal Governments explicitly recognise that they have a community service obligation (CSO) to subsidise the cost of infrastructure, service and supply of water and sewerage infrastructure and services in small rural and regional communities.

Recommendation 15: That the Commission increases the scope of the NWI to address areas of non-capital investment in areas such as capacity building, water utility business planning, increased regional collaboration and improved water literacy.

9. Other Issues

Ongoing Momentum of NWI Reform and Action

One of the key concerns LGNSW has with regard to the response to the severe and extended east coast drought is that once the drought breaks there will be a loss of momentum and urgency around the NWI reform process and water security. This is what happened when Australia emerged from the Millennium drought and lapsed back into “business as usual”. The drought has been effective in highlighting many different shortcomings in preparedness and resilience. This should only act to increase the urgency around planning and preparation for any future such occurrence, which according to climate change forecasts are only likely to become more frequent. Therefore, it is imperative that a renewed NWI emphasises the ongoing urgency about ensuring that Australian communities and businesses are not placed in such dire situations again due to insufficient momentum and action.

Water Quality

It is notable that ensuring Satisfactory Water Quality is absent from these eight key elements of the NWI. LGNSW is of the view that this should be added as an additional element of the NWI. Each of the existing eight key elements intersect with water quality concerns, but the absence of water quality as a headline issue for the NWI has led to water quality concerns being largely overlooked

⁹ http://productivity.nsw.gov.au/sites/default/files/2020-08/Productivity_Commission_Green%20Paper_FINAL.pdf

in the national water reform process until now and left to be addressed on a state or territory basis. Water quality and water quantity are interlinked, and together are vital for water security across Australia, particularly with on-going climate change and uncertainty. This extends to both water quality in town water supplies in regional, rural and remote communities along with overall environmental water quality.

Capability and Capacity Building

Although previously highlighted in the 2017 Commission report into the NWI as an area that needs to be addressed, capacity and capability building in the water sector continues to warrant urgent attention and action. LGNSW supports calls for establishing a minimum standard for water operators and engineers, and a program to assist smaller utilities to meet the standard. This is an important area as any other as it enables the very kind of performance and service standard delivery improvements that we all expect that NWI will deliver. Thus far, we have observed insufficient action taken in the space by any sphere of government – unlike the most recent drought that caught government on the hop, there is an opportunity to address this challenge before it becomes critical.

Sustainability and Water Recycling

It is becoming clear that we cannot simply continue to rely on building more dams or raising dam walls to continually match shifting weather patterns as the cost is substantial and these massive projects take considerable time to deliver. In addition to a robust and resilient water supply system, water recycling needs to take on a greater role in ensuring long term water security in the face of a drying and changing climate with traditional rainfall and runoff in decline. The renewed NWI must show leadership in this area and outline strategies to facilitate the greater use of recycled water to an appropriate standard for reintroduction into the main water supply in towns. Perth is the only Australian city that is using water recycling technology for this purpose, very successfully¹⁰, and adoption of this approach across the rest of Australia is something that the renewed NWI could help as a catalyst in this regard.

Recommendation 16: That the Commission ensures that a renewed NWI identifies and urges action on all areas that affect water security including driving the progress of reform, safeguarding water quality, ensuring that the industry is supported with an emphasis on capability and capacity building and driving the sustainable use of water including a greater emphasis on water recycling.

10. Conclusion

The NWI remains a vital component in delivering a harmonised and evidence-based approach to the management and supply of water to communities and businesses across Australia. It has led to increased transparency and accountability along with better planning and consideration of water use in urban design. This has led to greater certainty for investment and productivity by helping to ensure that this finite resource is fairly and equitably distributed in most instances for both consumptive and non-consumptive uses.

What is concerning to LGNSW is the lack of progress and real action on the ground that we would hope to see. For example, it has been clear for some time that the climate is changing and that rainfall patterns are changing as a result, yet there clearly hasn't been sufficient urgency and related investment needed to properly tackle this issue and how it applies to water security of our towns, communities and businesses. Similarly, there has been a lack of urgency around ensuring sufficiently skilled and qualified engineers are being actively trained and engaged to work in

¹⁰ <https://www.abc.net.au/news/2018-03-19/drinking-recycled-water/9546900>

remote and rural areas. Likewise, the sustainable practices around water recycling, while being developed and deployed effectively in some instances, is not as widespread and ingrained in everyday practice.

We would also like to thank the Commission for this opportunity to make a submission on the NWI. Notwithstanding the concerns outlined in this submission, we believe a renewed NWI has a very strong foundation upon which to build and we look forward to the Commission's report.

For further information in relation to this submission, please contact Sanjiv Sathiah, Senior Policy Officer, LGNSW,

Attachment 1 - List of Recommendations

Recommendation 1: That the Commission recognises that the extensive and devastating drought that occurred in between its inaugural review of the NWI and this review has exposed serious shortcomings in drought preparedness, response and resilience that has posed a serious threat to communities including those who have never experienced drought conditions before.

Recommendation 2: That the Commission recognises that much more urgent action is required to plan for and forecast the negative impacts of climate change on water resources and related infrastructure than has previously been the case and that significant investment is required by both State and the Commonwealth Governments to build in greater resilience.

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Recommendation 11: That the Commission increases the scope of the NWI to encourage the implementation of new technologies to assist with water accounting and compliance.

Recommendation 12: That the Commission recognises that environmental water flows, particularly in times of drought, should prioritise urban water requirements.

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