NATIONAL WATER REFORM 2024 – COMMENTS FROM WATER SENSITIVE CITIES AUSTRALIA

INTRODUCTION

Water Sensitive Cities Australia is pleased to provide the following submission to the Productivity Commission's 2024 Inquiry into National Water Reform. Our submission highlights the reform opportunities required to transition Australia's cities and towns to water sensitive cities.

BACKGROUND

Water is integral to almost every feature of urban landscapes, and is an enabler of more productive, liveable, sustainable and resilient cities and towns. Cities, towns and other settlements across Australia face 3 critical challenges in managing water resources, waterways, river basins and coastal environments, and ultimately people's quality of life:

- a growing population with changing lifestyles and values
- a changing and highly variable climate, and
- a challenging economic environment.

Water sensitive city solutions use all water sources, unleash the power of an informed and engaged community, and integrate blue, green and grey infrastructure to:

- provide the water security essential for economic prosperity through efficient use of a diverse set of available water resources (free from policy bans)
- enhance and protect the health of waterways and wetlands, catchments and the coast and bays.
- increase resilience by building communities' capacity to prepare for, respond to and recover from a range of cascading and compounding events including drought, flood and fires.
- create liveable public and private spaces that:
    - respect and protect Traditional Owner and wider community values in that location.
    - understand and fund the health, environmental and economic benefits offered by liveable spaces.

Many Australian cities and towns are making progress towards water sensitivity, however there is much still to do to mainstream this practice. Questions remain, such as why liveability is still a discretionary outcome and why water sensitive practices are not implemented at scale.

COMMENTS AND OBSERVATIONS

1. Progress against each National Water Initiative (NWI) objective is occurring, albeit at different rates both within and between jurisdictions. This uneven progress may mean cities and towns across Australia do not fully realise integration opportunities and the resultant benefits. This situation is further perpetuated by the lack of progress in some jurisdictions on integrated urban water management (IUWM).

2. Jurisdictions generally use a narrow definition of water and focus implementation on raw water sources (surface, ground and desalination in some jurisdictions), potable water and wastewater/recycled water. This approach misses other sources such as stormwater and results in lost opportunities to optimise overall water management and realise better outcomes. Policy bans on the use of some water sources have compounded this issue.

3. To date the NWI has focused primarily on water quantity matters (e.g. volume, trading, efficiency, environmental flows) with minimal emphasis on water quality (in terms of receiving waters). In addition, there needs to be more focus on how water management can balance floods and drought particularly in the face of our changing climate.

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RECOMENDATIONS

Water and its management need to be seen in the context of the total water cycle and as an integral part of urban and wider basin planning. Continuing to manage urban water in its traditional silos means that opportunities for better integration and outcomes will continue to be missed – our future of increasing population and climate constraints means we need to do better right now.

We recommend the following 7 areas for reform or strengthening. Combined, these reforms can equip regulators, utilities, local government and other parties with the authority and mechanisms to deliver water sensitive cities.

1. **Strengthen government policy for integrated urban water management (and Water Sensitive Cities).** A national IUWM framework should be developed that articulates the outcomes sought, process for achieving these outcomes and metrics for measuring progress at jurisdiction and national scales. Further, this framework should be developed and implemented through a whole-of-government approach (i.e. not just the traditional water portfolios) to better align investment across water, spatial planning, environment, health and other relevant sectors towards the agreed common goal. A national framework would provide principles that can be adapted to local contexts. Opportunities for collaborative planning offered by the framework will also need to be accompanied by clarity of accountabilities for delivery and funding.
2. **Strengthen governance arrangements.** We support strategic oversight of the NWI being assigned to the National Cabinet in recognition of the whole of government accountability for implementation and outcome realisation. This approach would recognise the critical role water plans across a range of ministerial portfolios and would support balanced consideration of urban and rural water needs across diverse economic, environmental, social and cultural priorities.
3. **Operationalise the role of water in liveability, resilience, prosperity and sustainability.** There is widespread evidence and acceptance of the value of liveable places and the key role that water management plays in their creation. However, moving from acceptance in principle to delivery in practice requires implementing water sensitive principles, including normalising liveability definitions, metrics, services outcome responsibilities and funding arrangements across utilities, councils and other relevant actors.
4. **Improve cross-sector integration and coordination**. Integration between traditional water management, spatial planning and increasingly environmental (water quality and flows) and other planning processes is essential to achieve desired outcomes. Currently, there is a misalignment of policy, regulatory and planning frameworks between these sectors, even though they often seek to achieve the same high-level outcomes. Addressing this misalignment will improve the efficiency of what is otherwise a complex system.
5. **Adress gaps in institutional roles, responsibilities and accountability**. This could include confirming accountability for desired outcomes, confirming accountability for urban waterways (flows, water quality) and stormwater (quantity and quality) management in some jurisdictions, and assigning responsibilities to an authority/entity to lead the coordination of integrated planning and delivery. In addition, accountability for delivery and funding must also be established.
6. **Achieve both support for current cost of living challenges and longer-term water service sustainability and resilience**. Ensure proactive, targeted, place-based and well-resourced support for water service customers who may be vulnerable to financial difficulty while at the same time enabling water service charges to reflect prudent and efficient investment and service operation.
7. **Ensure NWI implementation is supported by proactive advocacy, capacity building and accountability**. Water reform is socially and culturally complex, highly sensitive and technically challenging. Timely and meaningful progress on NWI implementation needs support from a well-resourced national body and state-based networks charged with:
    a. proactively supporting meaningful, culturally appropriate engagement (including Traditional Owners) and widespread awareness raising (including the need for and benefits of reform, success stories and lessons learned)
    b. assisting timely action through building capacity and collaboration across the wide range of technical disciplines needed for water reform.
    c. independently reviewing progress achieved and highlighting accountability for areas requiring greater focus.

ABOUT WATER SENSITIVE CITIES AUSTRALIA

Water Sensitive Cities Australia (WSCA) is a research-to-practice partnership supporting innovation in urban water management. It builds on the work of the CRC for Water Sensitive Cities (CRCWSC) which worked with utilities, state agencies, councils and water practitioners to develop and test new urban water practices. Drawing on the CRCWSC knowledge, expertise and experience, WSCA provides research services for our partners and other stakeholders. We work across Australia and internationally and also provide community of practice networks for partner cities and towns to learn from each other.

USEFUL LINKS:

1. What is a water sensitive city (including cities, towns and urban dominated regions)
2. Realizing the vision of a Water Sensitive City: Knowledge Platform – a product of the former CRC for Water Sensitive Cities
3. Benchmarking and measuring water sensitive transition progress in socio-technical systems – WSC Index and Transitions Dynamics Framework
4. Frameworks for sustainable urban water management (including circular economy)
5. Urban Water Guide – putting integrated urban water management into action.
6. Benefit Cost Analysis and strategic decision making for water sensitive cities
7. Planning and governance frameworks for water sensitive cities – a Qld based example
8. Greater Perth/Peel Region Waterwise Strategy (Kep Katitjin - Gabi Kaadadjan) – informed by water sensitive city principles and practices, and is delivered by WA Government (11 contributing departments), and in collaboration with Traditional Owners, industry, research, community, and local government
9. Victoria's Integrated Water Management approach