



**WATER SERVICES ASSOCIATION
OF AUSTRALIA**

10 April 2012

Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretary

RE: National Water Commission Amendment Bill 2012

The Water Services Association of Australia (WSAA) welcomes the opportunity to make a submission on the National Water Commission (NWC) Amendment Bill 2012. This submission should be read in conjunction with WSAA's submission dated 29 August 2011 in relation to COAG's Review of the NWC.

WSAA is the peak industry body that supports the Australian urban water industry. WSAA's members provide water and wastewater services to approximately 17 million Australians and to many of Australia's largest industrial and commercial enterprises. The Association facilitates collaboration, knowledge sharing, networking and cooperation within the urban water industry. It is proud of the collegiate attitude of its members which has led to industry-wide approaches to national water issues.

WSAA has developed a strong collaborative relationship with the NWC since its inception. WSAA supports an independent voice of water reform at a federal level and this has been endorsed by the Federal Government through its decision to continue the Commission. Since its formation in 2004 the NWC has faced many challenges while implementing the National Water Initiative (NWI) and has shown commendable leadership in encouraging reform. Climate variability and population growth, underline the need for continued policy and planning reform at a national level. Other drivers include; affordability, water security, an aging workforce and skills shortage, ageing infrastructure and increased efficiency needs.

In the last 12 months, a number of reviews of urban water have been released by national agencies and by WSAA including:

- National Water Commission's *Urban water in Australia: future directions*.
- Productivity Commission's *Australia's urban water sector*
- Infrastructure Australia's *Review of regional water quality and security* (prepared by AECOM).
- WSAA's 2011 Report Card *A sustainable future for the urban water industry*

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Each of the reviews provided recommendations for the reform of the urban water sector. It is in this context that WSAA advocates the following with respect to the NWC Amendment Bill 2012:

Continued NWC leadership in national urban water reform

There is widespread recognition that the urban water agenda defined in 2004 in the NWI was insufficient. To ensure the NWC remains effective as independent reform advocates in urban water, a new urban water reform agenda is required. WSAA welcomes the opportunity to lead a collaboration to develop a new reform agenda and has already commenced consultation with the NWC and other stakeholders.

The NWC must continue to show strong leadership by supporting the development of a new reform agenda for urban water so that the NWC's core functions '*audit, triennial assessment, monitoring and advice to COAG*' will be more effective and targeted. WSAA endorses extending the assessment period from biennial to triennial.

The Urban and Rural National Performance Reports provide important tangible evidence of the NWC achieving its core functions. WSAA notes however that the Rural National Performance Report content needs significant improvement to raise its credibility as an information source. Furthermore, the timeliness of the reports (currently delivered in early April of the subsequent financial year) should be improved.

Reviews of the NWC

Amendments 38 (1) and subsection 38 (2) provide for reviews of the NWC to take place with the first review in 2017 (further reviews to occur every five years). WSAA endorses regular reviews but recommends a first review before 2017 given the proposed changes to the scope of the NWC's responsibilities along with the extent of change facing the water industry in the next few years. WSAA is however cognisant of the uncertainty and cost associated with reviews of the NWC and endorses five year reviews following an initial review.

Adequate NWC funding

While the NWC's proposed role will be more focussed, WSAA strongly advocates that the NWC's budget be maintained to a level to ensure the high quality and timely delivery of its core functions.

I look forward to discussing WSAA's submission with you.

Yours sincerely

Adam Lovell
Executive Director