

4 July 2024

Department of Infrastructure, Transport, Regional Development, Communications and the Arts
GPO Box 594
CANBERRA ACT 2601

Submission: National Urban Policy Consultation Draft

The Water Services Association of Australia (WSAA) appreciates the opportunity to make a submission to the National Urban Policy Consultation Draft. WSAA is the peak body representing the water sector in Australia. Our members are water utilities and councils who provide water and wastewater services to over 24 million customers in Australia and New Zealand.

We congratulate the Department on the draft Policy, its vision for urban Australia and integrated approach to delivering outcomes for Australians living in towns and cities. We believe the Department can strengthen the draft Policy by emphasising how essential the role of drinking water, wastewater, recycled water and stormwater services is to sustainable, productive and healthy towns and cities across Australia.

Water sector services are missing from urban roles and responsibilities

The supply of drinking water, wastewater and stormwater services is an essential urban role for state, territory and local governments, and is missing from the otherwise comprehensive list of urban roles and responsibilities. This is indicative of the absence of water sector services from the remainder of the draft Policy – despite the critical need for these services in delivering the objectives in the Policy – including housing, sustainability, circular economy, and green and blue infrastructure outcomes.

Investment in water and wastewater investment is expected to double

Water sector services enable the delivery of housing to a rapidly growing population. Water sector services must be included in the integrated strategic planning done for our cities.

The Urban Water National Performance Report has documented the increased capital investment (expenditure) in the urban water sector over the last 10 years. This trend is expected to accelerate. WSAA's forward looking data on capital expenditure shows a doubling of investment nationally by 2027 to over \$10 billion annually (Figure 1). We expect this to be a step change in investment, not a transient wave. This investment is necessary to ensure the water industry can continue to provide the very services that underpin liveable cities:

- maintain and upgrade an ageing asset base
- provide services to a rapidly growing population
- be resilient in the face of climate change.

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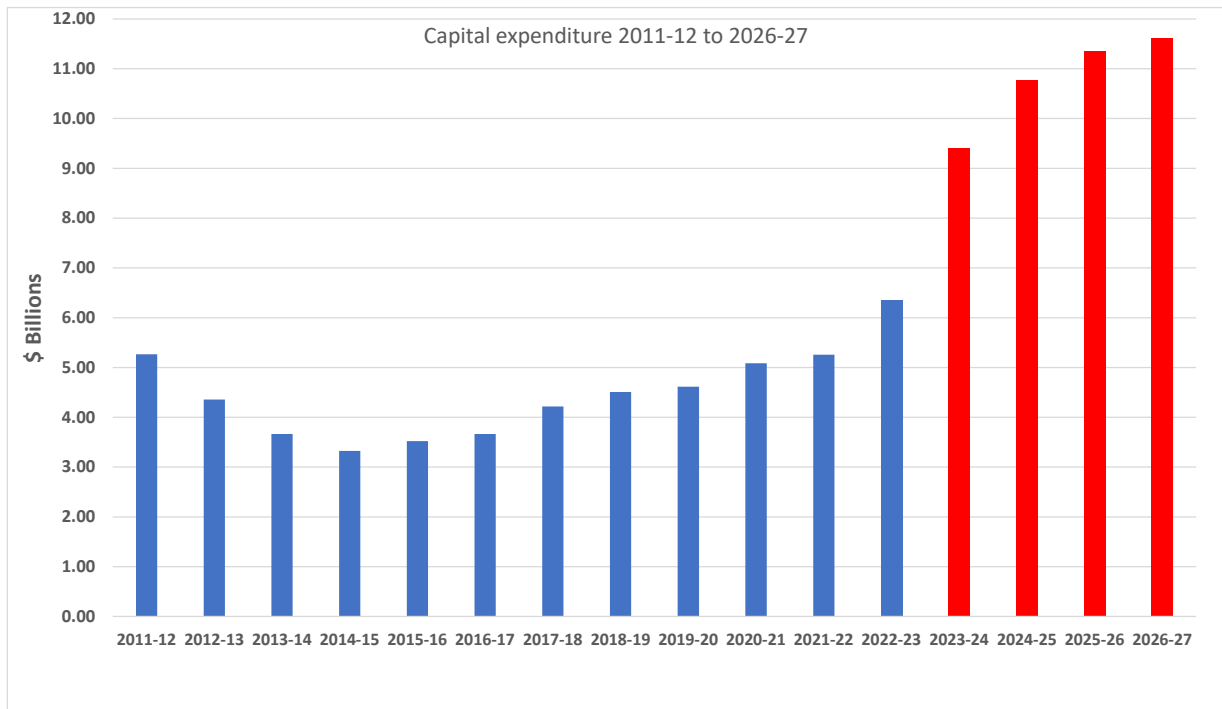


Figure 1: Water utility capital expenditure 2011-12 to 2026-27 (Source: WSAA member data 2024)

The water sector is critical to achieving sustainable urban areas

The Australian water sector is committed to achieving net zero by 2050, in many cases we are achieving net zero before 2050. More information about the water sector’s approach to net zero and our response to climate change, is available in our [Climate Change Position](#).

For detail about the many impacts of climate change and how Australian water utilities are preparing for and addressing climate change, see WSAA’s 2021 compendium [Towards resilience: Climate change and the urban water industry in Australia and New Zealand | Water Services Association of Australia \(wsaa.asn.au\)](#).

The water sector also underpins the circular economy transition by 2030 and beyond, by:

- optimising the value of water resources – surface, treated and recycled
- harvesting and returning nutrients, metals and other resources from wastewater streams and organic materials, to optimise their value to the economy
- embracing the 9 ‘Rs’ to reduce and optimise resource use to enhance the economic benefit of water, nutrients and other elements
- contributing to national goals including renewable energy, carbon capture and storage, regenerating natural systems, designing out waste, climate adaptation, and providing affordable essential services
- keeping resources in the economy, at their highest value, for as long as possible

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- building new revenue streams and jobs, with domestic and export markets, as both a seller and purchaser of circular materials and services
- keeping water locally for urban greening, cooling and water-based amenity such as swimmable water bodies, parks, playing grounds and other recreation areas
- enhancing the natural environment by minimising and avoiding environmental impacts from all sources; and through water sector participation in the Australian Government's proposed nature repair market, and capacity to deliver environmental offsets and regenerate natural systems to achieve net positive environmental outcomes
- bringing a variety of stakeholders together by virtue of largely being government owned geographic monopolies.

More information about the water sector and our transition to a circular economy is available on our website:

- [Transitioning the water industry with the circular economy | Water Services Association of Australia \(wsaa.asn.au\)](https://www.wsaa.asn.au)
- [Circular Economy Action Plan: A companion volume to Transitioning the water industry with the circular economy | Water Services Association of Australia \(wsaa.asn.au\)](https://www.wsaa.asn.au)
- [Help Us Help You - Australian water sector opportunities and barriers to circular economy | Water Services Association of Australia \(wsaa.asn.au\)](https://www.wsaa.asn.au)

Water enables urban environments and communities that promote health and wellbeing

In addition to contributing to health and wellbeing outcomes in urban areas by providing safe, secure and affordable water, wastewater, recycled water and stormwater services, the water sector is a key enabler of nature-based solutions, water sensitive urban design, and blue and green infrastructure. The water sector enables the benefits identified in the draft policy supporting physical and mental health by making our communities cooler, healthier and more attractive places to live, work and play.

While effective planning for green and blue infrastructure can start to unlock improved health and wellbeing outcomes, WSAA has identified that there are no standard or regulated delivery approaches, and no clear pathways to fund these initiatives.

WSAA is encouraged by the draft Policy's commitment to integration and collaboration between three levels of government, however collaboration is not enough. To enable health and wellbeing outcomes in urban areas, we recommend governments implement actions, with the support of the water sector to:

- Harness the full water cycle with all water supply options on the table and by coordinating the incorporation of stormwater.
- Integrate our approach to planning.
- Implement an effective framework for measuring health and wellbeing benefits.
- Create new funding and financing delivery models for green and blue infrastructure as social infrastructure.

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As our urban areas continue to grow and density increases, there is competition for space creating challenges and increases costs for water utilities to build, maintain, operate, and renew infrastructure. When working with governments to increase green spaces and canopy to address the urban heat island effect, the water sector promotes the selection of suitable species for climate, considering water demand and preventing root intrusion.

Further details on approaches to integrating all water services, including stormwater, are well documented in Sydney Water's approach to servicing the Western Parkland City: [Urban Typologies and Stormwater Management - achieving a cool, green, liveable Western Parkland City \(sydneywater.com.au\)](#) This report highlights the challenges of integration across three levels of government of planning, servicing and funding integrated water cycle management to create blue and green options for healthy communities.

More information about the water sector's contribution to health and wellbeing outcomes is available on our website:

- [Blue + Green = Liveability | Water Services Association of Australia \(wsaa.asn.au\)](#)
- [Blue x green = thriving : A progress report on water's role for thriving communities | Water Services Association of Australia \(wsaa.asn.au\)](#)

We agree the new National Water Agreement can support healthy urban environments and communities

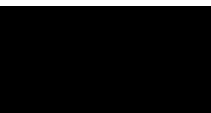
The list of government programs included in the draft Policy is useful, however a more detailed understanding of how each program supports the draft Policy Objectives, and how they are linked to the roles and responsibilities of governments will be essential.

We agree that the new National Water Agreement can be leveraged to support healthy urban environments and communities. To do this the National Urban Policy Principles need to be incorporated into the National Water Agreement.

We note there are direct links to The Treasury's Measuring What Matters ([Measuring what matters | Treasury.gov.au](#)) initiative and in particular links to goals in 'healthy' and 'sustainable' aspects of the dashboard. We suggest a desirable goal is to integrate of the National Urban Policy with Measuring What Matters.

To discuss our submission in more detail contact Erin Cini, Director Strategy and Partnerships at [REDACTED]

Kind regards



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