



**AUSTRALIAN
WATER**

ASSOCIATION

**Submission in response to the
Discussion Paper – Consultation on the
draft principles of a National Water
Agreement**

Prepared by the Australian Water Association for the
Department of Climate Change, Energy, the Environment
and Water

18 September 2024



AUSTRALIAN
WATER

ASSOCIATION

The Australian Water Association acknowledges the Traditional Custodians across Australia, where we live, work and play, for their deep connection to our precious waters and land. We pay our respects to Elders past and present, and the ancestors who have cared, protected and nurtured Country for many thousands of years.

Table of Contents

Key observations and recommendations	3
AWA and our members	5
Who we are	5
Our members	5
Our purpose and focus areas.....	5
Background	6
AWA 2017, 2020, and 2024 NWI Productivity Commission Inquiry submissions	6
Response to proposed National Water Agreement principles	7
Objective 1: Securing water for all uses.....	8
Objective 2: Transparent, strategic water infrastructure investment.....	10
Objective 3: Aboriginal and Torres Strait Islander Peoples' water interests and values	11
Objective 4: Ensuring evidence-based decision making	12
Objective 5: Sustained community trust.....	13
Objective 6: Climate resilient water management.....	14
Objective 7: The efficient use of water	16
Creation of an Independent Governance Oversight and Advice Body	18

Key observations and recommendations

The Australian Water Association (AWA) is in general agreement with the draft principles outlined in the Discussion Paper, recognising their alignment with our strategic priorities to drive a sustainable water future in Australia and the Asia Pacific. AWA also concurs that having agreed national objectives, outcomes and principles on water is important for managing Australia's water resources.

However, as they currently stand AWA does not believe that the draft principles are sufficient to support the achievement of the outcomes and objectives. There are key omissions, most notably in relation to the need for national level articulation and promotion of Integrated Water Management (IWM) and independent oversight and advice to drive and support the implementation of the National Water Agreement.

Many of the principles also do not appear to be clearly aligned with the objective that they are listed under and there is noticeable overlap and repetition between principles both under the same and across different objectives. Further drafting work is needed to ensure that the principles provide clear, comprehensive, yet succinct guidance on how the outcomes and objectives are to be achieved.

Over the following pages AWA has identified key draft principles that we believe should be retained under each objective, although in some cases they could be better aligned with different objectives or combined with similar principles. Opportunities for additions or improvements to the draft principles under each objective have also been identified.

In addition to these suggestions AWA recommends the following actions be undertaken to further progress the positive impact that the National Water Initiative has provided:

1. **Independent oversight:**

- An independent entity is required to oversee and report on water reform progress.
- Compliance requirements should include incentives and consequences to drive necessary action.
- This should be a permanent body with the ability to develop a deep contextual understanding of the water sector and capable of providing technical and regulatory advice and guidance on water management at a national level.

2. **Support for research and modelling:**

- Allocate funds for research and modelling to develop comprehensive responses to climate variability, and consideration of population increase and its impact on water management.

3. **Consistency and minimum standards:**

- Establish uniform minimum standards and guidelines across jurisdictions to enhance water security, resilience, and community expectations.

4. Innovation incentives and funding reform:

- Funding models for innovative, change making projects could provide incentives for the adoption of new technologies or approaches.
- Investment guidelines similar to those developed by the National Water Grid Authority would support transparent decision making and oversight of expenditure.

5. Community engagement and partnerships:

- Promote engagement and partnerships within communities to clarify roles and foster effective leadership in addressing climate variability.
- Emphasis on water as a cross-cutting issue requiring a comprehensive approach beyond the NWI, including Aboriginal and Torres Strait Islander water rights.

6. Integration of energy and water impacts:

- For manufactured water and energy sources, there is a need to consider interrelated effects of energy and water impacts in reform agendas.

These activities are essential for meeting the demands of climate change, demographic shifts, and for embedding water reform into broader climate response strategies. AWA looks forward to partnering with the Australian Government and other stakeholders to implement these reforms, further enhancing Australia's water management framework in alignment with global sustainability goals and ensuring the continued health and prosperity of our communities and environment.

AWA and our members

Who we are

AWA is Australia's largest water network. We are motivated by the opportunity to create a more sustainable and inclusive water future. A future where our members have the skills, expertise, and networks to adapt to an ever-changing climate and where innovation is celebrated and promoted. Where collaboration and deep engagement with Aboriginal and Torres Strait Islander people is practiced and expected and where water has a voice in the community, is understood, and revered.

AWA is committed to building Australia's water capabilities to maintain its position as a world leader in water management. We provide individuals with career enrichment and organisations with business development opportunities as we share information and knowledge, connect members with industry and stakeholders, and inspire a sustainable water future. Through our extensive range of technical seminars, courses, and conferences, we provide a forum for debate and best practice dissemination at a state, national and international level.

AWA is a leader in international collaboration and networking in water, delivering a range of initiatives that showcase learnings from Australia's water reform journey, and create opportunities for the Australian water sector. We are proud to work and learn together with our international neighbours as they also strive for a sustainable water future.

Our members

AWA's 5000+ individual and 600+ corporate members cover every facet of the water sector, including professionals and practitioners working in utilities, government agencies, engineering, urban design and planning, science, research, academia, energy, resources, manufacturing, mining, and agriculture.

Our purpose and focus areas

AWA aims to inspire and drive a sustainable water future where water is recognised by all as essential to economic prosperity, health, the environment, and Aboriginal and Torres Strait Islander' connection to Country.

AWA's strategic plan, which was developed by and for our members, outlines how the association will:

- Continue to grow a more diverse, connected, inclusive, impactful, and influential membership.
- Build thought leadership and programs in Australia, Southeast Asia and the Pacific that promote and deliver sustainable water outcomes for all.
- Strengthen our Indigenous and community collaboration, creating a culturally safe space for the sharing of indigenous water management practices and celebrate collaborations that deliver positive change.

Background

[AWA 2017, 2020, and 2024 NWI Productivity Commission Inquiry submissions](#)

The Australian Water Association (AWA) contributed submissions to the National Water Initiative (NWI) reviews in 2017, 2020, and 2024, each articulating the need for comprehensive national water reform in Australia. Each submission has highlighted evolving challenges within the water sector.

The 2017 submission acknowledged the progress made through previous water reforms but expressed concern about backsliding against commitments in the previous review. It recommended rural and urban water management reforms and proposed the establishment of a national water authority to implement a national water plan to regulate water trading and manage water security.

The 2020 submission emphasised the challenges posed by recent bushfires, droughts, and the COVID-19 pandemic, outlining six key reform themes: urban water management, rural water issues, groundwater management, community engagement, research and development, and a revitalised national reform agenda. The 2020 submission particularly emphasised the importance of integration of bottom-up and community-based adaptation, including input from Aboriginal and Torres Strait Islander communities, into water governance arrangements. Additionally, it highlighted the need for increased investment in research and development to address emerging challenges like climate change and pandemics.

In AWA's most recent [2024 submission](#), AWA highlighted the connections between water sector reform and broader national objectives related to climate adaptation and resilience, required to align with Australia's commitments under the UN Sustainable Development Goals (SDGs) and the Conference of the Parties (COP) agreements. The submission articulated three priority areas for policy reform:

1. Improved National Level Articulation of Integrated Water Management (IWM)
2. Focus on Climate Variability
3. Independent Oversight and Advice

Throughout these submissions, AWA has emphasised the critical need for transparent monitoring, robust regulation, and compliance mechanisms, with a focus on community engagement and sustainable management practices. These elements are key to fulfilling Australia's international obligations and safeguarding the health and wellbeing of our people and environment.

AWA and our members are committed to engaging in further dialogue and collaboration on water policy reform. Without deep, coordinated, cross-sectoral reform, Australia risks failing to meet its national and international goals.

Response to proposed National Water Agreement principles

The Australian Water Association (AWA) is in general agreement with the draft principles outlined in the Discussion Paper, however, as they currently stand AWA does not believe that the draft principles are sufficient to support the achievement of the outcomes and objectives.

There are key omissions in particular in relation to the need for national level articulation and promotion of Integrated Water Management (IWM) and independent oversight and advice to drive and support the implementation of the National Water Agreement.

Many of the principles also do not appear to be clearly aligned with the objective that they are listed under and there is noticeable overlap and even repetition between principles both under the same and across different objectives. Further drafting work is needed to ensure that the principles provide clear, comprehensive, yet succinct guidance on how the outcomes and objectives are to be achieved.

Over the following pages AWA has identified key draft principles that that we believe should be retained under each objective, although in some cases they could be better aligned with different objectives or combined with similar principles. Opportunities for additions or improvements to the draft principles under each objective have also been identified.

Objective 1: Securing water for all uses

The safe and secure supply of sufficient water quality and quantity to sustain our natural environments, Culture, economic prosperity and communities.

AWA and our membership represent every aspect of the water industry – as the Australian Government moves towards implementation of this objective, we look forward to working in partnership to achieve the fine balance required to ensure securing water for all uses.

Key inclusions in the draft principles

- That service levels be defined for all communities and that the defining of these services levels be carried out in collaboration with the communities.
- That water management decisions be evidence-based, transparent and informed by community preferences and consider the economic, environmental, social and Cultural costs and benefits.
- The recognition that communities in regional and remote areas should have access to safe, secure and resilient water services and that some small regional and remote water services may not be economically sustainable but that efforts should be made to ensure that people living in regional, rural and remote areas are not excluded from access to water services due to high service costs.
- That water planning and management be integrated across water sources (eg. surface, groundwater, recycled) and water services (eg. stormwater, wastewater) to increase resilience and maximise community health and environmental outcomes.
- That roles and responsibilities for water planning and management be clearly assigned and coordinated.
- That service providers should have appropriate skills and capabilities, and that training and qualifications are recognised nationally where possible.
- That capacity building and training support be provided to communities managing their own water supply systems.
- That all water source and demand management options be transparently considered and assessed and that pricing policies encourage efficient water use not matter what the source.
- That financial separation is maintained where local governments retain ownership of urban water service providers.
- The transparent and independent reporting on performance and pricing in a way that supports effective community engagement.

Opportunities for improvement of the draft principles

- That the collaborative decision-making process include time and resources for community education, co-creation and co-design to support more informed and genuine community participation.

- Greater emphasis on the need for equity of service provision across all communities with minimum service levels not just related to water quality but also quantity and wastewater management and recognition that the aesthetic characteristics (eg. taste, smell) of drinking water also have an impact on the breadth and scale of the public health and social benefits achieved.
- Greater emphasis on the integration of water servicing and management with land use planning. This is particularly needed as more extreme climate change related events impact on liveability (eg. flooding, extreme heat) making it essential that water is a key consideration in all land use planning.
- That responsibility be assigned, and resources allocated for the coordination of water management and planning across water sources and water services. For integrated water planning and management to occur a coordination role needs to be appropriately assigned and resourced.
- That resources be provided to support the establishment of comprehensive and sustainable water operator training and accreditation systems to better manage safety, public and environmental health risks. Current systems are not functioning, so leadership and resourcing is required.
- That performance and pricing reporting be designed to be easily accessible and understood by communities and that it supports effective benchmarking and trend monitoring.

Objective 2: Transparent, strategic water infrastructure investment

Investment in major water infrastructure that is effective, strategic and transparent.

The challenge for water utilities and other critical infrastructure providers is the increasing cost of maintenance and upgrades with ageing infrastructure, increasing population demand and climate-related impacts. Regulators and customers need to better understand the real cost of maintaining critical infrastructure in urban and regional contexts and the need to 'pay forward' to ensure that investment occurs now so that infrastructure and services are more resilient and can respond to increasing risks for the longer term.

Key inclusions in the draft principles

- That investment decisions are carried out through a transparent and robust assessment and selection process which includes consideration of non-infrastructure options and embedding of interests and opportunities for and meaningful consultation with Aboriginal and Torres Strait Islander Peoples.
- That resilience of proposed infrastructure to climate change impacts be assessed as part of the decision-making process.
- That consideration will be given to making unallocated water available for Aboriginal and Torres Strait Islander Peoples as new water rights.

Opportunities for improvement of the draft principles

- Greater emphasis on not only the need to give due consideration to the operation and maintenance costs over the lifetime of potential infrastructure but also the need to identify upfront who will be responsible for the operation and maintenance activities and for recovering these costs.
- These principles could be interpreted as being mainly concerned with new infrastructure and primarily focussed on investments to improve water security and climate resilience. Factors such as the cost of maintaining and operating ageing infrastructure and impact of changing safety, health and environmental compliance requirements also need to be considered and robustly assessed as part of the prioritisation process for major investment.

Objective 3: Aboriginal and Torres Strait Islander Peoples' water interests and values
A water management framework, underpinned by national and international human rights principles, which recognises and protects Aboriginal and Torres Strait Islander Peoples' Cultural, spiritual, social, environmental and economic water interests and values.

AWA welcomes the continued focus on elevating Aboriginal and Torres Strait Islander Peoples' water interests and values within the Australian water reform environment. We are deeply committed to working with First Nations communities to build a sustainable water future for all and work together with our members to achieve impact in areas of Australia where equitable access to water remains a real concern.

Key inclusions in the draft principles

- The acknowledgment that Aboriginal and Torres Strait Islander Peoples never ceded lands and waters ownership and holistically managed lands and waters for more than 65,000 years.
- That Aboriginal and Torres Strait Islander Peoples' Cultural rights and interests in water management, ownership and governance is recognised and incorporated into water management.
- That water management respects the role and functions of Indigenous Cultural and Intellectual Property.
- That good faith efforts are made to remove barriers impeding the access to, management and/or ownership of water by Aboriginal and Torres Strait Islander Peoples

Opportunities for improvement of the draft principles

- That respectful and meaningful co-creation and co-design be central to the provision of accessible, safe and secure supply of water and adequate wastewater services to Aboriginal and Torres Strait Islander communities.

Objective 4: Ensuring evidence-based decision making

The robust and coordinated use of science, data and Cultural knowledge underpins evidence-based decision making in water management.

AWA commends an approach that centres science, data, and Cultural knowledge at the heart of decision-making. Moves to incorporate Aboriginal and Torres Strait Islander Peoples' perspectives into decision-making are key to designing sustainable, holistic approaches to water management.

Investment in research, innovation, capacity building and information sharing has varied across jurisdictions, resulting in significant risks for water service delivery. Data sharing has also been a huge challenge for water sector and other critical infrastructure sectors.

Key inclusions in the draft principles

- That a common language is used to communicate projections, uncertainty and risks associated with changes in water availability.
- That governments collaborate on the generation and communication of science where there are cross-border impacts or benefits from a consistent approach.
- That water planning and management is underpinned by reliable modelling and data systems.
- That data on water quality and availability that is used to inform planning and management decisions is fit-for-purpose, accurate, current and publicly available.
- That jurisdictions collaborate in water data system development, design and standards.
- That water planning and management decision making is supported by Aboriginal and Torres Strait Islander led research, and that their knowledge and traditional knowledge systems are considered an equal part of the evidence base in decision making while respecting data sovereignty.

Opportunities for improvement of the draft principles

- That water quality data is readily accessible to and understood by the communities being serviced along with supporting information on the associated health considerations. The sharing of this data will however be underpinned by respect for privacy.
- That consideration is given to how best to access, share or collaborate on cross-jurisdictional and cross-sectorial research, modelling and data collection to support better informed and more integrated water planning and management. This includes population growth and industry demand forecasts, climate change, public health and environmental impacts.

Objective 5: Sustained community trust

Sustained community trust and confidence in government, water agencies, water managers and users.

AWA members strongly support community engagement and education regarding water management. Transparent decision making and associated monitoring and evaluation are also recognised as key if community trust and support is to be maintained.

AWA also believes that there is a need for an independent body to oversee and drive the national water reform process while providing advice and guidance on water matters.

Key inclusions in the draft principles

- That high quality community engagement is valued.
- That community and water rights holders have access to clear, logical and timely information in accessible formats and that water planning and management processes are participatory and transparent.
- That monitoring, evaluation and reporting is appropriately designed and resourced to support timely and adaptive decision making.
- That compliance and enforcement is transparent, timely, fair and proportional and provides clarity and accountability.

Opportunities for improvement of the draft principles

- That resources are made available to improve 'water literacy' across the community to enhance the quality of community engagement and input into water planning and management and build community trust.
- That water management program, project, plan and framework monitoring and evaluation data is readily accessible to and understood by the communities being impacted.
- That compliance and enforcement regimes consider the environmental, economic, social and Cultural impacts of the regulated activity.

Objective 6: Climate resilient water management

Environmentally sustainable water planning and management that is interconnected, adaptive and responsive to climate change and other circumstances.

AWA's purpose is to inspire and drive a sustainable water future, and our ten-year aspiration is for 'Water to be recognised by all as essential to economic prosperity, health, the environment and Aboriginal and Torres Strait Islander connection to Country'. AWA's [Strategy'25](#) outlines our commitment to connecting our members expertise with need and opportunity to address climate impacts and improve liveability.

Climate change and water have no boundaries – AWA is committed to working with our members, the Australian Government, and our communities to contribute to coordinated approaches to climate resilient water management that recognise our connections and achieves collective impact.

Key inclusions in the draft principles

- That climate change impacts on future water availability are factored into environmental and Cultural water requirements and consumptive pools.
- That water planning and management will provide for priorities, actions and rules that cover the full range of climatic conditions, setting out options to manage risks.
- That guidance is provided through policy, legislative and regulatory frameworks on how water allocation is managed to be fit-for-purpose and appropriately manage the risk to the resource including overuse.
- That a precautionary approach is taken to allocation for resources with high uncertainty.
- That water strategies and water plans will be developed and regularly reviewed through an evidence-based, participatory and transparent process.
- That water planning and management processes include consideration of Cultural, spiritual, social, economic and environmental dependencies.
- That water planning and management processes include consideration of the hydrological connectivity of surface and groundwater systems.
- That the protection of water quality is a core consideration in water and catchment planning and management including surface-groundwater connectivity.
- That water quality is recognised as a key contributor to climate resilience and adaptation of environmental systems.
- That policy and strategy across all sectors address the challenges and interdependencies of water availability through consideration of water needs and potential impacts early in planning and investment processes.
- That a holistic approach is taken to land and water use planning.

Opportunities for improvement of the draft principles

- That climate change impacts on future water quality are factored into water planning and appropriately modelled.
- That climate change impacts on future consumptive water demand are factored into water planning and appropriately modelled.
- That climate change impacts on the operation and maintenance of water infrastructure are factored into water planning and appropriately modelled.

Objective 7: The efficient use of water

Water management frameworks that facilitate the efficient use of water.

To achieve this it will be important to embed a comprehensive Integrated Water Management (IWM) approach and promote a multi-sectoral collaboration to address water scarcity, governance, and sustainability amid escalating climate change and demographic pressures.

Key inclusions in the draft principles

- That water management frameworks recognise all water supply options and consumptive uses.
- That environmental and other public benefit outcomes are recognised in water plans or a jurisdiction's water legislation and have at least the same degree of security as water access rights for consumptive use and are fully accounted for.
- That water market rules and protocols for facilitating trade are publicly accessible.
- That water resource accounts are maintained to provide transparent, practical, credible and reliable information for water management decisions and information on the broader water context.
- That metering and measurement of surface water and groundwater take is reported publicly and is robust, fit for purpose, efficient, feasible to implement, and undertaken on a consistent basis.
- That water demand management practices to conserve water supply and quality are promoted and implemented.
- That there is continued commitment to the objectives of the *Water Efficiency Labelling and Standards (WELS) Act 2005* and nationally consistent WELS legislation

Opportunities for improvement of the draft principles

- That 'fit for purpose' applications of recycled water be considered as part of the efficient use of water, whether that be for potable or non-potable purposes.
- That an Integrated Water Management (IWM) approach be promoted by
 - Aligning regulations to increase collaboration and prevent conflicting siloed agendas (the lack of progress on implementation is strongly linked to governance).
 - Creating governance mechanisms to reduce conflict between state boundaries and surface and ground water catchments, increasing recognition of environmental water and the link between surface and groundwater.
 - Making evident the crucial link of IWM impacts and benefits to climate change response and mitigation strategies, and water's essential role in adaptation.

- Establishing clear and standardised reporting frameworks by requiring jurisdictions to transparently report commitments, re-commitments, and how they are meeting commitments.
- Further development and wide distribution of best practices with guidelines for practitioners to ensure processes and outcomes are aligned across Australia.
- Strengthening resilience and value-based planning, with an emphasis on risk management and catchment-wide insurance.
- Considering international benchmarks and tracking strategies for IWM.

Creation of an Independent Governance Oversight and Advice Body

“The Australian Government has committed to establish a new National Water Commission to drive water reform and future-proof Australia’s water resources. The department will undertake initial scoping work to determine the commission’s roles and responsibilities as a first step in its establishment.” – [DCCEEW National Water Policy Page](#)

AWA fully supports the creation of a new ‘National Water Commission’, with bipartisan government support. There is currently a high need for an independent body to oversee and drive the national water reform process while providing advice and guidance on water matters.

The current model, where governance relies principally on state water ministers and the National Water Reform Committee which is made up of senior officials from Australian Government and all state and territory water agencies, is ineffective in progressing water reform. The lack of information or reports on meetings or discussions held by these stakeholders has contributed to concerns about the effectiveness and transparency of the current approach.

Progress on water reform and the development and implementation of jurisdictional action plans will need Australian Government leadership in providing improved funding, frameworks, and support to state governments. The National Water Grid Authority is a positive example of cooperation and coordination on water at a national level. The framework and associated administration manual developed by the authority provide clear and rigorous guidelines for investment in water infrastructure and the authority provides oversight and transparent reporting on the progress of the projects funded. A similar organisation with a broader scope that also funds and assesses technical, policy and planning, environment, behaviour change, and efficiency solutions could help guide, incentivise, and monitor progress across the full suite of water reforms.

It is also important to integrate any water sector reform in Australia with Australia’s UN SDG commitments, as well as with other national climate adaptation and resilience initiatives – water contributes to or is a key ingredient in sustainable and resilient energy production, economic growth, human and environmental health, and liveability.

For all inquiries regarding this submission contact AWA Head of International and Industry Programs Nicola Nelson via email: nnelson@awa.asn.au, or AWA CEO Corinne Cheeseman: eaceo@awa.asn.au.