

23 June 2026

Senator Marielle Smith

Chair

Standing Committee on Trade and Investment Growth

Final Submission uploaded to **Parliament Australia**

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Dear Senator Marielle Smith,

Re: Submission to Creating sustainable economic growth in rural and regional Australia

The Australian Water Association (AWA) welcomes the opportunity to provide this submission in response to the Parliament of Australia's inquiry to 'Creating sustainable economic growth in rural and regional communities.' As the national, member-based peak body for the Australian water sector, AWA represents over 6,000 professionals and organisations across utilities, government, industry, and academia. Our mission is to promote sustainable water management and advocate for a secure and resilient water future for all Australians.

Water plays a key role in sustaining economic growth in rural and regional Australia, critically supporting the development of regional communities. While this inquiry focuses on improving market access, branding and business growth of small and medium enterprises (SME's), these outcomes are fundamentally enabled by the quality, reliability, and equity of water and wastewater services.

Significant inequities in water service levels persist in regional, remote and rural communities (NSW Productivity and Equity Commission, 2025). In rural communities across Australia, poor source water quality contributes to poor water quality that does not meet drinking water guidelines (Balasooriya et al., 2023). These challenges are inconsistent with Australia's global positioning as a producer of high-quality, safe, and sustainable food and beverages, emphasising that investments in agricultural productivity, regional food systems, and export growth must be accompanied by investments in water security.

AWA submits to the Parliament of Australia the following related issues, and **five** recommendations that should be considered to achieve sustainable economic growth in rural and regional Australia.

1. WATER UNDERPINS REGIONAL PRODUCTIVITY

Water supports several aspects of regional productivity, particularly food security, agricultural productivity and tourism. Agriculture accounts for three quarters of total water demands in regional areas (Department of Agriculture, Fisheries and Forestry, 2024), yet current policy approaches often treat water, food security, and agricultural productivity as separate domains. Water security must be embedded within national food and agriculture frameworks. Food security and agricultural productivity policies will not deliver their intended outcomes unless they are grounded in the realities of water availability, infrastructure capability, and service equity across regional Australia.

Infrastructure capability will require investment to upgrade existing services to adequately support the ongoing productivity of the agricultural sector and tourism industry (see Box 1 for case studies).

Case Study 1: [The Goldfields and Agricultural Water Supply Scheme](#) delivers water to over 100,000 people plus mines and farms across Western Australia's wheatbelt, is now operating near capacity and needs an extra 7.2 million litres per day by 2027. Without this upgrade, supply constraints will limit growth in a region that produces 42% of Australia's national wheat crop and supports six million sheep, directly threatening agricultural export capacity. This project needed region-scale thinking to deliver such critical services.

Case Study 2: [South Australia's Eyre Peninsula](#): continued extraction from groundwater sources at current rates would cause irreversible damage and cut water allocations to every farmer and primary producer in the region. The desalination plant under construction at Billy Lights Point will secure supply for over 35,000 customers, while a proposed \$5 billion Northern Water pipeline would extend climate-independent water security to mining, defence and pastoral industries in South Australia's Far North.

Case Study 3: [The Great Barrier Reef](#) is one of Queensland's most productive tourism regions. The Great Barrier Reef and Cairns rely on secure water and wastewater services to support both a growing resident population and large visitor numbers, and existing supply infrastructure is reaching capacity. The \$472 million Cairns Water Security Stage 1 project is being built to meet this need, recognising that tourism, which generates \$7.9 billion annually and makes up around 90% of the Great Barrier Reef's \$9 billion economic value, cannot be sustained without reliable water infrastructure.

Box 1 – Case studies which link water security and services to regional productivity

2. SUPPORTING SMALL TO MEDIUM ENTERPRISES (SME'S) AND TOURISM THROUGH WATER INFRASTRUCTURE

Agriculture, food production, and tourism are all dependent on reliable water services. However, regional, remote and rural communities face systemic inequity in water and wastewater services compared to urban settings, such as poorer water quality that does not meet acceptable standards and frequent service interruptions (Rosewarne et al., 2025; Weatherall et al., 2025). These conditions are largely attributable to the inability of a user-pays system to recover the cost of water and wastewater services in smaller regional towns (NSW Productivity and Equity Commission, 2025).

These challenges can directly undermine regional business development and SME competitiveness, tourism experiences, workforce retention, and community health and wellbeing. If water services are unreliable or substandard, SMEs are at risks of facing increased operating costs, barriers to scaling and accessing premium markets, and heightened regulatory and compliance risks. Delivering reliable water infrastructure is therefore a critical enabler of SME growth.

3. WORKFORCE CAPABILITY AND REGIONAL RESILIENCE

Sustainable economic growth in regional Australia also depends on local workforce capability, including in essential services such as water. Many LWU's (Local Water Utility) across Australia, are facing challenges in recruiting and retaining skilled workers (Queensland Water Directorate, 2024; NSW Government 2026). Workforce shortages in local water utilities can constrain infrastructure maintenance and upgrades, reduce service reliability and quality, and limit the capacity to support population growth and new business activity. Therefore, investment in regional skills, training, and workforce development in the water sector will deliver dual benefits of strengthening essential service delivery and supporting broader regional economic resilience and growth.

4. PROMOTING ECONOMIC DEVELOPMENT AND LEADERSHIP WITHIN FIRST PEOPLES COMMUNITIES

Any initiatives to support economic development in regional and rural communities must enable First Peoples' involvement in decision making and enable pathways for economic empowerment through practical policy pathways. First Peoples are disproportionately affected by regional water inequity, often contributing to heightened food and water security risks with considerable health and economic outcomes. An experiential study conducted in the regional town of Walgett, with a significant Aboriginal and Torres Strait Islander population, revealed that (Rosewarne et al., 2025; Weatherall et al., 2025):

- 44% of respondents experienced water insecurity and 46% experienced food insecurity, with a strong association between the two.
- 83% relied on bottled water due to supply interruptions and 86% due to quality concerns, significantly increasing household costs.

- One-third of participants reported lacking adequate water to prepare food, highlighting water as a direct constraint on food utilisation.

There is an opportunity to propel economic development in regional communities through embedding First Peoples' leadership into planning frameworks. Current approaches to water management and regional development have not consistently enabled Aboriginal and Torres Strait Islander communities to fully participate in, and benefit from, economic opportunities arising from consumptive land and water resources. Future actions should consider:

- Improving **access to water for productive use**, in alignment with existing federal policy instruments such as the [Aboriginal Water Entitlements Framework](#)
- Enable the participation of First Peoples initiatives in the **consumptive use of water for economic development** (Duncan, 2016)
- Building on existing initiatives such as [ILSC's "Our Country, Our Future"](#) to support sustainable land and water-based economic activity
- Enabling joint initiatives and co-investment models that align water access with regional enterprise development

5. RECOMMENDATIONS

Considering these interrelations between water and the economic development of regional and rural Australia, AWA submits the following recommendations for the Parliament of Australia to consider (Box 2).

1. **Recognise water and wastewater services as critical enabler for economic infrastructure.** Water system capability must be integrated into regional development, agriculture, and tourism policies.
2. **Embed water security within national food security and agricultural productivity frameworks,** recognising the direct link between water access, food systems, and export capability.
3. **Invest in closing the water service gap** between metropolitan and regional/remote communities, with targeted funding to improve water quality, reliability, and affordability.
4. **Strengthen regional workforce capability in the water sector,** including targeted training, retention strategies, and support for local service delivery.
5. **Prioritise pathways for First Peoples access to consumptive water for economic development**

Box 2 – Recommendations to consider the role of water in the economic development of regional and remote Australia

Water underpins economic prosperity, environmental health, social wellbeing and cultural connection. AWA welcomes the opportunity to discuss this submission further and advocate for the consideration of water in regional development.

Yours sincerely,



Corinne Cheeseman
Chief Executive Officer
Australian Water Association

Contact

Lisa Currie, Head of Strategic Partnerships and Advocacy at lcurrie@awa.asn.au.

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