

9 April 2021

Dr Jane Doolan
Commissioner
National Water Reform inquiry Productivity Commission
Locked Bag 2 Collins Street
EAST MELBOURNE, VICTORIA, 8003

Dr Doolan,

Productivity Commission's Draft Report National Water Reform, February 2020.

Thank you for the opportunity to contribute to the Productivity Commission's *Draft Report National Water Reform 2020*. Melbourne Water provided a submission in response to the Issues Paper as part of the Inquiry in August 2020.

Melbourne Water supports the *Productivity Commission's National Water Reform Draft Report, February 2020* (draft report) focus on urban water, Integrated Water Management, system resilience, the involvement of Traditional Owners in water management and the challenges of climate change and population growth.

In preparing the final report, Melbourne Water would welcome more detail on how governance and funding security arrangements could be established to deliver integrated water management and liveability outcomes, and alignment of a renewed NWI to the Sustainable Development Goals.

Please find attached Melbourne Water's submission to the Inquiry in response to the draft report. Please do not hesitate to contact myself or Gavan O'Neill if you wish to discuss this further

Regards,

Michael Wandmaker
Managing Director
Melbourne Water

Melbourne Water | 1800 411 100
99-0 La Trobe Street Docklands VIC 3008
PO Box 4342 Melbourne VIC 3004 Australia
TTY 131 722 F 461 3 9879 7089
melbournewater.com.au
Printed on 100% recycled paper

Submission to the Inquiry – draft report

Melbourne Water welcomes the *Productivity Commission's National Water Reform Draft Report, February 2020* (draft report) focus on urban water, integrated water management, system resilience, the involvement of Traditional Owners in water management and the challenges of climate change and population growth.

The following highlights areas of opportunity for the Commission to consider in preparing the final Report on the National Water Reform.

Urban water services - Achieving optimal investment in IWM and liveability

There are a number of challenges with delivering liveability outcomes and integrated water management, as there are multiple parties and beneficiaries – it is not something that fits within the traditional water services regulated system, making it difficult to invest.

The Draft Inquiry Report highlights that the NWI should include enhanced treatment of urban water, including best practice system planning, pricing and institutional arrangements.

A renewed NWI provides an opportunity to detail:

- national and state governance principles to clarify obligations and the roles associated with the multiple benefits.
- how governments can move to allocate appropriate funding, outline appropriate governance and resources to deliver liveability outcomes (similar to other social infrastructure).

In particular, in finalising the National Urban Water Planning Principles, there is an opportunity to ensure that setting system objectives for multiple outcomes uses robust risk assessment and business case approval processes so that trade-offs are understood.

This additional detail would better enable water planning that reflects the important role of water to liveability outcomes, and the role the urban water industry plays in delivering that with others.

NWI renewal: a refreshed intent- Sustainable Development Goals (SDGs)

Melbourne Water is a signatory to the United Nations (UN) Global Compact and the UN Sustainable Development Goals (SDGs). The UN SDGs represent global best practice and are a measure for what water corporations can do in striving to efficiently deliver sustainable water cycle services. The Australian Government is committed to implementing the SDGs, and it is therefore appropriate to use the goals in guiding water reform in Australia.

The SDGs have received increased recognition as the pre-eminent model to realise sustainable development, in which water plays a critical role. The integration of SDGs has gained increasing momentum and integration into existing strategy and monitoring and reporting across the water sector.

A refreshed intent of the NWI offers opportunity to utilise this as a roadmap that could assist with the integration of land use planning and infrastructure funding, streamlining monitoring and reporting, and improved consistency in delivering outcomes and national and international commitments. A roadmap could also include funding principles for infrastructure that help deliver outcomes that will help secure the water needs for the future.

