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**Australian Water Association comment on the
Productivity Commission Inquiry into
Micro-Economic Reform in the Urban Water Sector**

Cautious support – but mostly let’s focus on the important few and stop the policy rot

Responding to the Productivity Commission’s draft report, Tom Mollenkopf, CEO of the Australian Water Association said: ‘The draft report by the Productivity Commission has again shone the spotlight on the issue of reform in the urban water sector. The sector has already experienced substantial reform over the past two decades and the benefits of this have been apparent in material gains in efficiency, innovation and operational performance.

‘Improvements to the urban water sector can undoubtedly be made; but we must focus on the few core areas that will deliver real value to the community, the economy and the environment.

‘AWA supports reform directed at the establishment of sound underlying markets and the efficient provision of water, wastewater and stormwater services. A critical complementary objective of reform must also be the protection of public health and the environment; in particular through ensuring water quality standards remain high. There is the potential for these objectives to be negatively affected as a result of misdirected but well-intentioned reform.’

The peak body also supports the removal of bans on particular supply augmentation options. ‘The introduction of policy bans by some governments – for example on planned potable reuse – works against water security objectives. Our members have previously highlighted their support for adding recycled water into Australia’s water supplies and using stormwater as a source of supply.’



According to the AWA, water pricing is an increasing cause for concern. Says Mollenkopf, 'Pricing must be transparent and reflect the full economic cost of the services provided. To do otherwise risks our nation's ability to construct and maintain key infrastructure, forcing the burden on to the next generation.'

'Recent developments in South East Queensland and in some other jurisdictions which have seen pricing become a political tool will do untold harm to the sustainability of the sector. Our biggest challenge may not be reform, it may well be to stop going backwards on some key policies.'

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Notes to Editors

- AWA is Australia's leading membership association for water professionals and organisations. Independent and not for profit AWA is the peak body supporting the Australian water sector in the delivery of effective and sustainable water management practices.