WATER SERVICES
ASSOCIATION OF AUSTRALIA

28 June 2013

NSW Department of Planning and Infrastructure
New Planning System
GPO Box 39
Sydney NSW 2001

Dear Sir/Madam

White Paper – A New Planning System for NSW

The Water Services Association of Australia (WSAA) welcomes the opportunity to provide comment on the above paper. WSAA is the peak industry body that brings together and supports the Australian urban water industry. We have 31 members, including the largest water utilities in Australia. Our members provide urban water services to around 17 million Australians. Our Association facilitates collaboration, knowledge sharing, networking and cooperation within the urban water industry. We also provide a forum for debate on issues important to the industry and a voice for communicating the members' views.

2030 Vision for the Australian urban water industry

WSAA members' vision for the sector is '**Customer driven, enriching life.'** The vision recognises the importance of a customer focussed industry which contributes to liveable communities where water services deliver broad economic, environmental and social benefits to everyone (Attachment 1).

> *Australia's cities top the liveability stakes. However, as they become more complex water must be in the front row of planning. Greater integration of urban water services planning with strategic land use planning at the beginning of the process is essential to deliver services that meet multiple objectives including improving liveability and urban design. A strategic approach to planning early on keeps open the maximum number of options for servicing a community to achieve the best scale, delivery model and development timeframes.*

WSAA believes the key actions to achieve this include:

- defining the industry's role and responsibilities in delivering liveability across levels of service, community and stakeholder perceptions, and defining who benefits, who pays and how much
- working with government to clearly articulate the roles, responsibilities and objectives of service providers and government when undertaking long term water services planning
- developing operating and funding models to support the full range of services expected of urban water service providers

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- engaging with communities to bring them to the planning table early on

- influencing public policy debate concerning the form and function of growing cities, towns and regions and determine how best to service their water needs in the short and long term considering population growth and demographic change

- understanding and planning for the interdependencies between energy, water, waste and transport in urban areas and commercial/industrial hubs; protect natural and built water assets from degradation affecting performance and manage the peri-urban interface particularly the water, energy, waste, food nexus

- placing a 'value' on ecosystem services and social benefits/costs in the context of 'who benefits' and 'who pays'.

WSAA believes the NSW Government's proposed new planning system addresses some of these issues and hence, provides its advice below. WSAA also acknowledges and supports the submissions made independently by some its members.

Strong leadership to change the planning culture

WSAA supports the proposed changes to the delivery culture, particularly the:

- appointment of a senior executive to enhance relationships between the Department of Planning and Infrastructure and planners within other sectors (this should include urban water service providers)
- establishment of a culture change action group to promote a 'problem solving' culture seeking good outcomes and not tied up in process
- regular and mandatory performance reporting for strategic planning at all levels

WSAA notes the good work already undertaken in this space by the Planning Institute of Australia, a body which WSAA has established a working relationship with to further the better understanding of urban water professionals and land use planners of the need for greater strategic integration. WSAA is keen to use this relationship to ensure professional training requirements across both professions include an appropriate understanding of urban water planning and infrastructure issues, as well as broader land use planning issues. WSAA is currently developing for its members an urban water planning framework which addresses this issue among others.

Community participation

WSAA supports the earlier involvement of communities in land use planning and enshrining this in law through a Community Participation Charter. For urban water services this will greatly assist in understanding the needs and wants of a community and how best to meet these through exploring and assessing a range of water servicing options. However, this won't be possible if urban water servicing is taken for granted and not considered as part of the amenity and liveability of an area as well as the total urban water, waste, energy and food cycle at the strategic land use planning stage.

Strategic planning framework

WSAA supports a greater focus on strategic planning (particularly long term) enforced through light handed regulation to support this. WSAA supports the hierarchy of plans with the following suggestions for improvement.

- Principle 1 should read as 'Strategic plans should promote the state's economy, *wellbeing* and productivity through facilitating the delivery of housing, retail, commercial, *education*, *recreational* and industrial development and other forms of economic activity…….'

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- Clarity in the relationship (including what overrides what) between the strategic planning framework and other state plans and reforms, particularly as urban water servicing is often part of these other plans and reforms

- Including a planning policy on integrated water management that is particularly focussed on creating long term amenity and a 'sense of place' for communities, and delivering strong, healthy and liveable communities where the natural environment is protected

- Inclusion of urban water service providers in the various groups and Boards being established to develop plans

- The need to have regard for the existing water assets in a region, eg catchments, dams, sewage treatment plants etc, protecting such assets from inappropriate land use. In the case of catchment water quality prevention is better than cure. This issue is particularly important in the proposal for more 'open' zones.

Provision of infrastructure

WSAA acknowledges the ground-breaking proposal for comprehensive growth infrastructure plans to be part of the new system. While supportive, WSAA seeks clarity in how this process will fit into existing strategic infrastructure planning functions as a key issue for our members is clarifying roles and responsibilities for urban water services planning across the various agencies. In the interests of efficiency and productivity we need to reduce duplication of effort by increasing clarity. In this regard clearly understanding the decision-making powers of the Ministers for Planning and Infrastructure, Finance and Services and Primary Industries is important; where possible addressing this through the new legislation may be useful.

Delivering value to customers – contestable infrastructure provision

The white paper announces that the NSW Government will introduce contestability assessments for all infrastructure provided in Growth Infrastructure plans to promote efficiency in infrastructure delivery and operation.

WSAA recognises that greater private involvement in the water industry can drive innovation and efficiency. WSAA supports the potential for new players to provide services directly to customers where it is in their long-term interests. However to ensure that benefits to customers are realised there needs to be detailed policy development and a strong institutional framework to support new players. To some extent the *Water Industry Competition Act 2006* provides such a framework, but it does not resolve all issues. For example:

- water utilities often have planning roles and responsibilities in growth areas and it would need to be clarified how the contestability assessments would interact with these responsibilities
- operator of last resort arrangements need to be developed to protect customers if new entrants fail
- the cost to service greenfield growth areas can be more than existing serviced areas (although not all WSAA members 'pay' for this). Therefore, work is required to determine funding models for contestable infrastructure. Key to this work is the interaction of contestability with the government's policy of embedding contributions/sharing of costs across geographic areas.

WSAA also draws the NSW Government's attention to its recently released position paper on 'Using Water Wisely.' While building more infrastructure is certainly a key part of meeting demand for water in communities, finding ways to use less water is just as important.

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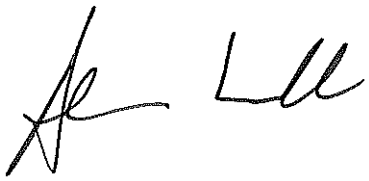
Building regulation and certification

As leakage within homes and offices can be significant WSAA supports the planned changes to the planning system to improve building quality. For example 26% of water consumption in a typical office building is leakage from fixtures, valves and pumps (Adams et al, 2012)[1]. In comparison 37% is used in amenities and 31% in cooling towers. Hence, WSAA also supports the provision of a building manual for complex buildings to ensure efficient operation.

Residential water use studies around Australia have found household water leakage contributes, on average, between 2 and 8% of water use in a home with leaks ranging from 0.03litres/minute to 1.1litres/minute (Water Corporation 2010, Roberts 2004, and UWSRA 2011).[2] Therefore, leakage is currently the focus of some customer hardship programs offered by WSAA members (eg Sydney Water and Hunter Water both offer a plumbing service for customers in financial difficulty who need essential or emergency plumbing work).

WSAA is happy to elaborate on any of the above.

Yours sincerely



Adam Lovell
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[1] Adams, L., Emore, S. And S Solarska (2012) *Towards Water neutrality in commercial office buildings*. Paper presented at OzWater 2012.

[2] Roberts, P (2004) *Residential End Use Study*, Yarra Valley Water. Water Corporation 2010. *Perth Residential Water Use Study 2008/09.* Urban Water Security Research Alliance (2011) *South East Queensland Residential End Use Study: Final Report.* Cara Beal and Rodney A Stewart.

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