

Additional Comments by Senator Xenophon

1.1 All levels of government have a duty to manage water in a responsible way. It is our most critical resource. Likewise, there are considerable advantages to national prosperity from increased investments in stormwater management across all levels of government.

1.2 I commend the Chair and the entire Committee for acknowledging the important role the Australian Government can play in coordinating a national policy, a National Stormwater Initiative (NSI), to assist state and local governments and industry stakeholders with a regulatory framework aimed at achieving economic and environmental benefits through the increased utilisation of stormwater.

1.3 It is vital that the NSI provides ample authority and incentive for state and local governments to comply with the policy and regulatory framework.

1.4 The dominance of state-owned water monopolies, with a focus on water supply and sanitation can and do act to distort policy settings and lead to inefficient investments in the medium and long term. Furthermore, and as highlighted by Dr Peter Dillion, 'monopoly positions of state owned water utilities' act as barriers to entry for private sector investment in stormwater management.¹

1.5 The costs of failed and inadequate stormwater planning and resourcing for it, are borne by the nation as a whole via the direct costs of flood recovery, clean-up, higher insurance premiums, riparian management, and of course water security. Climate change poses a number of growing threats which are best managed through pro-active planning and co-investment. Stormwater needs to play a key role in the water security of Australia, and with it deliver a whole range of other benefits. In addition to the Committee's recommendations, other recommendations need to be considered as follows:

Recommendation 1

1.6 As part of the development of the National Stormwater Initiative, the Australian, state and territory governments consider new funding models and financial incentives that would facilitate improved stormwater management outcomes in an economically efficient way.

1.7 The funding model should include:

- **appropriate amounts of funding from state government resources to establish the National Stormwater Initiative, including but not limited to funding from water utilities and state-owned water corporations;**
- **adequate contributions from dividends and environmental charges collected from state water utilities to sustain the National Stormwater**

1 Dr Peter Dillon, *Submission 46*, p. 3.

Initiative and provide funding for future stormwater infrastructure and planning; and

- **mechanisms to ensure that 'cost shifting' and the transfer of responsibility between agencies is avoided.**

1.8 Australia has an enviable reputation internationally for its extensive experience and leading edge technologies used to manage stormwater. A national approach will assist export potential in markets such as China, which has a multi-billion dollar program to manage runoff as part of its sponge city program. A national approach to support the export of technology and knowhow will create growth and employment opportunities for Australia.

Recommendation 2

1.9 That the Australian Government work with industry and other stakeholders to develop pathways to local and export markets for a range of intellectual and physical stormwater-related products.

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