



Office of the Chairman, Christopher Gasson

Christine McDonald
Secretary, Standing Committee on Environment and Communications Legislation
The Australian Senate
Parliament House, Canberra ACT 2600

12th October 2014

Dear Ms McDonald

Submission of the Global Water Leaders Group on the National Water Commission (Abolition) Bill 2014

The Global Water Leaders Group is a not-for-profit organisation bringing together water utility CEOs from around the world to create a better future for water. We believe that by sharing experience, we can better meet the challenges the world faces in providing clean drinking water and safe sanitation for all.

Australia has a special role to play in this learning process, as it has in many ways been at the forefront of global warming. The experience of the Millennium Drought and subsequent floods in Queensland and elsewhere is something that will be replicated across the world in the coming years. Our group has been following the Australian policy response very closely, as it seems to provide a model for the rest of the world to follow. The activities of the Water Commission have been a key part of that policy response. It is with dismay that we learn of the current plans to abolish the Commission. It appears to be a retrogressive act likely to set back Australia's ability to manage its water future, and extinguish a beacon of excellence to which the rest of the world looked for inspiration.

Although it is arguably true that the Commission has successfully addressed many of the issues which accompanied the Millennium Drought, there is still considerable work to be done. In fact there is a strong argument in favour of extending the mandate of the Commission to include economic regulation. This is another area where Australia has potential to lead the world (other countries have been late to recognise the inherent conflict of interest in having utilities set their own tariffs and determine their own levels of service). However, it is clear that economic regulation of Australia's water sector will never be effective without the involvement of the Water Commission.

Another way of looking at the question is to ask: "What is the dividend from Australia's \$30 billion investment in drought-proofing itself over the last decade?" The desalination plants are being closed, and recycled effluent from water reuse projects is allowed to run into the sea. What is left is the experience and expertise in dealing with the challenge. Close the Water Commission and you send a clear message to the world: "It was all a mistake. Don't look to Australia for answers". If that is the message you want to send, then don't expect Australian engineering firms, consultants, technology companies and water experts to get much business when the world comes looking for water solutions.

Yours sincerely,

Christopher Gasson
Chairman, Global Water Leaders Group