

**Response from Stormwater Australia
To the September 2017 Draft Report
of the Productivity Commission on
National Water Reform**

24 October 2017

Stormwater Australia

Honorary National President: Andrew Allan

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Introduction

Stormwater Industry Association Limited, trading as Stormwater Australia, is the peak body for the stormwater sector in Australia. Our members and stakeholders, public sector and private sector, are the Australian experts in stormwater evaluation, treatment, and management.

In addition to stormwater, many members and stakeholders of Stormwater Australia are actively involved in multiple aspects of water management, and are well-placed to consider and give advice on how stormwater can be managed, and integrated with management and use of other water resources, for the benefit of Australia.

Many of our members work in local government, and our membership includes many who are expert in integrated water management and Water Sensitive Urban Design (WSUD) – our previous submission and this submission reflect that expert perspective.

In April 2017, we made a submission in response to the issues paper on National Water Reform produced by the Productivity Commission. In December 2015, the Australian Senate’s Environment and Communications References Committee tabled their “Report on Stormwater Management in Australia”; we referenced that Report substantively in our April submission, and also refer to it it, below.

We are grateful for the opportunity to provide comment on the Draft Report, and remain available to further discuss or clarify any of the points we make in this submission, should that be helpful.

Overall, while there are positive aspects to the Draft Report, we see it as needing significant change before it will have the necessary credibility, and the necessary capacity to drive holistic and integrated water management.

What We Like in the Draft Report

We commend the Productivity Commission's recognition in the Draft Report that Water Sensitive Urban Design (WSUD) and water sensitive cities are important planning considerations, and the recognition WSUD provides opportunities to improve human health and well-being, as well as the environment.

We are also very pleased to see continued recognition of the need for environmental flows, and protection of waterways as necessary outcomes of effective water management – and their connection with national standards for both flow and quality for waterway protection.

While we certainly endorse and approve the ongoing recognition of the necessity for integrated water management and integrated management of water across an entire catchment, we believe as noted further below in this submission there are components of integrated water management which are not adequately addressed in your Report.

Seeking to define the scope and meaning of WSUD is strongly supported, although as noted below we believe the definition must be improved. The linkages with recycled water and the positioning of stormwater as an alternative source of water supply are positive, as is the clear intent that WSUD should be the subject of further debate, exploration and encouragement. However, as we note in more detail below, any National Water Initiative which ignores or underplays the role of stormwater both as a threat and as a resource, is a flawed policy and a flawed tool. We also note below that there are gaps in the definition of WSUD used in the Draft Report; given different usages across the country, definitions of stormwater and stormwater harvesting management should be proposed by the Draft Report.

We see the move to ensure all pricing including sewerage and drainage services are set by independent authorities as very positive.

Changes Needed to the Draft Report

We regret that the Draft Report inadequately addresses stormwater and related issues, and urge that this omission be corrected, to give the final Report credibility and ensure it is sufficiently comprehensive. The National Water Initiative has focused on potable water and wastewater supply but has, both previously and in the current Draft Report, failed to fully address a key pillar of water management – stormwater – and until it addresses this gap, the National Water Initiative will be flawed.

Inadequately addressing the issue of stormwater, the Draft Report cannot be seen to provide a national and integrated approach to the management of water – it will be at best a continuation of a fragmented and partial approach.

As noted in our April 2017 submission, the Australian Senate received a Report in December 2015 which proposed a national approach for dealing with the issue of stormwater. In spite of the direct bearing of this Senate Report on the business of the National Water Reform Initiative, the Report is not acknowledged in the Draft Report of the Productivity Commission, nor are its recommendations addressed. This is, effectively, a proposal that stormwater is outside the framework of National Water Reform.

Rather than this silence and omission, it would be far more appropriate for the final Report to make clear that in the view of the Productivity Commission stormwater should be addressed separately, if that is indeed the view. If not, then the alternative position should be stated explicitly, and appropriate recommendations made.

In order to appropriately address the issue of stormwater, we request the final Report include the following propositions:

1. The recommendations of the Senate Report should be addressed by government, in a separate initiative, if they are not to be incorporated into the National Water Reform Initiative;
2. Stormwater is a finite resource, potentially valuable and potentially harmful, and therefore requires management – both in the urban and rural context;
3. Stormwater is currently for the most part under managed and under-utilised;
4. Urban stormwater is barely used for water supply and can provide much greater benefits to the community and environment with large scale utilisation;
5. Under-management of stormwater allows unnecessarily large impacts on receiving environments;
6. A changing climate has the capacity to deliver stormwater in quantities which are currently not planned for, and the directive in the Report to properly contemplate climate change should explicitly mention the need to do this in order to protect against adverse impacts from stormwater;

7. States and territories, and local governments, need to consider the capacity for stormwater to positively impact urban heat islands, and hence public health;
8. Before the term can be used nationally to drive policy outcomes, there needs to be a clear agreement on the meaning of the term Water Sensitive Urban Design – it includes all elements of water related design not just stormwater harvesting and runoff management, as seems to be the intent of the Draft Report;
9. The concept of “stormwater harvesting and management” needs clarification and both policy-makers and the water industry require consistent and better understanding of the term, to ensure appropriate collaborative responses;
10. Investment in research and brokering of knowledge through a dedicated stormwater research and development structure is an essential underpinning to a National response;
11. An absence of policies encouraging WSUD and stormwater management at state and local government levels ensures ongoing under management and underutilisation of urban stormwater, and ongoing excessive environmental impact;
12. States and territories, and local governments, should when developing their approach to water at any scale, ensure stormwater is integrated into their planning and management approach;
13. Failure to incorporate management and use of stormwater into urban water and rural water strategies has the same impacts – future stormwater opportunities and threats should be a significant component of urban and rural water management and planning, including ensuring minimisation of stormwater-borne pollutants, minimisation of hydrologic impacts through utilisation of the “urban excess” (stormwater harvesting and reuse), and at-source treatment and infiltration of stormwater through vegetation to reduce urban heat island effects;
14. States and territories, and local governments, should examine whether there is a need to change their regulatory frameworks to encourage a more appropriate approach to management and use of stormwater in urban and rural areas;
15. Integrated water management decision-making, at every level of government, needs to incorporate consideration of current and future stormwater opportunities and threats;
16. In urban areas, failure to address stormwater issues renders attempts at triple bottom line outcomes and therefore accounting inaccurate.

The Senate Report referenced above, and also referenced in our April 2017 submission, provides a substantial body of evidence and reasoning to support each of these propositions.

The current lead agency within the Commonwealth Government for water matters is the Department of Agriculture and Water Resources: this may well reflect the importance of agriculture in the Australian community, and the importance of water to the agricultural

sector, but does not reflect the critical importance of WSUD and stormwater management to the cities, towns and rural areas of Australia, nor the need to transition to becoming Water Sensitive.

While much of water policy- and program-making remains subordinate to the agricultural imperative of this agency, the non-agricultural use and impacts of water may never be adequately addressed. Until the Cities Division within the Department of the Prime Minister and Cabinet is given responsibility for urban water, or at the very least urban and rural stormwater, then we will be concerned that the appropriate policy expertise is not being brought to bear constantly and consistently within the Commonwealth Government.

We cannot see that including urban water use in the greater Agriculture and Water Resources Department will do anything more than continue the current marginalisation in policy and program development. We believe it is important that the Productivity Commission make recommendations going to the future Machinery of Government arrangements for the administration of water matters, including the most efficient way of integrating what should be the vital interests of multiple portfolios in water management and use.