

For Economic Growth and Urban Renewal Cabinet Sub-committee

16/037

Alternative Management and Funding Models for Sustainable Operation and Maintenance of Water Sensitive Urban Design (WSUD) Assets

Minister for the Environment and Climate Change, Simon Corbell MLA

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Key Issue:

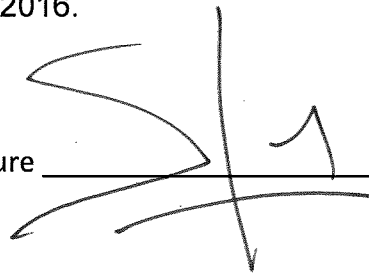
Discussion Points:

- The Economic Growth and Urban Renewal Sub-committee of Cabinet (URSC) was presented with a discussion paper (Attachment A) on 3 November 2015 (15/180) relating to the alternative management and funding models for sustainable operation and maintenance of water sensitive urban design (WSUD) assets.
- The project was identified on the Cabinet agenda and the Exposure Draft Cabinet Submission was lodged to the Cabinet Office for agency circulation on 8 April 2016.
- The Exposure Draft Cabinet Submission focused on the implementation pathways for the three preferred alternative options to improve current management and funding arrangements. This included introduction of a cost-reflective stormwater charge ranks first for improving funding arrangements, and establishing a stormwater utility within government or transferring stormwater assets to Icon Water both ranked highest for improving institutional/management arrangements.
- Refining current arrangements through normal budget processes was assessed and ranked as least effective of the options considered.
- Two agencies provided comment - Chief Ministers, Treasury and Economic Development Directorate (CMTEDD) and Territory and Municipal Services (TAMS).
- CMTEDD have requested that the agenda item be removed from the Cabinet agenda and put through the URSC.
- The superseded Exposure Draft Cabinet Submission is now provided for information only to the URSC (Attachment B).
- The Exposure Draft Cabinet Submission outlines that a pre-feasibility: options assessment study will be carried out and will evaluate the options in further detail. A second Cabinet date has been organised for August 2016 which will consider the findings of this study.
- Marsden Jacob Associates were commissioned by the Environment and Planning Directorate. Their Final Report is provided at (Attachment C).
- Attachment D provides an overview of stormwater utilities in the United States where approximately 1,500 utilities were estimated to be in operation in 2014.
- TAMS provided support for the exposure draft.

Future Action

- The Pre feasibility: options assessment study is currently being commissioned to look at the three options in further detail. The study will provide specific information on the transaction costs of establishing a stormwater charge, and a proposed transfer of assets to Icon Water, or the establishment of a stormwater utility. This study will further explore the options that best meet the ACT Government's strategic directions and other high level policy objectives as mentioned above in the most cost effective manner.
- At this stage, the pre feasibility study will assess the three highest ranked options plus a fourth option of improving current arrangements. The work done to date, including the triple bottom line assessment supports the need to investigate this complex and emerging issue.
- Cabinet will be provided with the findings of the pre feasibility: options assessment study in August 2016.

Minister (or Director-General's) signature

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Date 24/5/16