



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2019-2020

Miss Candice Burch MLA (Chair), Ms Bec Cody MLA (Deputy Chair), Mrs Giulia Jones MLA,
Ms Caroline Le Couteur MLA, Mr Michael Pettersson MLA

ANSWER TO QUESTION ON NOTICE

NICOLE LAWDER: To ask the Minister for the Environment and Heritage

Ref: Budget Paper E, Output Class 2 Conservation and Land Management

In relation to: Water Abstraction Charge

1. What is the purpose of the Water Abstraction Charge?
2. What revenue was generated from the Water Abstraction Charge in 2018-19?
3. On what are funds from this tax spent?
 - a. Were any of these monies directed to improvement of drinking water and waterways in 2018-19?
 - b. If not, why not?
4. Has any consideration to only allocating revenue from the water abstraction charge to water quality improvement projects?

MINISTER GENTLEMAN: The answer to the Member's question is as follows:—

1. The water abstraction charge (WAC) is a volumetric charge to recover the costs of water provision to the ACT that are not incorporated in the mains water tariffs that Icon Water charges customers. The WAC is not a levy or a tax. The WAC is so the real cost of water is passed on to customers based on what they use. It is fully consistent with the 1995 COAG Water Reform Agreement and the August 2003 COAG agreement on water pricing. Specifically, it covers:
 - all catchment management costs directly incurred by the ACT Government and its agencies;
 - environmental costs associated with consumptive water use; and
 - the scarcity value of water.

These costs are borne by the ACT Government and are separate from any costs incurred by Icon Water.

The WAC is passed directly on to all customers as a separately identified charge.

2. The 2018-19 total WAC revenue is \$31,614,316.
3. Funds derived from the WAC are intended to be spent on ACT Government management of the ACT's water resources. Activities funded include:
 - Biodiversity and Environmental Monitoring;
 - Environment Protection;
 - Water Utility Regulation;

- Water Health Monitoring and Regulation;
- Water Policy and Administration; and
- Land Management Programs (and delivery) aligned with Plans of Management/Capital Works/Initiatives and Specific Projects that link to water related works or catchment management activities

I am advised that the specific activities and costs for 2018-19 are not yet available from Treasury.

4. The WAC assists in helping improve our catchment and water supply as well as other measures to protect and enhance the environment.

Approved for circulation to the Select Committee on Estimates 2019-2020

Signature:



Date:

2/7/19

By the Minister for the Environment and Heritage, Mick Gentleman