

**Agenda****Minister Rattenbury: Environment, Planning and Sustainable Development Directorate Regular Meeting**

MEETING DETAILS			
<b>Date:</b>	Friday, 23 September	<b>Time:</b>	9.45am - 10.45am
<b>Location:</b>	via Microsoft Teams	<b>Apologies:</b>	Bren Burkevics

MEETING BUSINESS			
Item	Name	Requested by	Action Officers
1.	Declaration of Interest*	EPSDD	All
2.	Standing Items: 2.1 Weekly Brief, Media Forecast and FOI Report 2.2 Action Items/Ministerials in Action 2.3 Cabinet and Assembly Business 2.4 Budget*	Minister's Office EPSDD	Ben Ponton Jim Corrigan Fiona Wright Alex Magee
Water			
3.	Non-Potable Water Review Response Brief	Minister's Office	Ben Ponton Jim Corrigan Ryan Breen Stu Jeffress
Energy/Emissions Reduction			
4.	NextGen Program and Wait Times for Installers*	Minister's Office	Ben Ponton Jim Corrigan Fiona Wright Ros Malouf
5.	ActewAGL Hydrogen Refuelling Station Update	EPSDD	Ben Ponton Jim Corrigan Fiona Wright Ros Malouf

\*Denotes no papers

Proposed Forward Agenda	
Title	Requested by

**Environment, Planning and Sustainable Development  
Directorate**

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**To:** Minister for Water, Energy and Emissions Reduction

Tracking No.: 22/00037

**Date:** 21 September 2022**From:** Deputy Director-General**Subject:** WEEKLY BRIEF – Commencing 26 September 2022

- DDG, Environment, Water and Emissions Reduction

**Purpose**

To provide a summary of the current work from the Environment, Planning and Sustainable Development Directorate (EPSDD). The report also includes matters scheduled to occur from Monday, 26 September to Friday, 30 September 2022.

**Key Issues****100% renewable electricity**

Global Power Generation (GPG) are conducting a site tour of their 10MW battery energy storage system in Queanbeyan at 5:00PM, 28 September 2022. A delegation from the Spanish Government will be attending. The battery has been built as a result of the commitments made by GPG in the Berrybank 2 reverse auction Deed of Entitlement. An Event Proposal will be provided to your office.

**Home Energy Support Program**

As of 16 September 2022 (the day after the launch), two applications have been received for rebates for Category B products under the Home Energy Support program. Promotion of the rebates for the additional products under the program will continue through emails to Sustainable Home Advice workshop attendees, social media and at the Seniors Expo on 28 September 2022. Communication through our networks with key community organisations and stakeholders will also continue to assist in raising awareness of the program and further supports available.

**Gas Transition**

Preparation is underway for a stakeholder consultation process and development of a Regulatory Impact Statement, to inform the no new gas connections regulation, which is anticipated for late 2023. Discussions have commenced with Evoenergy to understand potential impacts, opportunities and concerns for the regulation, and will continue as the work progresses. Work is also underway to determine the scope for a workforce modelling piece, to understand the impacts of the transition on skills needs for the ACT over the coming decades, and initial work has commenced to look at the implications of the transition for developer contribution arrangements.

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## **Monitoring and Evaluation (M&E) of the Vulnerable Household Energy Support Scheme (VHESS) and Minimum Energy Efficiency Standards (MEES) for rental properties**

A draft work plan for M&E of the VHESS and MEES for rental properties has been prepared. We are undertaking internal consultation across directorates on the workplan.

In developing the work plan consideration has been given to facilitating data collection that will build an evidence base to support future policy/program work, as well as enable short term reporting and outcomes focused evaluations in the longer term.

The proposed work plan is structured around four M&E packages each with different components and includes the following:

1. Quantifying and monetising the co- benefits of energy efficiency improvements.
  - Includes health, wellbeing, productivity and whole of society economic benefits.
2. Development of VHESS Monitoring and Evaluation Framework and Plans for each Stream. M&E of specific components of the VHESS Stream Two pilot Housing ACT - insulation upgrades.
3. Minimum Standards - sector analysis - assurance and auditing.
  - Includes data collection and analysis to track the effects of the introduction of the standards on the rental sector, insulation industry and electrical contractors.
4. Energy equity- are we reaching the right cohorts?
  - Evaluation of the VHESS Chronic Conditions Pilot
  - Data collection and analysis of different cohorts to map cumulative risk factors that contribute to household disadvantage.

### **VHESS – Chronic Conditions Pilot**

The policy design of a pilot program for households experiencing high energy costs due to a chronic health condition has been finalised. The pilot is now moving on to the implementation stage. The pilot will provide upgrades (averaging \$10,000 per household) to increase thermal comfort in the home and improve energy efficiency. All homes in the pilot will receive a Scorecard Assessment, which will be used to determine the most impactful upgrades. Initially the pilot is limited to homeowners who hold an eligible concession card but it is planned to extend eligibility to include renters later in 2022.

**Sustainable Household Scheme**

**Push Metrix Report:**

Phase	Friday 9 September 2022		Friday 16 September 2022	
	Number	\$	Number	\$
<b>Applications</b>	8,518	\$93.93M	8,740	\$96.49M
<b>Approved</b>	7,576	\$83.58M	7,773	\$85.88M
<b>Settled/installed</b>	5,795	\$62.77M	5,967	\$64.59M
<b>Average approved loan amount</b>	N/A	\$11,032	N/A	\$11,048
<b>Total MW of solar</b>	35.29	N/A	36.21	N/A

**BASH report numbers**

	Rooftop Solar only	Solar & Battery	Heating & Cooling	Battery	HW HP	Stove top	EV New	EV Used	EV Chargers	Total
<b>Loan applications</b>	4,970	1,167	1,337	610	507	60	37	32	20	8,740
<b>Installations/delivery</b>	3,207	767	1,070	409	408	36	25	30	15	5,967
<b>Weekly applied number increase</b>	143	20	33	14	8	5	1	0	1	225

**Communications**

A reminder email is being sent out to interested community groups to offer to support to access the Scheme

**Other updates**

- Over \$96 million applications have been received, with over \$84 million approved and over \$64 million settled.
- Over 36 MW of solar has been installed.
- This is showing an increase on average of \$2.5 million a week being applied for.

**Stakeholder Engagement**

Date	Event
<b>6:30-7:30 pm, 29 September 2022</b>	<i>Understanding solar for your home</i> , free online workshop presented by the Sustainable Home Advice team.
<b>28 September 2022</b>	Household Program Delivery team will staff a stall at the Veterans and Seniors Expo to promote the support available to help households become energy efficient and sustainable. The expo will take place at Exhibition Park in Canberra from 10.00 am – 3.30 pm.

**Summary of Attachments**

Media Forecast  
FOI Report



**Media and Communications Forecast**

(As at 21/09/2022)

Rattenbury forecast	Blue shading = Priority identified by MO
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**MEDIA, EVENTS AND PROACTIVE PITCHES**

Date	Portfolio	Minister	Description	Communications Channel	Communications contact / Action officer	Comments
30 September 2022 TBC	Water, Energy and Emissions Reduction	Rattenbury / Vassarotti	Fish Stocking Plan, Recreational fishing declaration and fishing closure declaration	Media release, social post, web updates, YourSay engagement, stakeholder engagement	Hannah Evans	An information brief, including the comms on a page, is progressing to MO with a critical date currently listed as 26 September 2022. The intention is to launch the end of that week (30 Sep). Media release and supporting comms are in draft. The recreational fishing declaration will introduce changes to recreational fishing rules to encourage compliance from recreational anglers and the community. The fishing closure declaration fishing closures, fish of prohibited size or weight, quantities of fish that can be taken per day, and the fishing gear that can be used to take them.
Late September 2022 TBC	Water, Energy and Emissions Reduction	Rattenbury	Unit Titles Sustainability	Email to key stakeholders - distributed through networks of members of the Consultative Group	Will Downing	Content is being drafted to share an announcement with the Unit Titles Consultative Group for dissemination through their own networks (i.e. newsletters and emails to organisation members/stakeholders). We are also preparing content for similar and complementary recent announcements (e.g. EV Charging) to add some more weight to the material we provide to the group.
October 2022 TBC	Water, Energy and Emissions reduction	Rattenbury	Subsurface wetland - Belconnen Oval - information session	Belconnen region - Media release, information sessions with community, stakeholder engagement, web updates, social media	Amy Faulks	Subsurface wetland, the first one in the ACT, is currently in the design phase and looking to be built at the west Belconnen oval near Lake Ginninderra. This consultation will be with the Belconnen community and directly stakeholders to gain their thoughts on the wetland being installed there. For noting, the subsurface wetland will remove the capacity of up to half of the oval.

**OPEN CONSULTATION AND UPCOMING ENGAGEMENT**

Timeframes	Portfolio	Minister	Description	Channels / Region of Canberra / Engagement spend	Comms contact / Action officer	Comments
N/A						

**CAMPAIGNS AND ADVERTISING**

Campaign dates	Portfolio	Minister	Description	Channels / Target Audience / Spend	Comms contact / Action officer	Comments
27 June - 31 August 2022	Climate Change & Energy	Rattenbury	Winter Energy Campaign	Social, Radio, web, digital ads, TV, YouTube ads - Renters and homeowners in ACT - \$78,000 budget	Main contact: Danielle Forner Portfolio Manager: Megan Baker	Campaign complete. Post campaign report due 12 October.
W/c 26 Sep (TBC)	Climate Change and Energy	Rattenbury	Minimum standards for rental properties	TBC	Main contact: Danielle Forner Portfolio Manager: Megan Baker	Media plan, content and creative going through approval. Announcement date still TBC (proposed for WC 26 Sep).
Late 2022 (TBC)	Climate Change and Energy	Rattenbury	Summer Energy Campaign	TBC	Main contact: Danielle Forner Portfolio Manager: Megan Baker	Campaign is currently in the planning stages.

**SIGNIFICANT WEB AND GRAPHIC DESIGN PROJECTS**

Dates	Portfolio	Minister	Description	Channels	Comments
September – Ongoing	Water, Energy and Emissions Reduction	Rattenbury	ZEV Fleet advisory service	Print & Digital	Proceed as planned.

September - Ongoing	Climate Action / Water, Energy and Emissions Reduction	Barr / Rattenbury	Climate Action campaign rollout	Print & Digital	Proceed as planned.
July - March 2023	Climate Action / Water, Energy and Emissions Reduction	Barr / Rattenbury	Gas Transition Digital Hub	Web	Stage 2 commencing. Stage 2 will expand the interactive experience to support a number of SMB sectors.



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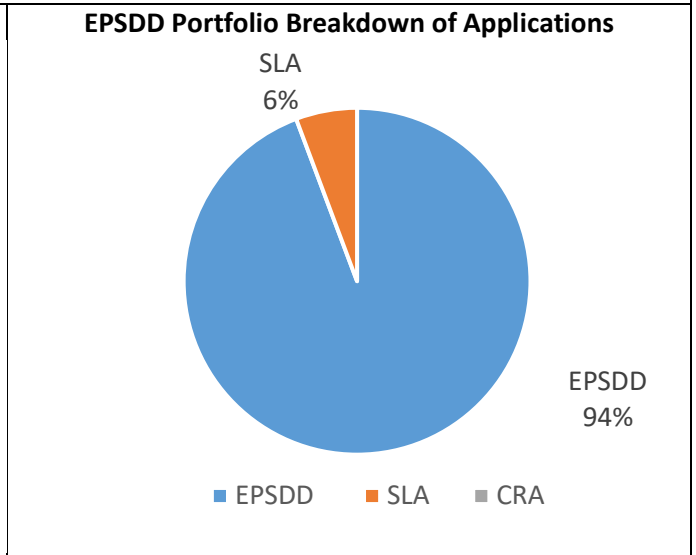
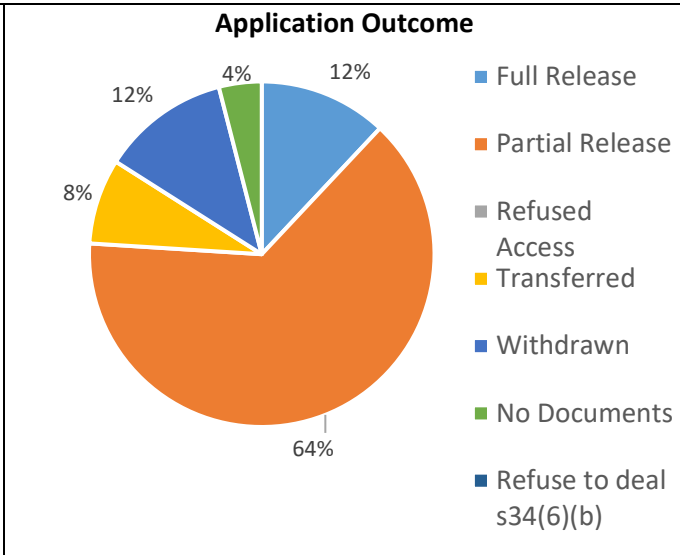
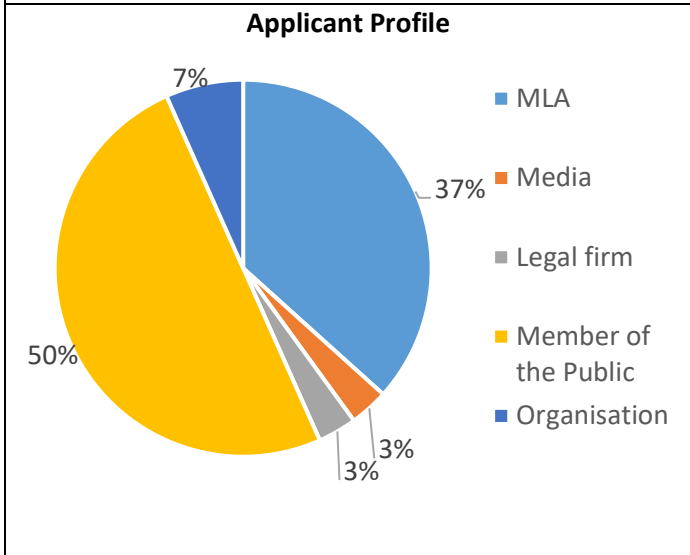
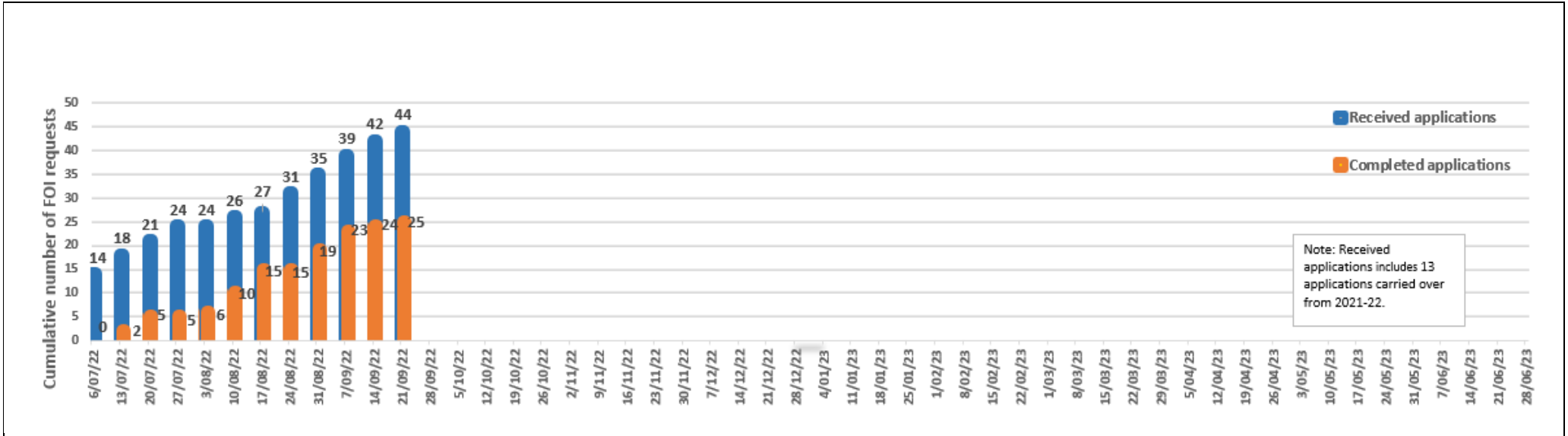
EPSDD FOI Report – 21/09/2022

Weekly FOI Report FY 2022-23 to date Report: 21 September 2022

Active Applications: 19

Completed Applications: 1

New Applications: 2





**Access Application Status Description:**

- **In Progress** - Application processing has commenced.
- **Decision Made – Dispatch pending final steps** - The decision has been made by the Information Officer, redactions are being applied to the documents to be released to the applicant. The applicant has not yet been notified of the decision and DLO notification email has not yet been sent.
- **Completed** - The decision notice and documents have been dispatched to the applicant. DLO notification email has been sent to notify Minister/s office. Publication on EPSDD disclosure log in next 3-10 working days requested.
- **Completed – Transferred** – Application transferred in full to another agency.
- **Suspended** - Processing of the application is suspended due to consultation with the applicant.
- **Withdrawn** – Applicant has withdrawn their application.

Requests under the <i>Freedom of Information Act 2016</i>			
Applicant Type	Subject	Due date	Comments
MLA	18 Various Ministerial Briefs and 50 QTBs (February 2022 – March 2022)	20/09/2022	<b>Status:</b> Completed
Member of the Public	Data relating to the 2022 Kangaroo Cull, specifically numbers of kangaroos killed on nine reserves.	N/A	<b>Status:</b> Decision completed 18 August 2022 - Deferred access until 31/10/2022
Legal Firm	DA 202240219 – Block 22 Section 48 Turner	22/09/2022	<b>Status:</b> In Progress
Organisation	Approved Development Applications regarding assessable car space height in past 12 months	22/09/2022	<b>Status:</b> Suspended
Organisation	Tree surveys in Development Applications for past 12 months	23/09/2022	<b>Status:</b> Suspended
MLA	Tender GSO315976 - Reports Business cases and Tender response	27/09/2022	<b>Status:</b> In Progress
Organisation	Extension to leases Majura Valley since 2003 and rezoning	30/09/2022	<b>Status:</b> In Progress
Member of the Public	DA 202139597 - Block 103 Section 22 Hume - Referral Entity Comments and Advice	30/09/2022	<b>Status:</b> In Progress



Requests under the <i>Freedom of Information Act 2016</i>			
Applicant Type	Subject	Due date	Comments
Member of the Public	All investigations conducted into the suitability of Canberra having a motor raceway circuit	03/10/2022	<b>Status:</b> In Progress
Member of the Public	Aboriginal, Heritage & tree impact for Block 4 Section 60 Braddon	03/10/2022	<b>Status:</b> In Progress
Member of the Public	Structural Reports - Block 1 Section 166 Harrison	04/10/2022	<b>Status:</b> In Progress
Member of the Public	DA 202139347 - 32 Sturt Ave Narrabundah	07/10/2022	<b>Status:</b> In Progress
Member of the Public	Statement of reasons DA 202139648 - 11/64 Deakin	07/10/2022	<b>Status:</b> In Progress
MLA	45 Various Ministerial Briefs and 106 QTBs (March 2022 – April 2022)	07/10/2022	<b>Status:</b> In Progress <a href="#">FOI 22/46630 provided a listing of Ministerial Briefs and QTBS</a>
Member of the Public	SLA & ALN Contracts and Risk Plans relating to Block 9 Section 27 Whitlam	11/10/2022	<b>Status:</b> In Progress
Media	Minister's Call-in powers for DA – McKellar Shops	11/10/2022	<b>Status:</b> In Progress
MLA	Various Ministerial Briefs and QTBs (April 2022)	19/10/2022	<b>Status:</b> In Progress <a href="#">FOI 22/76653 provided a listing of Ministerial Briefs and QTBS</a>
MLA	ACT Public Service EPSDD Employee Survey Results	20/10/2022	<b>Status:</b> In Progress
*Organisation	Heritage registration of former Kingston Post Office	19/10/2022	<b>Status:</b> In Progress
*MLA	McKellar Shops DA refusal	19/10/2022	<b>Status:</b> In Progress

\* New Applications received 15/09/2022 – 21/09/2022



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EPSDD FOI Report – 21/09/2022

**Count Information**

Open Access/Disclosure Log Publications	24
Ombudsman Reviews	0
ACAT Reviews	0
Charges Applied	0
Personal Information Amendments	0

Meeting Date	Item	Actions	Due date	AO	In progress (date/notes)	Completed (date/notes)
220722	<b>Item 3 - Indigenous water program/ management</b>	Provide Caveat brief to Minister on opportunities for C'wlth Government funding and approach to progress indigenous water program.	ASAP	Ryan Breen/ Bren Burkevics	<b>19/09 update: Brief in progress – expected to EGM September 2022</b>	
220722	<b>Item 4 - Non-potable water Government Response update</b>	Provide brief to Minister on Government Response and timeframe for ERC and public consultation	29/07/22	Ryan Breen/ Bren Burkevics	<b>12/09 update: Updated brief will be provided to the MO office next week Obj Ref: 22/107147</b>	<b>COMPLETED – progressed to MO Thurs 15/9</b>
220729	<b>Item 3 – Embedded Network Ban</b>	Provide brief to Minister on options for embedded networks in the ACT	13/09/22	Geoffrey Rutledge/ Fiona Wright	<b>19/9 - Brief 22/98475 outlining the next steps in assessing the issue will be progressed this week.</b>	
220819	<b>Item 2 - Weekly Brief – Review of Large-scale Feed-in Tariff Legislation</b>	<span style="background-color: #cccccc; color: #990000; font-size: small;">Personal Information</span> to be provided copy of review Terms of Reference once developed.	December 2022	Fiona Wright	<b>19/9 - The scope of the review has been shared and discussed with Evoenergy – albeit not directly with Mr Knox. This action can potentially be closed.</b>	

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220819	<b>Item 4 – Battery Storage and Grid Integration Program Funding</b>	Provide brief to Minister on options to fund the Battery Storage and Grid Integration Program.	16/09/22	Fiona Wright	06/09 update: In progress Obj Ref: 22/118029 Aiming to be with MO by 28/9	
220902	<b>Queanbeyan Sewage Treatment Plant Upgrade</b>	Arrange 4 way briefing between Ministers Rattenbury, Vassarotti, Gentleman and Cheyne	End/09/22	DLO/OM	06/09 update: In progress	
220907	<b>Item 5 – Minimum Energy Efficiency Standards</b>	Consult with CMO about OCA paper on <i>Cab Sub 22/594 Arrangements for Govt programs to support insulation retrofits</i> to better understand its impact on the timing of the upcoming Minimum Energy Efficiency Standards for rental properties	ASAP	A/g COS		

Ministerials in action – Minister for Water, Energy and Emissions Reduction (as at 21/09/2022)

Name	Minister	Due to Ministers Office	Status
22/98475 Ministerial-Information Brief - Rattenbury - Options for Embedded Networks in the ACT	Minister Shane Rattenbury	13/09/2022	With Directorate
22/118481 Ministerial-Correspondence - Rattenbury - Katy Gallagher - Wallaroo Solar Farm	Minister Shane Rattenbury	14/09/2022	With Directorate
22/115318 Ministerial-Information Brief - Rattenbury - Announcement of Minimum Energy Standards for Renters	Minister Shane Rattenbury	15/09/2022	With Directorate
22/115796 Ministerial-Correspondence - Rattenbury - Chris Bowen MP - Consultation on the CFI Rule	Minister Shane Rattenbury	16/09/2022	With Directorate
22/82418 Ministerial Information Brief - Rattenbury - Subsurface Wetland in Belconnen Oval	Minister Shane Rattenbury	19/09/2022	With Directorate
DUE - 220926 - 22/119519 - DLO Request - Rattenbury - MEET WITH CONSTITUENT - CSA - Zero Emissions goals	Minister Shane Rattenbury	26/09/2022	With Directorate
DUE - 220927 - 22/126566 - DLO Request - Rattenbury - DOT POINTS - Inquiries on healthy waterways projects in Belconnen area	Minister Shane Rattenbury	27/09/2022	With Directorate
22/124163 Ministerial-Correspondence - Rattenbury - Personal informaton Solar Energy Rebate	Minister Shane Rattenbury	28/09/2022	With Directorate
DUE - 220928 - 22/127576 - DLO Request - Rattenbury - ADVICE FOR MO - Response to MBA	Minister Shane Rattenbury	28/09/2022	With Directorate
22/119087 - Ministerial Information Brief - Rattenbury/Vassarotti/Gentleman/Cheyne - Queanbeyan Sewage Treatment Plant - 10 October 2022	Minister Shane Rattenbury	30/09/2022	With Directorate
DUE - 220930 - 22/128394 - DLO Request - Rattenbury - ADVICE FOR MO - 50 Charger Project and Public Land Access	Minister Shane Rattenbury	30/09/2022	With Directorate
22/125237 Ministerial-Correspondence - Rattenbury - Personal informaton - Moving away from gas and fossil fuels	Minister Shane Rattenbury	30/09/2022	With Directorate
22/125261 Ministerial-Correspondence - Rattenbury - Personal informaton Thermal Energy Storage	Minister Shane Rattenbury	30/09/2022	With Directorate
22/125929 Ministerial-Correspondence - Rattenbury - Personal informaton - Sale of Wood Heaters	Minister Shane Rattenbury	30/09/2022	With Directorate
22/126844 Ministerial-Information Brief - Rattenbury - EV charging requirement for new apartment buildings	Minister Shane Rattenbury	04/10/2022	With Directorate
22/127260 Ministerial-Correspondence - Rattenbury - Letter to QPRC Mayor - EV Charing in Braidwood	Minister Shane Rattenbury	05/10/2022	With Directorate
22/100357 Ministerial-Arrangements Brief - Rattenbury - 15th Singapore International Energy Week (SIEW) 2021 - 25 to 28 October 2022	Minister Shane Rattenbury	18/10/2022	With Directorate
22/32632 Ministerial-Meeting Brief - Rattenbury - ACT Climate Council - 26 October 2022	Minister Shane Rattenbury	19/10/2022	With Directorate
21/86208 Ministerial-Information Brief - Rattenbury - Review of the realignment of Actsmart Business Recycling	Minister Shane Rattenbury	19/10/2022	With Directorate
22/93342 Ministerial-Arrangements Brief - Rattenbury - EVENT: Sustainable Business Expo - 3 November 2022	Minister Shane Rattenbury	27/10/2022	With Directorate
22/108215 Ministerial-Arrangements Brief - Rattenbury - Climate Choices School Awards 2022 - 8 December 2022	Minister Shane Rattenbury	01/12/2022	With Directorate
22/32635 Ministerial-Meeting Brief - Rattenbury - ACT Climate Council - 12 December 2022	Minister Shane Rattenbury	05/12/2022	With Directorate

## Assembly and Cabinet Business

### CABINET AND ASSEMBLY ITEMS

(As at 21 September 2022)

Title	CABINET DATE	ASSEMBLY DATE	Type	Current Status	DUE TO MO (EXP)	EXP TO CO	DUE TO MO (FINAL)	FINAL to CO
22/546 Cabinet Climate Action Sub-Committee <b>No new gas connections regulation – Proposed approach</b>	27/09/2022		Discussion Paper	FIN with MO	-	-	5/09/2022	19/09/2022
ACT and Region Catchment Management Coordination Group Annual Report 2021-22		11 – 20 October	Paper for Tabling Only (Annual)					
22/442 Cabinet <b>COSPONSORED: State of the Lakes and Waterways in the ACT - Government Response</b> ERC: Not required <b>Cabinet:</b> 21 November 2022	21/11/2022	29 November - 01 December	Submission	EXP with MO	Complete	6/10/2022	28/10/2022	11/11/2022
2021-22 Ministers Annual Report under the Climate Change and Greenhouse Gas Reduction Act 2020		29 November - 01 December	Paper for Tabling Only (Annual)					
22/440 Government Response to Non-Potable Water Review  ERC: (TBC) Cabinet: (TBC to move to 2023)	TBC	TBC	Submission	EXP with AO	TBC	TBC	TBC	TBC

### QON/QTONS IN ACTION

No.	Member	Topic	Due to Assembly/Committee	Current status
1	Cocks	Safety Considerations for Gas Use	23/09/2022	With MO

**CABINET SUBMISSIONS ON CIRCULATION AS AT 21 SEPTEMBER 2022**

Cabinet Date	Cabinet No.	Title	Cabinet Priority	Paper Type	Meeting Type	Minister	Current Action	Directorate
28/09/2022	CAB2022/415	Electricity Safety Amendment Bill - Agreement to Introduce	Category 1	Assembly Business Paper	Cabinet	Minister for Sustainable Building & Construction	Review final submission	EPSDD
28/09/2022	CAB2022/488	Report No.9 of the Standing Committee on Public Accounts – Inquiry into ACT Auditor General’s Report 7/2021 Procurement Exemptions and Value for Money – Government Response	Category 2	Submission	Cabinet	Special Minister of State	Review final submission	CMTEDD
28/09/2022	CAB2022/535	The ACT Government Response to Auditor General’s Report on ACT Taxi Subsidy Scheme	Category 2	Assembly Business Paper	Cabinet	Treasurer	Review final submission	CMTEDD
28/09/2022	CAB2022/554	(ERC) ACT Infrastructure Plan Update - Approach	Category 2	Submission & Presentation	Cabinet	Chief Minister	Review final submission	CMTEDD
29/09/2022	CAB2022/569	(ERC ONLY 29-09-22) Suburban Land Agency 2022-23 Staffing Budget	Category 1	Submission	Expenditure Review Committee	Minister for Housing & Suburban Development	Review final submission	EPSDD
29/09/2022	CAB2022/296	(ERC 29-09-22) Report No (4) to 2021-22 Budget Initiative – Growing and Renewing Public Housing - Securing high quality public housing	Category 3	Discussion Paper	Cabinet	Minister for Housing & Suburban Development	Review final submission	CSD
05/10/2022	CAB2022/470	Omnibus Federation Funding Agreement – Health Schedules	Category 2	Submission	Cabinet	Minister for Health	Provide exposure comments	HEALTH
05/10/2022	CAB2022/508	CO-SPONSORED Government Response to Standing Committee on ECCB – Report No. 4 – Inquiry into Renewable Energy Innovation in the ACT	Category 2	Submission	Cabinet	Minister for Climate Action	Provide exposure comments	CMTEDD
05/10/2022	CAB2022/534	(ERC 29-09-22) Eating Disorders Residential Treatment Centre - Direct Sale – Block 3 Section 17 Coombs	Category 1	Submission	Cabinet	Minister for Mental Health	Review final submission	HEALTH
05/10/2022	CAB2022/573	COVID-19 Rapid antigen tests in ACT Education settings for term 4, 2022 and term 1, 2023	Category 1	Submission	Cabinet	Minister for Education & Youth Affairs	Provide exposure comments	EDU
10/10/2022	CAB2022/559	(ERC 29-09-22) Household Waste Collection – FOGO pilot report and special consideration process	Category 2	Submission	Cabinet	Minister for Transport & City Services	Review final submission	TCCS
17/10/2022	CAB2022/457	CO-SPONSORED ACT Government Response to National Data Security Action Plan Discussion Paper	Category 3	Submission	Cabinet	Special Minister of State	Provide exposure comments	JACS
25/10/2022	CAB2022/551	(ERC 14-10-22) RSPCA ACT – Relocation Package and Ownership Structure	Category 2	Submission	Cabinet	Minister for Transport & City Services	Provide exposure comments	TCCS
08/11/2022	CAB2022/499	City Precinct Renewal Program Update	Category 3	Discussion Paper & Presentation	Planning Subcommittee	Chief Minister	Review final submission	EPSDD

**Environment, Planning and Sustainable Development Directorate**

<b>To:</b>	Minister for Water, Energy and Emissions Reduction	<b>Tracking No.:</b> 22/107147
<b>Date:</b>	6 September 2022	
<b>From:</b>	Executive Group Manager, Environment, Heritage and Water	
<b>Subject:</b>	ACT Government response to the (Treasury) Non-potable Water Review	
<b>Critical Date:</b>	As soon as possible	
<b>Critical Reason:</b>	To enable the preparation of a Submission for consideration by the Expenditure Review Committee	

**Recommendations**

That you:

1. **Note** the analysis of the two options presented in this brief and at Attachment A and Attachment B for a new Water Abstraction Charge (WAC) pricing structure for non-portable water;

**Noted / Please Discuss**

2. **Agree** to the recommendation of Treasury to progress the preferred two-tier pricing structure to the Expenditure Review Committee (ERC) for consideration;

**Agreed / Not Agreed / Please Discuss**

3. **Agree** to undertake targeted public consultation with golf clubs in late 2022 immediately following ERC consideration as per Option 1 presented in this brief;

**Agreed / Not Agreed / Please Discuss**

4. **Agree** to the draft correspondence to golf clubs (Attachment C) being settled with your office subject to your decision on the previous recommendations in this brief.

**Agreed / Not Agreed / Please Discuss**

Shane Rattenbury MLA ...../...../.....

Minister's Office Feedback

## Background

1. The Parliamentary and Governing Agreement for the 10<sup>th</sup> Legislative Assembly committed to conduct a review into water costs for high-intensity club users of non-potable water in 2021. The goal was to allow clubs to maintain operations while not requiring cross-subsidisation by other ACT water users.
2. ACT Treasury undertook a Non-potable Water Review (the Review) in 2021 to examine the costs related to non-potable water use. The Review focused on the untreated water pumped out of rivers, lakes, ponds, groundwater or sourced from recycled water networks which includes approximately 190 licensed non-potable water users. Water abstracted and supplied by the water utility (Icon Water) was out of scope for the Review.
3. The Review considered the appropriateness of current pricing frameworks in the ACT, pricing concessions, whether any adjustments could be made and arrangements in other jurisdictions. The Review was published on the ACT Government Your Say website in December 2021.
4. The four recommendations of the Review were:
  - a. Adjusting ground and surface water charges to better align with the fixed and variable costs. This could be achieved through increasing licensing fees to ensure that all users contribute equally to cover the fixed costs and reducing the variable non-potable Water Abstraction Charge (WAC);
  - b. Reforming assistance measures to make them simpler and more transparent and equitable;
  - c. Continuing to provide targeted short-term support to some sporting clubs in exceptional circumstances such as extreme or prolonged dry weather to reflect the social benefits of community clubs. Assistance should be targeted towards clubs that have no other option than to use significant quantities of recycled or potable water for irrigation purposes; and
  - d. Reviewing the application of National Water Initiative pricing principles, that suggest full cost recovery for stormwater costs, in the forthcoming review of Inner North Reticulation Network stormwater prices.

## Issues

### Current pricing structure

5. Prior to December 2021, golf clubs received close to 99% reduction on the WAC through the golf club offset and rebate scheme. This scheme has been discontinued.
6. The Market Equity Scheme (MES) continues and provides a 50% reduction on the WAC for golf clubs. This fee determination results in a total combined cost for water use by all golf clubs increasing from approximately \$2,000 under the offset and rebate scheme to between \$174,000- \$223,000 per year (equivalent to \$32 to \$41 per member) depending on water use by clubs.
7. Of the 190 licensed water users, approximately 10 golf clubs are most impacted by this change.

Proposed pricing structure

8. The proposed pricing structure includes a fixed price administrative fee, and a two-tiered price structure for the WAC (variable water use charge) as shown in Attachment A.
9. An increase in the fixed annual administration fee of \$100 per licence (to \$600) is proposed in addition to routine CPI adjustment. The revenue from the fee is collected by the Environment Protection Authority (EPA) for licence administration. The fee increase represents approximately 75% cost recovery for one full time equivalent staff member to administer the water licensing function across the ACT.

*Two-Tiered Pricing Structure*

10. The proposal for a two-tiered pricing structure for the variable water use charge reflects the policy intent for the of the WAC; that being cost recovery for water management activities (Tier 1), and environmental cost and the scarcity value of water (Tier 2).
11. The current WAC price setting is used to assess price impacts. However, the actual price setting is proposed to be determined by the Independent Competition and Regulatory Commission (ICRC). This independent price setting is important for providing public assurance that the charge represents cost recovery.
12. The Tier 1 price setting (cost recovery for water planning and management activities) would be applied across all licensees for the first 50ML of water use. For the purpose of the cost impact assessment this is set to be 50% of the full non-potable water WAC, equivalent to the current Market Equity Scheme.
13. The Tier 2 price setting would apply the water scarcity value/environmental cost to the volume of water abstraction in excess of 50ML. This price promotes water use efficiency. The full non-potable WAC is applied to this price tier for cost impact assessment.
14. The identified impacts of the proposed pricing structure include:
  - a. Golf clubs paying the non-potable WAC will face a significant price-step increase under the two-tiered pricing structure. If passed on to members in full it would result in a further average membership fee increases in the order of \$52 up from \$32 to \$41 under the current fee determination. An analysis of impacts is shown in the following table which is extracted from Attachment B.

Range of average annual water use for ACT golf clubs	Cost scenario 1 Water costs with WAC concessions  Previous fees (2021/22FY)	Cost scenario 2 Water costs based on current non-potable WAC  Current fees (2022/23FY)	Cost scenario 3 Water costs based on proposed pricing adjustments  Expected fees (2022/23FY)	Membership impact (example) comparing cost scenario 1 and 3
Water Use (ML/year)	Administration fee of \$481/year  Concession on WAC at \$0.0013/KL	Administration fee of \$496/year  WAC at \$0.323/KL but 50% reduction with Market Equity Scheme	Administration fee of \$600/year  WAC Tier 1 \$0.166 for first 50ML  WAC Tier 2 \$0.332/KL in excess of 50ML	Comparison of the proposed pricing structure and current costs with concessions, assuming 400 person membership
15	\$ 500.50	\$ 2,918.00	\$ 3,090.00	+ \$ 4.32
50	\$ 546.00	\$ 8,571.00	\$ 8,900.00	+ \$ 13.92
80	\$ 585.00	\$ 13,416.00	\$ 18,860.00	+ \$ 30.46
100	\$ 611.00	\$ 16,646.00	\$ 25,500.00	+ \$ 41.48
150	\$ 676.00	\$ 24,721.00	\$ 42,100.00	+ \$ 69.04
300	\$ 871.00	\$ 48,946.00	\$ 91,900.00	+ \$ 151.72

b. Other licensees that are already paying full fees could receive a cost saving of up to \$8,196 per year, based on the pricing scenario being applied to all licensees.

15. The increase in costs could be reduced by introducing a transition period for clubs over a three-year period. The full tiered structure would then be charged from 1 July 2025.

*Surface Water Right Pricing Structure*

16. A new policy option could be incorporated to the proposed package that acknowledges the private investment from many golf clubs into on-site infrastructure to improve their water security through stormwater capture and reuse. This policy option could provide water users a surface water ‘right’ to the collect storm water run-off at 0.5ML per hectare. This could be analogous to the stock and domestic right of rural landholders for farm dams.

17. This option benefits only 6 out of the 10 golf clubs who have invested in stormwater harvesting. Clubs relying on groundwater will not benefit, for example Fairbairn Club.

*Government financial assistance*

18. The Review recommended future government financial assistance is provided as targeted short-term support in exceptional circumstances only. On this basis, reinstatement of previous rebates and perpetual financial assistance measures is not proposed.

19. Financial assistance under exceptional circumstances is proposed and would apply in circumstances such as prolonged drought, extreme scarcity of non-potable water, and financial difficult associated with reliance on treated mains supply or recycled water.

## Timeframes

### *Option 1 this year*

20. Noting the likely impact of the proposed tiered WAC financial model on the ACT budget, Treasury has recommended that the proposal be progressed to the ERC in November 2022 to confirm policy options to be tabled in community consultation.
21. This proposal would not go to Cabinet without including feedback from community consultation.
22. Community consultation could occur after ERC deliberations.

### *Option 2 next year*

23. If there is a requirement to go to Cabinet, it will impact the current Cabinet date of 28 November 2022. Should the ERC not agree to progress the tiered model to the November 2022 Cabinet meeting, further policy work will be required, and the Cabinet Submission rescheduled into 2023.
24. The revised timeframes could still allow for implementation of agreed measures by 1 July 2023.
25. The delay to community consultation provides the opportunity for EPSDD to progress over the coming months an independent review into the WAC current price.
26. A benefit of the review is that it could provide increased certainty on the costing impact and public assurance at consultation. However as indicated by Treasury, a review must not influence or examine the portable water pricing structure.
27. A risk associated with an independent review is that if the WAC current price was proposed to be changed, it could require further work to be done on the proposed two-tiered pricing structure.

## Community consultation

28. There are two options for public consultation, both of which would include targeted engagement with key stakeholder groups:
  - a. Option 1 (recommended): 6-week targeted consultation with license holders, closed to public
  - b. Option 2: 6-week consultation, open to public via YourSay.

## **Financial Implications**

29. The proposed changes to water pricing and introducing new financial assistance measures will have budget impacts. The cost/budget impact is based on the current WAC price setting for non-potable water. Improving confidence in the cost impact would benefit from the proposed independent review of the non-potable WAC.
30. Addition budget revenue of \$168,000 to \$241,000 (dependent on water use), and potential expenditure of \$122,000 to \$185,000 for relief to golf clubs in extreme circumstances.
31. There will be an unmitigated cost impact to golf clubs from the removal of financial concessions that previously offset the WAC as outlined above.

32. The proposed tiered WAC pricing structure will reduce the water use cost for government from irrigation of parks and gardens by Transport Canberra and City Services. The cost saving from the proposed pricing structure could be in the range of \$24,000- \$30,000 depending on rainfall.
33. Forty licensees with very low water use (0.5ML or 1ML) would incur a saving of \$62 to \$228 per year assuming full use of the licensed annual volume (cost is offset by the WAC price adjustment). There could be a cost increase of \$100 due to the administration fee increase if no water is used.
34. Engagement of the ICRC to review and determine the price setting for the non-potable WAC could be met within existing budget for the Directorate.

### **Consultation**

#### Internal

35. EPSDD Communications are supporting the preparation of communication material.
36. Consultation material will be finalised upon agreement of the time frames for this project.

#### Cross Directorate

37. ACT Treasury have been engaged early in the development of policy options. Preliminary advice is that the low magnitude of budget impact from the proposed measures could be supported, subject to refinement. Any changes that create a precedence for the WAC on potable water use would not be supported.
38. Broad Cross-Directorate consultation, with the EPA to administer water accounting functions and TCCSD as a licensee and network operator, is scheduled to occur ahead of community consultation.

#### External

39. Broad external stakeholder engagement will occur in line with the proposed public consultation plan.
40. Maintaining a level of engagement with clubs in the intervening period, ahead of ERC consideration and broad consultation, could build goodwill and dampen negative public reaction by sporting clubs.

### **Work Health and Safety**

41. Nil identified.

### **Benefits/Sensitivities**

42. Golf clubs were expecting consultation on the proposed options by end of July 2022 and this has been delayed.
43. Golf clubs will be sensitive to any price increase for water costs associated with the removal of annual concessions, as recommended by Treasury's Review and supported in the proposed policy response.
44. The unique circumstance of Belconnen Magpies Golf Club dependence on treated effluent supplied by Icon Water will continue to require ACT Government input on negotiation with Icon Water and Belconnen Magpies Golf Club about annual setting of private pricing arrangement with Icon Water.

45. Clear messaging is required to ensure golf clubs are informed that their non-potable water fees increased from an effective 1% to 50% of full fees from 1 January 2022, irrespective of the Government response to the Non-potable Water Review.

**Communications, media and engagement implications**

46. Correspondence is prepared at Attachment C to provide a status update to stakeholders that contributed to the Non-potable Water Review.
47. The unique circumstance of Belconnen Magpies Golf Club dependence on treated effluent supplied by Icon Water will continue to require careful communication.

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**Attachments**

<b>Attachment</b>	<b>Title</b>
Attachment A	Overview of proposed options, issues and cost impacts – slide deck
Attachment B	Draft Response to the Non-potable Water Review, includes detailed policy options for Cabinet (ERC) consideration prior to public consultation
Attachment C	Draft correspondence for ACT golf clubs

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