

# QUESTION TIME BRIEF

## Portfolio: Water, Energy and Emissions Reduction

### Non-Potable Water Pricing Review

#### Talking Points

- The Government is finalising its response to the non-potable water pricing review.
- The Government acknowledges that the timeframe to reach a final position to respond to the Non-potable Water Review has been protracted. However, this is reflective of the complexity of this matter and the need to adopt a considered and informed policy approach that considers the views of all stakeholders.
- ACT golf clubs and their peak bodies have been consulted. The Government is considering the issues they have raised in particular the removal of the Market Equity Scheme and subsequent costs for water.
- The Government is also considering options for short term non-ongoing financial assistance during very low rainfall drought-like scenarios, when there is most pressure for not-for-profit clubs to meet irrigation demands.

#### Belconnen Golf Club (Owned by Burns Club, formerly Magpies Golf Club):

- The situation with Belconnen Golf Club is unique. This club is established in an area that has limited access to cheaper sources of water.
- The club is reliant on treated wastewater provided by Icon Water under a confidential and commercial contract. The Government has no influence in relation to this contract but notes the Independent Competition and Regulatory Commission has reviewed the price of water supplied under this contract.

#### Key Information

- The Review and Government Response is restricted to non-potable water use only and will not affect potable water charges. For example, sportsgrounds that are irrigated 100% by treated drinking water are out of scope.
- Proposed policy is intended to support a nuanced approach to the application of charges for water consumption that seeks to balance the trade-off between affordability and promoting water conservation, and provide equity on policy application.
- Examples of licensed non-potable irrigators that provide community services, and pay full WAC:
  - Private schools: St Edmunds College, Canberra Grammar School, Brindabella Christian College, Canberra Rudolph Steiner School, via groundwater
  - Vikings Park sportsground Erindale, via groundwater
  - Royal Botanic Gardens, Commonwealth Park and Floriade, via Lake Burley Griffin.

- Approximately 20 ACT agricultural irrigators receive a 98 per cent discount of the WAC. This is in recognition of competition with other primary producers in NSW, for providing food and produce such as apples, lucerne and grapes.

## **Background Information**

### Non-potable Water Review

- The ACT Government committed through the Parliamentary and Governing Agreement to ensure that clubs continue to support the community while reducing harm from gaming.
- A review by ACT Treasury into water costs for high-intensity club users of non-potable water was published on the YourSay website in December 2021. The aim of the review was to consider the impact of water costs on the operation of clubs while not requiring cross-subsidisation by other ACT water users.
- The Office of Water contacted almost 200 entities, including all non-potable water licensees and significant stakeholders such as Clubs ACT, Canberra Community Clubs, ACT-Monaro District Golf Association and ACT Rural Landholders Association.
- Stakeholder consultation on the policy options for the Government response to the Non-Potable Water Review occurred in June and July 2023.
- Golf courses have expressed strong concern about any potential changes that may result in cost increases. They are highly protective of the Market Equity Scheme which gives golf clubs an exclusive 50% discount to the non-potable Water Abstraction Charge (WAC).
- The Listening Report from public consultation was sent to stakeholders in December 2023.

### National Water Reforms

- Micro economic reforms related to water pricing have been agreed by successive governments under the National Competition Policy, National Water Initiative (NWI, 2004), *Water Act 2007* (Cth) and the Murray-Darling Basin Plan (2012).
- The ACT is a signatory to inter-governmental agreements that give effect to these water reforms. Specifically, the ACT has agreed to implement water pricing and institutional arrangements that promote economically efficient and sustainable use of water resources, water infrastructure assets, and government resources devoted to the management of water.
- The NWI pricing principles promotes user-pays and pricing transparency, in respect of water supply systems and cost recovery for water planning and management.

### ACT Water Strategy 2014-44 Striking the Balance

- The ACT Water Strategy aims to achieve ‘an integrated and efficient water supply system that provides for the optimal mix of supply options, encourages efficient use of water, is resilient to climate variability, and secures the social, economic and environmental needs of the ACT community’.

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