



QUESTION TIME BRIEF

Portfolio: Climate Change, Environment, Energy and Water

Non-potable Water Pricing Review

Talking points:

- As the new Minister for Water, I am seeking a comprehensive briefing from officials to ensure this government can implement a practical, but economically and environmentally prudent, response to the Non-Potable Water review.
- I understand the timeframe to finalise a response to the Non-potable Water Review was protracted and this government will work to resolve the matter as effectively and efficiently as possible, ensuring our stakeholders remain front of mind.
- The Government notes that addressing issues with the Water Abstraction Charge will impact both potable and non-potable water pricing, and as such will carefully consider how to coordinate the Government's responses to resolving both of these issues.

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 the full Water Abstraction Charge:
 - 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 Water Abstraction Charge (Competition Equalisation Payment). This is in recognition of competition with other primary producers in NSW, for providing food and produce such as apples, lucerne and grapes.
- Ten golf clubs receive a 50 per cent discount to the Water Abstraction Charge to recognise competition with interstate clubs (Market Equity Scheme). Golf courses have expressed strong concern about any potential changes that may result in cost increases and are highly protective of maintaining the Market Equity Scheme.

Cleared as complete and accurate: 21/11/2024
Cleared for public release by: Executive Group Manager
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Lead Directorate: Environment, Planning and Sustainable Development

Background Information

Non-potable Water Review

- The last 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.
- 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.

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