

ENVIRONMENT AND PLANNING DIRECTORATE

MINISTER FOR THE ENVIRONMENT

TOPIC: Water Abstraction Charge

Talking Points

- The Water Abstraction Charge (WAC) increased in the 2015-16 Budget by 2% for potable and non-potable water users. The WAC will increase from 54 cents to 55 cents per kilolitre (urban water usage) and from 26 to 26.5 cents for per kilolitre (non-urban water usage)
 - The increase in the WAC is based on the need to maintain the intent of the WAC to reflect the economic value of water as a scarce resource in the Territory.
 - The WAC is estimated to provide \$28.5 million in revenue in 2014-15. This amount is expected to increase to \$30.5 million in 2015-16 based on expected future volumetric consumption.
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Key information

- The Water Abstraction Charge is a volumetric charge on water consumed by both potable and non-water users.
- The WAC is provided for and set under the Water Resources Act 2007. The Minister for the Environment sets the charges under a disallowable instrument of the Water Resources Act 2007.
- Access Canberra is the ACT Government agency that collects the WAC.
- Revenue collected is paid into consolidated revenue.
- The WAC not only covers the scarcity value of water but is also intended to cover the cost of managing the provision of water services and related environmental management in the Territory, for example management of ACT catchments.
- Icon Water collects the WAC as a pass through on potable water use. The amount collected is passed on to the ACT Government Treasury (CMTEDD).

Inter-related policies

- The provision of the WAC relates to other water related service expenditure in the Territory.

Other Directorates, stakeholders and clients

- Access Canberra administers the WAC although the Minister for the Environment sets the charge under the provisions of the Water Resources Act. Icon Water collects the WAC for urban water use (supply of potable water). Access Canberra will collect the WAC from the North Canberra Integrated Waterways Project once reticulation to end users commences at the lower rate. Similarly, Access Canberra will collect the charge from rural water users.

Key milestones

- Nil

Media coverage / Consultation activities

Emerging (hot) issues

- N/A

Media coverage of significance

- Nil

Media releases

- Nil