



ACT
Government

Environment, Planning and
Sustainable Development

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MINISTERIAL BRIEF

To: Minister for the Environment and Heritage

Tracking No.: 18/00839
Cabinet No: 18/38
Rec'd Minister's Office .../.../...

From: Executive Director, Environment

Subject: Final lodgment of Cabinet Item "ACT Water Strategy – Implementation Plan 2"

Critical Date: 6 May 2019

Critical Reason: The final Cabinet submission must be final lodged with Cabinet Office on 6 May 2019 for Cabinet consideration on 13 May 2019.

- DG .../.../.....
- a/g DDG, Land Strategy and Environment 3/4/2019

Purpose

To seek your approval to final lodge the Cabinet submission at Attachment 1.

Recommendations

That you **agree** to circulate the Cabinet submission (Attachment 1) and associated documents for final agency comments.

Agreed / Not Agreed / Please Discuss

Mick Gentleman MLA

[Handwritten signature] 30/4/19

Minister's Office Feedback

Background

1. The ACT Water Strategy 2014-44 - *Striking the Balance* (Water Strategy) was launched by the ACT Government in August 2014 along with Implementation Plan 1 (2014 – 18).
2. The Water Strategy is unique as it builds on the successes of its predecessors with a more integrated approach to water resource management by reinforcing the water efficiency culture achieved during the millennium drought with issues such as improving water quality and recognising the interrelationships of community and environmental management.
3. The Water Strategy has three key outcomes:
 - Healthy catchments and water bodies.
 - A sustainable water supply used efficiently.
 - A community that values and enjoys clean, healthy catchments and waterways.
4. For each of these outcomes, the ACT Water Strategy identifies strategies and actions to guide water management in the ACT over the next 30 years. The ACT Water Strategy is implemented through five year implementation plans that identify milestones with effectiveness of implementation monitored through targets and indicators identified for each outcome.
5. Following the conclusion of the five year Implementation Plan 1, the draft ACT Water Strategy Implementation Plan 2 (2019 -2023) (IP2) has been prepared to give continued effect to the Water Strategy for a further five years at Attachment B.

Issues

6. The Water Strategy's original Implementation Plan 1 (2014-18) is now complete and a second set of agreed milestones for the next five years is required to deliver on the action of the Water Strategy that will prioritise the allocation of human and financial resources.
7. The draft ACT Water Strategy Implementation Plan 2 (2019 -2023) (IP2) has been prepared in consultation with key stakeholders including relevant ACT Government directorates and the community. A number of key processes provided the context and informed the milestones in IP2, notably:
 - Report Card of Implementation Plan 1 (Attachment C). A report card on progress of Implementation Plan 1 was released in June 2018 that shows excellent progress has been made with thirty of the thirty one actions complete and the remaining one due for commencement in 2019 carried over into IP2. This is considered excellent progress considering one third of actions were unfunded at the commencement of Implementation Plan 1.
 - Water Sensitive Cities Index which benchmarks Canberra against other cities in Australia using the Water Sensitive Cities Index developed by the Cooperative Research Centre for Water Sensitive Cities.
 - The Auditor General's Report on Acceptance of Stormwater Assets (1/2018) which found that processes were deficient with respect to the design of stormwater solutions as objectives are negotiated between agencies who have competing priorities.
 - A series of Community and Stakeholder Workshops to allow external input.

8. Following the experience gained with the first implementation plan and the key processes above, IP 2 will, as a priority, focus on:
- reviewing the *Water Resources Act 2007*;
 - ensuring there is a sustainable funding environment for water resource management in the Territory;
 - an emphasis that ensures Canberra remains a water efficient city, particularly in light of the millennium drought and the current dry conditions that have seen water storage levels drop from 100% in Spring 2016 to 65% today;
 - creating and maintaining effective partnerships and collaborations between government, academic, research, business and community organisations to deliver on the Water Strategy; and
 - continuing to use best practice science to guide on-ground actions to protect and manage the ACT's water estate.

Financial Implications

9. Implementation Plan 2 will be used by participating Directorates to priorities future budget business cases.
10. Expenditure on Water Strategy implementation however may be offset by the Water Abstraction Charge (WAC) which was put in place to cover water and environmental management.
11. The WAC is imposed under section 107 of the *Water Resources Act 2007* through a disallowable instrument generally signed annually by the Minister for the Environment. It is a pass through charge that is collected by Icon Water.
12. The WAC for urban water supply is \$0.578 per kilolitre (\$/kL) of water abstracted and for surface water or groundwater not supplied through the urban water network, \$0.278/kL of water taken.
13. Total WAC revenue is approximately \$32m/yr, and the WAC is currently indexed to grow by 3% per annum. Under National Water reforms water related revenue is required to balance water related expenditure and the ACT, along with other jurisdictions, is required to report on this annually to the Australian Competition and Consumer Commission. In the 2017-18 financial year water and environmental management expenditure was approximately \$16 million, representing approximately half the level of revenue collected.
14. The WAC is intended to cover water planning and management activities, including:
- government expenditure on activities such as catchment management, environment protection of ACT streams and lakes, water policy and administration;
 - scarcity: the value associated with the consumptive use of water thereby preventing its alternative use for other economically valuable purposes such as irrigation;
 - costs relating to environmental flows;
 - collecting and analysing data on the levels of extractions and the water quality in ACT lakes and streams;
 - developing and implementing policies and plans to manage the ACT water resources;

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- undertaking capital works to achieve environmental outcomes such as the construction of ponds and wetlands; and
- administration of the ACT's water entitlement system and trading arrangements.

Consultation

Internal

15. Consultation occurred with Nature Conservation Policy, Planning and Delivery and Infrastructure Planning and Design Branches respectively.

Cross Directorate

16. The Senior Executive Water Group which has representation from Directorates with an interest in water resource management such as Chief Minister, Treasury and Economic Development (inc Treasury and EPA); Transport Canberra and City Services; Health and Emergency Services Agency participated in the abovementioned workshops and provided peer review of the subject draft IP2.

17. The draft IP2 was endorsed by the Directors-General Water Group on 14 November 2018.

External

18. Icon Water; recognised industry experts and community representatives participated in the abovementioned workshops.

Benefits/Sensitivities

19. The ACT Water Strategy provides significant benefits in term of identifying government agreed priorities for action.

20. There are no expected sensitivities with the release of the IP2.

Media Implications

21. A media release will be prepared in consultation with the Communications team and Minister Gentleman's office contingent on Cabinet endorsement of the IP2.

Signatory Name:	Ian Walker	Phone:	59027
Action Officer:	Chris Glennon	Phone:	59023

Summary of Attachments

1 –Final Cabinet submission

A – Table of final agency comments

B – ACT Water Strategy IP 2 2019-23

C – ACT Water-Strategy-Implementation One -Plan Report Card (2018)

D – Communications Strategy

E – Open Access Information release – decision summary

F – Triple bottom Line summary

2 –Cabinet Brief

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