

| Directorate/ Other | Comment | Response |
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| | <p>decisions be reflected in the Submission when it is circulated for final agency comments.</p> <p>Treasury comment</p> <p>In addition to the above comments, please note Treasury does not agree with the nil financial impacts in the business case and the Cabinet Submission. Treasury noted that both mention the water abstraction charge (WAC) as a way to offset the costs associated with the plan, and that Treasury previously advised that WAC revenue cannot be considered directly as a means to offset new water related expenditure.</p> <p>Deliberations of Cabinet</p> <p>Treasury also noted that revenue from water trading has not been included as a funding option, despite budget funding in 2018-19 for a business case to explore this model. We understand that this work has been slower than anticipated due to a delay in NSW processes. However, water trading should still be included for consideration as an alternative funding option, particularly as opportunities may exist to trade directly with the Commonwealth.</p> | <p>Implementation Plan 2 remains relevant as an indication of the government’s strategic direction and priorities for water planning and management over the period 2019-2023, and can be accelerated or slowed, based on the level of available funding available at any point over its lifetime. For example, many of the actions under the former IP1 were unfunded at the outset but opportunities and/or funding to progress were identified and the actions completed during the relevant 5 year period.</p> <p><u>Link between the Water Abstraction Charge and water planning and management activities</u></p> <p>In 2015 the Auditor-General released its report on the Restoration of the Lower Cotter catchment. Although not explicitly stated, the Auditor General’s report implies the need for an improved long term sustainable funding mechanism for water catchment management.</p> <p>This was reinforced in the Lower Cotter Catchment Restoration Evaluation “The Heroic and the Dammed” prepared by the Commissioner for Sustainability and the Environment, explicitly recommending the use of the WAC for the purpose it is collected.</p> <p>The WAC is set by the Minister for the Environment who is responsible for administering the Water Resources Act (WRA). The WAC is intended to cover the following water planning and management activities allocated via the normal budget process:</p> |

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| | | <p>a) urban and non-urban water supply costs: Government expenditure on activities such as catchment management, environment protection of ACT streams and lakes, water policy and administration;</p> <p>b) scarcity: the value associated with the consumptive use of water in the Territory preventing its alternative use for other economically valuable purposes such as irrigation;</p> <p>c) environmental: costs relating to environmental flow, including the effect of storing water in dams on downstream flows.</p> <p>d) collecting and analysing data on the levels of extractions and the water quality in ACT lakes and streams;</p> <p>e) developing and implementing policies and plans to manage the ACT water resources and allocate water between environmental and consumptive uses.</p> <p>f) undertaking capital works to achieve environmental works such as the construction of ponds and wetlands infrastructure improvements;</p> <p>g) administration of the ACT's water entitlement system and trading arrangements;</p> <p>h) costs of monitoring and metering water use</p> |

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| | | <p>Total WAC revenue is approximately \$32m/yr. In 2017/2018, approximately \$16 million was expended on water related activities as defined above.</p> <p>There are increasing risks to government with the gap between revenue and expenditure growing and that the Water Abstraction Charge is considered a tax. The High Court challenge in 2011 determined the WAC was not a tax. However the WAC has increased considerably since then and with increasing community and media interest the validity of the WAC may be challenged.</p> <p>Current work to explore revenue options from other sources such as water trading and/or efficiency measures is contingent on intergovernmental negotiations and agreements with the New South Wales Government, the Murray-Darling Basin Authority and/or the Commonwealth Government, and as such is unlikely to generate revenue in the short term. If and when opportunities are realised, possible acceleration of IP2 can be considered.</p> |
| JACSD | <p>Supported</p> <p><u>HRC Comment</u></p> <p>Since 2016, the Commission has sought to promote awareness of the specific protection under section 27(2) of the <i>Human Rights Act 2004</i> (HR Act) of the material and economic relationships of Aboriginal and Torres</p> | Agreed |

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| | <p>Strait Islander peoples to land, waters and natural resources with which they share a customary connection through the <i>Respecting Culture: Aboriginal and Torres Strait Islander Cultural Rights in the Human Rights Act</i> project.</p> <p>We therefore welcome the commitment in Action 6 to investigate arrangements for Indigenous cultural water flows in local waterways, and in Action 18 to ensure that indigenous and other cultural values are recognised in managing water planning and use. We suggest that these commitments could be further strengthened by explicitly referencing the unique and distinct cultural rights of Aboriginal and Torres Strait Islander peoples contained in s 27(2) of the HR Act so that it is readily apparent to the community that the ACT Government is taking steps to meet its obligations to protect and promote these cultural rights.</p> | |
| HD | Supported | Noted |
| CHS | Supported | Noted |
| EDU | Supported | Noted |
| TCCS | Supported | Noted |
| CSD | Supported | Noted |

TABLE OF FINAL COMMENTS – 18/38

[Please specify the duration the submission was circulated for final circulation, and any agreed deviation from circulation (late lodgement or shortened)]

Final Circulation Undertaken: 2 day Final Circulation

Reason for exception: N/A

Dates Circulated: 2/5/19 to 8/5/19

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| CMTEDD | <p>Support with comment</p> <p>Water Abstraction Charge (WAC) revenue is not hypothecated to water catchment measures and all expenditure is subject to consideration as part of the budget process, as acknowledged by BCC at the meeting of 22 March 2019. Therefore, the paragraph incorporating the reference to the WAC as a funding sources on page 11 of the strategy (Attachment B) should be removed from a finalised implementation plan.</p> <p>Funding was provided as part of the 2018-19 Budget to explore water trading as a potential source of funding for water initiatives in the Territory. While we understand this work is yet to be completed, this should remain a live option for future consideration to offset the cost of these agreed initiatives, and mention should also be made of opportunities for trade directly with the Commonwealth that would avoid complications related with setting up interstate trading arrangements with NSW.</p> | Noted |

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| JACSD | <i>Supported</i> | |
| HD | <i>Supported/Not Supported [briefly set out why not]</i> | <i>[Summarise response]</i> |
| CHS | <i>Supported/Not Supported [briefly set out why not]</i> | <i>[Summarise response]</i> |
| ETD | <i>Supported/Not Supported [briefly set out why not]</i> | <i>[Summarise response]</i> |
| TCCS | <i>Supported</i> | |
| CSD | <i>Supported</i> | |
| CIT | <i>Supported</i> | |