



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2022-2023

Mr James Milligan MLA (Chair), Mr Andrew Braddock MLA (Deputy Chair),
Dr Marisa Paterson MLA

ANSWER TO QUESTION TAKEN ON NOTICE DURING PUBLIC HEARINGS

Asked by MR MILLIGAN on Monday 29 August 2022: MR BARR took on notice the following question(s):

[Ref: Hansard Transcript Monday 29 August 2022 [PAGE 44]]

In relation to: Recycled water usage rate at Magpies Golf Club

THE CHAIR: Thank you.

Just in terms of water security, and a lot of the sporting clubs and golf courses and the like have invested in their own water measures, invested in dams and other infrastructure. The government had an agreement with these clubs and bodies in terms of water abstraction charge. Just wondering has that agreement ceased? And is there a new agreement being currently worked on with these bodies in terms of utilising water that they have put this infrastructure in to cater for?

Mr Hezkial: I am not across the water extraction charge issue.

THE CHAIR: Okay.

Mr Hezkial: I can certainly speak to—we do provide recycled water to one golf club in particular. I could talk to that. But not across the water extraction charge issue.

Mr Barr: Talk about that and I will see what I can find out on the—

Mr Hezkial: Okay. So in terms of—we do currently supply to Magpies Golf Club with recycled water. They are just up the road from the Lower Molonglo Water Quality Sewerage Plant.

And I think we have also had the ICRC review the costs associated with providing recycled water. And what the ICRC—I am paraphrasing now, but what the ICRC found was the charge that is applied by Icon Water is actually cost reflective of running the scheme. The issue—and notwithstanding, the cost—it is less than the cost of potable water. Otherwise the Magpies would have access to.

But we recognise, obviously, the challenge there is—there is a very low customer base. So you have one whole scheme running up the hill, from the sewerage treatment plant, servicing one customer. Then of course, with scale that may improve. But at the moment we are providing that recycled water to Magpies for less than the cost of potable water. So it is quite a small scheme.

THE CHAIR: What is the rate? Do you know the rate? Or do you want to take that question on notice?

Mr Hezkial: I might just ask, Joy, do you have that rate?

We might take that question on notice, if that is possible?

MR BARR: I have sought advice from Icon Water and the answer to the Member's question is as follows: –

Icon Water currently has an agreed contract in place with Belconnen Magpies Sports Club. Icon Water is unable to disclose the specific rate as it is commercial-in-confidence.

By way of background, the Independent Competition and Regulatory Commission (ICRC) does not currently set prices for non-potable water supply. In setting non-potable water prices, Icon Water takes in to account the National Water Initiative *Pricing principles for recycled water and stormwater use* (2010)¹ and the ICRC pricing principles². The non-potable water review conducted by the Government noted that "ICRC's advice shows Icon Water has been charging prices reflective of relevant supply costs, notwithstanding the difficulties in setting prices that are cost-reflective given that revenue is contingent on usage levels linked to a low customer base"³.

Approved for circulation to the Select Committee on Estimates 2022-2023

Signature: 

Date: 6.9.22

By the Treasurer, Mr Andrew Barr

¹ National Water Initiative (NWI) Pricing principles for recycled water and stormwater use (2010)
<https://www.agriculture.gov.au/sites/default/files/sitecollectiondocuments/water/national-water-initiativepricingprinciples.pdf>

² ICRC in their Final report: Regulated water and sewerage services price 2018-23 (2018)
https://www.icrc.act.gov.au/__data/assets/pdf_file/0019/1250236/Report-1-of-2018-Final-Report-WaterSewerageServices-2018-23.pdf

³ ACT Government in their Final Report: Non-potable Water Review (2021)
https://yoursayconversations.act.gov.au/download_file/5685/1808