

QUESTION TIME BRIEF

Portfolio: Water, Energy and Emissions Reduction

Murray Darling Basin (MDB) Water Reforms within the ACT

Talking points:

ACT's water recovery commitment:

- The Basin Plan commits the ACT to 4.9 GL of water recovery for achieving shared environmental outcomes within the southern connected basin.
- On 14 March 2024, the ACT Government entered into an agreement with the Australian Government to provide 6.36 GL of water entitlement to the Commonwealth for supporting environmental outcomes in the Murray Darling Basin.
 - The volume of water will meet the shared reduction amount (4.9 GL) and contribute an additional 1.46 GL towards other water recovery targets.
 - This finalises the ACT's water recovery commitment under the Basin Plan.
- The Australian Government will provide the ACT Government \$58.83 million after it has received a water access entitlement for 6.36 GL. This agreement is made under the Commonwealth's water purchase framework.
 - The Commonwealth payment was calculated based on the market value of similar water entitlements within the NSW Regulated Murrumbidgee River; that is \$9,250 per ML. The cost to the Australian Government was assessed as value for money by the Commonwealth Department.
- The funding will be used by the ACT Government for delivering a range of water efficiency projects to strengthen the Territory's water security. Planning is underway by the Office of Water to determine the optimal suite of projects to achieve this outcome.
 - The water recovery for the Commonwealth is not dependent on the implementation of water efficiency measures.
- The entitlement for the Commonwealth is a new water access entitlement specifically for environmental purposes. It will not affect the ACT's urban water supply or existing water access entitlement holders. The water is available downstream of the ACT's urban areas.

Restoring Our River - Upper Murrumbidgee River

- The Australian Government has committed more than \$50m to improve the health of the Upper Murrumbidgee River. The Government is working with the Australian and NSW Government to design a program that delivers tangible on-ground outcomes in partnership with community.
- The funding commitment supports an expansion of current river health and monitoring programs, a review of the water management arrangements for Snowy Hydro, increased river flows during drought conditions and First Nations engagement in program delivery.

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Cleared for public release by:	Executive Group Manager	Ext: 620 78628
Contact Officer name:	Ryan Breen	Ext: 620 78268
Lead Directorate:	Environment, Planning and Sustainable Development	

Key Information

- During 2021-2024, the Australian Government provided approximately \$2.6 million to support the implementation of Murray-Darling Basin (MDB) water reforms within the ACT. Funding provided to the ACT for MDB reforms supported:
 - a renewed policy on 'Non-urban water metering' to support water compliance
 - long-term environmental water planning
 - Basin Plan implementation monitoring, evaluation and reporting
 - climate vulnerability and water security planning to build resilience in the environment and community of the ACT and surrounding region, and
 - delivering water for the environment by returning at least 4.9 GL to the basin.
- During 2014-2021, the Australian Government provided \$85m to fund water quality projects within the ACT that improve the health of urban waterways. This funding established the Healthy Waterways program. This funding is not associated with water recovery for meeting the Shared Reduction Amount.

Background Information

- The *Water (Restoring Our Rivers) Act 2024* introduced amendments for implementing the Murray-Darling Basin Plan. In particular, the new legislation supports an extension of time for Basin governments to deliver the more complex water recovery programs. The amendments do not affect the ACT's obligations under the Basin Plan.

Restoring Our River - Upper Murrumbidgee River

- The recent Australian Government funding commitment for the upper Murrumbidgee River includes:
 - \$15m over 3 years to address river health, water quality and habitat
 - \$5m over 5 years for new science and monitoring
 - \$5.3m over 5 years to support the review of the Snowy Water Deed
 - \$30m for additional river flows during extreme drought conditions
 - Improved annual reporting to improve transparency in Snowy Hydro water management.

Water recovery investment funding - water efficiency and demand management projects

- The investment of funding received from the Australian Government under the water recovery agreement is subject to decision by the ACT Government through the 2024-25 Budget process.
- A budget business case has been submitted for Government consideration in the 2024-25 Budget. The business case seeks funding for 2024-25 to conduct further program design and detailed investigation of water saving measures.

- Preliminary analysis conducted by the Office of Water has identified water saving projects that could offset the water recovery volume of 6.36 GL through a suite of measures including, for example:
 - water efficiency measures for public housing, schools, clubs and businesses
 - installation of smart meters in high water use businesses
 - stormwater harvest and reuse on sports grounds
 - water sensitive urban design upgrades
 - community education program.

Portfolio: Water, Energy and Emissions Reduction**Non-Potable Water Pricing Review****Talking Points**

- The Government is finalising its response to the non-potable water pricing review.
- The Government acknowledges that the timeframe to reach a final position to respond to the Non-potable Water Review has been protracted. However, this is reflective of the complexity of this matter and the need to adopt a considered and informed policy approach that considers the views of all stakeholders.
- ACT golf clubs and their peak bodies have been consulted. They expressed strong concern about any potential changes that may result in cost increases. They are highly protective of the Market Equity Scheme which gives golf clubs an exclusive 50% discount to the non-potable Water Abstraction Charge (WAC).
- The Government is considering options for short term non-ongoing financial assistance during very low rainfall drought-like scenarios, when there is most pressure for not-for-profit clubs to meet irrigation demands.

Belconnen Golf Club (Owned by Burns Club, formerly Magpies Golf Club):

- The situation with Belconnen Golf Club is unique. This club is established in an area that has limited access to cheaper sources of water.
- The club is reliant on treated wastewater provided by Icon Water under a confidential and commercial contract. The Government has no influence in relation to this contract but notes the Independent Competition and Regulatory Commission has reviewed the price of water supplied under this contract.

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 full WAC:
 - 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.

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Cleared for public release by: Executive Group Manager

Ext: 6207 8628

Contact Officer name:

Ryan Breen

Ext: 6205 8268

Lead Directorate:

Environment, Planning and
Sustainable Development

- Approximately 20 ACT agricultural irrigators receive a 98 per cent discount of the WAC. This is in recognition of competition with other primary producers in NSW, for providing food and produce such as apples, lucerne and grapes.

Background Information

Non-potable Water Review

- The 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.

ACT Water Strategy 2014-44 Striking the Balance

- The ACT Water Strategy aims to achieve 'an integrated and efficient water supply system that provides for the optimal mix of supply options, encourages efficient use of water, is resilient to climate variability, and secures the social, economic and environmental needs of the ACT community'.

Portfolio: Water, Energy and Emissions Reduction**ACT Water Metering Policy (Non Urban Users)****Talking points:**

- The Government adopted the Non-urban Water Metering Policy in October 2023.
- The policy ensures continued alignment of the ACT with best practice regulation and the Australian Standard for non-urban water metering.
- It also meets the ACT's commitment to improved water metering and measurement within the broader Murray Darling Basin and nationally.
- The Environment Protection Authority (EPA) is working with licensees to support policy implementation.

Key Information

- Accurate measurement and reporting of water underpins effective resource management and provides public assurance that water is being managed sustainably.
- The policy affects approximately 180 licence holders, ranging from large commercial irrigators to private use of small groundwater bores. It does not apply to individual water meters that measure potable drinking water supplied by Icon Water.
- Each licence holder is currently responsible for the costs associated with the installation, maintenance and reading of a water meter. Expected new costs under the updated policy will include:
 - Ongoing validation of accuracy starts from \$300-500 per meter (subject to site conditions) every 5 years, payable by licence holders to external meter validators .
 - If new water meters are required, the cost for a licence holder to purchase a water meter starts from \$3,000 per meter (depending on the size of the meter).
- A \$300 rebate will be offered to 'low risk' licence holders (based on licensed volume below a certain threshold) to assist with costs for initial accuracy testing.

Background Information

- The National Water Initiative (2004), the National Framework for Non-urban Water Metering (2009), and the Murray-Darling Basin Compliance Compact (2018) requires States and Territories to implement consistent water metering standards to ensure equity around water sharing and the protection of water resources.
- The Metrological Assurance Framework 2 (MAF2) is a part of the National Framework and describes the key requirements to ensure a nationally consistent compliance approach for non-urban water meters to comply with Australia Standard 4747: Meters for non-urban water supply (AS4747).

- The policy transitions current EPA non-potable metering guidelines to the Australian Standards by including several key new requirements:
 - use of pattern approved meters;
 - validation of meter installations by a certified person;
 - ongoing meter maintenance and accuracy testing; and
 - improved reporting and notification requirements for licence holders
- In April 2024, the Inspector-General of Water Compliance (Cth) published the Murray Darling Basin - Metering Report Card (2022-23) which shows that the ACT has 100% metered take of non-potable water. The implementation of this policy will enhance public reporting on achieving compliance with the new Australian Standard for non-potable metering.
- The taking of surface water and groundwater in the ACT is regulated under the *Water Resources Act 2007* by the EPA.
- The EPA will be responsible for implementing and enforcing the Non-urban Water Metering Policy. There are approximately 300 non-potable water meters subject to this policy.

Portfolio: Water, Energy and Emissions Reduction**Healthy Waterways Program**Healthy Waterways Asset Construction*Underway*

- The Government continues to progress an ambitious program to construct new Healthy Waterway assets as one approach to improve the water quality of the ACT's lakes, ponds and waterways and address the scourge of blue-green algae.
- Work on the Belconnen Oval Wetland to improve water quality and catchment health commenced in November 2023. The project is progressing well with civil works scheduled for completion in mid-June. Plantings are expected to be completed by early July.
- Stormwater re-use to irrigate sports fields from a water quality pond in Kambah (Kett Street) is underway. The project is expected to be delivered and operational ahead of schedule in late June 2024 (originally August 2024).

Completed

- The \$3.7 million naturalisation of the Tuggeranong Creek drain near Calwell is complete, as are the two viewing platforms .
- A set of four bioretention swales at Kambah Playing Fields have been built and are fully accepted for initial handover.
- A pair of floating wetlands were deployed in Yerrabi Pond in February 2023.
- 45 roadside drain outlets to greenspace have been built in Kambah to improve infiltration and reduce stormwater runoff. 54 outlets were originally planned for construction however, due to challenges with installation 9 will not proceed.

Planned

- Additional assets are under consideration for construction throughout 2024-25 subject to final tender costs:
 - Reconnection of old creek line at Richardson (Tuggeranong Homestead; supported by many stakeholders)
 - Raingarden in Bevan St Park, Higgins (community consultation has also been very positive)

The order of delivery will depend on the priority of the project and the availability of funds (the Higgins project is cheaper than the Richardson project).

- Additional assets will be accommodated if funding allows.

ACT Budget 2023-24 Outcomes

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Cleared for public release by:	Executive Group Manager	Ext: 6207 8628
Contact Officer name:	Ralph Ogden	Ext: 6207 2207
Lead Directorate:	Environment, Planning and Sustainable Development	

- Healthy Waterways received a further \$8.2 million in funding in the 2023-24 Budget.
- The funding includes commitments for the 2025/26 and 2026/27 financial years, and includes recurrent funds following that, for:
 - Operation and maintenance of Stage 2 water-sensitive urban design (WSUD) water quality assets; and
 - Ongoing development of an evidence base for managing water quality in the ACT.

Water Quality Monitoring Contract

- A water quality monitoring contract has commenced.
- This contract comprises monitoring of:
 - Water quality associated with different land uses in the ACT, which supports water quality modelling and provides insights into pollution levels in the ACT.
 - The water quality improvement performance of two wetlands (in Fyshwick adjacent to Eyre Street and in Melba) and two raingardens (in Isabella Plains and in Curtin near the flood memorial) built in Stage 1 of Healthy Waterways, which supports water quality modelling and catchment planning.
 - Stream flow in six tributaries to lake Tuggeranong, which will enable the loads of pollution entering Lake Tuggeranong from its tributaries to be calculated. Four of the six gauges have been installed.

Healthy Waterways Plans

- A first draft of the Lake Tuggeranong Healthy Waterways Plan is well underway and due mid 2024. Community engagement around this is scheduled for late 2024/early 2025.
- A project restoring parts of the rural/conservation catchment of the Naas/Gudgenby has been delivered. A catchment plan identifying areas of soil erosion and sediment supply to the channels has also been delivered. Follow-up projects are being investigated that will reduce sediment supply and impacts to the Murrumbidgee River and will be delivered before the end of 2024.

Fertiliser program design

- A program is being designed and trialled to target the 20% of households who are putting large amounts of fertilisers on their gardens. The concern is that fertiliser applied in this manner will be leaching into stormwater, polluting our waterways.
- The program is being implemented in Autumn and will be ready for evaluation in Spring 2024.

Sources of pollution in the ACT

- Contractors investigating fertiliser use by ACT residents and gardening businesses have delivered their final report.
- It is indicating large average rates of fertiliser application in the ACT, which is believed to be caused by a small proportion of gardeners applying high rates of fertiliser.
- Interim results from the University of Canberra suggest that leaves and grass clippings are another significant source of stormwater pollution in Canberra. This phase of their work is now expected to be finalised in mid-2024.
- Based on these interim results, the Healthy Waterways team partnered with TCCS over Summer to conduct a street sweeping trial in the Lake Tuggeranong catchment. The aim was to determine the amount of phosphorus that could be removed from the streets through increased street sweeping and how this may impact on phosphorus concentrations in the stormwater. The results will help shape recommendations in the Lake Tuggeranong Healthy Waterways Plan.
- Thereafter the University of Canberra will split their research between Tuggeranong, where they will seek to confirm some of the pollution matters established in earlier work, and Lake Burley Griffin, where they will make measurements of the in-lake environment to allow us to create a sound model of the response of the lake to potential nutrient inputs.

Background

- Stage 1 of ACT Healthy Waterways began in 2014 as a \$94 million joint initiative of the Australian and ACT Governments. It was completed in June 2021. Stage 1:
 - Designed and built 19 large water quality assets—raingardens, ponds, wetlands, and channel restorations—according to WSUD principles
 - Carried out a major riparian restoration
 - Conducted the *H2OK: Keeping our Waterways Healthy* public education program,
 - Performed research into pollution, blue-green algal blooms, and control methods.
- The ACT Government invested a further \$1 million to build a floating wetland in Lake Tuggeranong, to begin planning for the next stage of works, and to extend the research program.
- Since February 2021, a total of \$29.65 million in initiative funding has been invested in 4 tranches of the Parliamentary and Governing Agreement commitment to *Expand Healthy Waterways: \$30 million over 4 years*.