ACT Government
Environment, Planning and Sustainable Development

MINISTERIAL BRIEF

OFFICIAL

To:	Minister for Water, Energy and Emissions Reduction	**Tracking No.:** 23/108722
Date:	26 October 2023	
From:	Executive Group Manager, Environment, Heritage and Water	
Subject:	Government Response to the Non-potable Water Review	
Critical Date:	**1 December 2023**	
Critical Reason:	In the normal course of business	

- A/g DDG, Water and Emissions Reduction 28/11/23

Recommendations

That you:

1. **Note** this update on the work to prepare the government response to the non-potable water review.

Noted / Please Discuss

2. **Agree** to the Environment, Planning and Sustainable Development Directorate circulating the Listening Report (Attachment A) to stakeholders who were involved in the consultations.

Agreed / Not Agreed / Please Discuss

3. **Agree** to progress the Government Response to the Non-potable Water Review only after the independent review into the Water Abstraction Charge price determination is finalised and the outcome and next steps agreed by Cabinet.

Agreed / Not Agreed / Please Discuss

Shane Rattenbury MLA 3/12/23

Minister's Office Feedback

Background

1. The Non-potable Water Review (the Review) was published on YourSay by ACT Treasury in December 2021.
2. In May 2022, the Environment Planning and Sustainable Development Directorate (EPSDD) were tasked to prepare a Government Response to the Review and consider adjustment to non-potable water pricing structures.
3. Key stakeholders from the golf industry likely to be impacted by a Government Response were consulted by the Office of Water in October/November 2022. The consultation included discussion on current water pricing policy, unique circumstances of each stakeholder and potential policy options that may impact non-potable water pricing.
4. You agreed in May 2023 to the Office of Water reviewing alternative approaches for setting Government water charges (23/39763), including potable water. This activity is separate to but related to the Government Response.
5. The Office of Water prepared a discussion paper to canvas potential options for the Government Response, which was taken to stakeholder consultation in July 2023. Feedback from consultation summarised in an unpublished Listening Report at Attachment A. The verbatim version of the Listening Report is at Attachment B.
6. On 15 September 2023, a draft Government Response (22/440) was discussed with you and the implications of the independent review of the WAC. Options discussed in moving forward included:
   a. proceed with an interim Government Response to the Review, or
   b. hold the Government Response completely until the WAC review is completed.

Issues

7. EPSDD has considered both options on their merits.
8. A central feature of the proposed Government Response is conducting an independent review of the non-potable WAC pricing method and applying the reviewed price point to all non-potable licensees.
9. The Independent Competition and Regulatory Commission (ICRC) have been requested by you and the Treasurer to conduct a confidential review of the WAC. Results of this review are expected in February 2024 and will provide certainty of the pricing point and improved transparency in reporting.
10. In consideration of the timing of this review, EPSDD views that the preferred pathway for communication is to:
    a. provide the Listening Report (Attachment A) that summarises feedback from stakeholder consultation;
    b. inform stakeholders there will be no change to current water pricing policy until further notice.
11. EPSDD will finalise the Government Response once the outcomes of independent review into the WAC are known. Delaying the release of the Government Response to the non-potable water pricing will allow the results of the independent review to be incorporated into a single final response that would provide stakeholders certainty on the future price

point for water. The effect of the review on the water pricing is not yet known.

12. By comparison, the release of the Government Response as currently drafted, with a commitment to perform an independent review, maintains uncertainty in the water pricing and create expectations of an open public review of the WAC.

Financial Implications

13. Nil associated with this brief.

14. The costs associated with the independent review of the WAC is being shared between Treasury and EPSDD within existing directorate resourcing.

Consultation

Internal

15. Nil.

Cross Directorate

16. Treasury have been consulted on the delay to Cabinet consideration of the Government Response and did not object to this approach.

External

17. Nil consultation specific to the purpose of this brief.

Work Health and Safety

18. Nil.

Benefits/Sensitivities

19. The Government faces potential reputational risk of a delayed response because December 2023 marks 2 years since Treasury published the Review.

20. Golf clubs and the ACT-Monaro District Golf Association continue to enquire if golf clubs remain entitled to a 50% discount of non-potable water fees, to plan forward budgets and inform their Boards. Golf clubs are very sensitive to losing the 50% discount.

21. You will be briefed separately on the outcome of the independent review of the WAC. This will include advice on implications of potential WAC price adjustment, amendment to the Fee Determination disallowable instrument and consultation plan. The outcome of the independent review of WAC may present potential legal and financial implications, particularly if there is a significant departure in pricing from the current WAC.

Communications, media and engagement implications

22. The EPSDD Office of Water will contact stakeholders directly to deliver the interim response.

23. The drying El Nino weather conditions will result in clubs increasing their use of water and, with the resultant increased costs, may magnify media or stakeholder interests in the unresolved Government Response.

24. The EPSDD Office of Water continues to work closely with EPSDD Communications to manage any media interest or constituent concerns raised with your office.

Signatory Name:	Bren Burkevics	Phone:	x78628
Action Officer:	Emma Humphreys	Phone:	x75532

Attachments
Attachment A – Listening Report (summary)
Attachment B – Listening Report (verbatim)

LISTENING REPORT

GOVERNMENT RESPONSE TO THE NON-POTABLE WATER REVIEW

The ACT Government committed to ensuring clubs continue to support the community, while reducing harm from gaming. This included undertaking a review into water costs for high-intensity club users of non-potable water, with the aim of allowing clubs to maintain operations while not requiring cross-subsidisation from other ACT water users.

The Non-potable Water Review (the Review) was led by ACT Treasury and incorporated specialist advice from the Independent Competition and Regulatory Commission (ICRC) on recycled water pricing. It examined costs related to non-potable water usage by clubs, such as usage charges, infrastructure costs, operation costs and maintenance costs for various sources of non-potable water. Pricing of drinking water supplied by Icon Water was out of scope of the Review.

The review was completed in December 2021 and published on the ACT Government YourSay website.

The ACT Government Office of Water was then tasked with preparing a Government Response to the Review. A range of policy options were considered in relation to the recommendations listed in the Review. The following principles were in place to consider policy options:

- Policy options are applied equitably across non-potable water licensees.
- Pricing for water supply is based on the principle of 'user-pays' (consumption based) and represents full cost recovery, including recovery for environmental costs.
- Water pricing promotes economically efficient and sustainable use of water resources.
- Options to assist water users will not result in the cross-subsidisation of water costs by other licensed water users.
- Administration of cost recovery (fees) and any Government assistance (subsidies) will be transparent and efficient in process.
- Government assistance in cost recovery is applied only as necessary and in the public interest (no annual ongoing measures).

THE CONVERSATION

Consultation recognised the ACT golf community as a key stakeholder group, most likely to be affected by potential direction of the Government response. As a preliminary measure, all ACT golf clubs, and the ACT-Monaro District Golf Association were approached individually in October/November 2022 for in person meetings with senior government officials from the Environment Planning and Sustainable Development Directorate. These meetings included discussions on unique circumstances, current pricing policy of non-potable water and information about the process to prepare a government response to the Review.

Stakeholder consultation was undertaken in 2023 to receive feedback on potential policy options to inform the ACT Government Response to the Review. Over 200 stakeholders were sent a cover letter and a consultation paper '*Consultation on policy options to inform a draft Government Response to the non-potable Water Review*' and invited to provide written responses via email.

The consultation period began 7 June 2023 and ended 7 July 2023. A one-week extension was granted for two stakeholders.

WHO WE ENGAGED

The following peak bodies, community groups and authors of previous submissions to the Review were contacted and invited to respond to the consultation process.

- All 180 holders of an ACT Licence to Take Water under the Water Resources Act 2007 (includes all ACT Golf Clubs)
- Clubs ACT
- Canberra Community Clubs
- Coalition of Major Professional & Participation Sports (ACT)
- ACT Rural Landholders Association of Farmers
- ACT Equestrian Association
- Australian Sports Turf Managers Association
- Golf NSW & ACT Monaro District Golf Association
- Icon Water
- Phillip Oval Management Group
- Previous submissions to the Review made by individuals.

THANK YOU FOR YOUR FEEDBACK

210

We approached 210 entities, including all non-potable licensees, peak bodies, ACT golf clubs, and authors of previous submissions

17

We received 17 items of written feedback

9

The golf community provided 9 written submissions, from 5 golf clubs and 4 peak bodies representing golf club interests

Key insights from non-potable irrigators, peak bodies, community groups and individuals

Market Equity Scheme

1. There is strong opposition from golf stakeholders and their peak bodies on removing the Market Equity Scheme.
2. Concerns were associated with increased operational costs, reduced opportunity to invest in water security and the proposal not reflecting positive wellbeing outcomes that golf stakeholders provide to the community.

Review of Water Abstraction Charge

3. There was mixed support and opposition for reviewing the Water Abstraction Charge, with more clarity required with the terms of reference of a review.

Financial relief in exceptional circumstances

4. There is opposition from golf stakeholders and their peak bodies on providing short term financial relief in exceptional circumstances.
5. Concerns were associated with eligibility criteria items and ability to satisfy criteria.
    - There was opposition to precluding clubs with gaming machine revenue.
    - Clarity is required to improve description of some criterion.
    - The amount of proposed financial relief was criticised as inadequate.

Freezing fees

6. There was support for freezing non-potable water fees for a set period (3 to 5 years) to provide certainty for forward operating budgets.

Other issues

Golf clubs and their peak bodies also emphasised the following points:

7. The community wellbeing outcomes associated with golf, such as benefits of greenspace buffers, amenity and community participation should influence the Government Response to the Review
8. Water fees can account for more than 10% of operational costs. Some clubs have much higher proportions of operating costs when supplementing with high cost water in dry years because of on-site water scarcity.
9. Pricing outcomes should recognise investment by golf clubs to improve water security and the not-for-profit contributions of clubs to the Canberra community.
10. Concern that a one size fits all approach may not reach optimal pricing outcomes for the golf community.

NEXT STEPS

The insights from the consultation are being considered to finalise the Government Response to the Non-potable Water Review.

A draft Government response to the Non-potable Water Review will be presented to Cabinet for consideration in 2024 and then made publicly available.

Key Timings

Finalise the draft Government response to the Review: 2024
We are here

Government response publication and implementation: 2024-

ATTACHMENT B

Listening Report (verbatim written submissions)

This supporting document to the Listening Report provides detailed written submissions received from stakeholders on '*Consultation on policy options to inform a draft government Response to the Non-potable Water Review* (May 2023)'.

The consultation period was 7 June 2023 to 7 July 2023. The following stakeholders were invited to make formal comments on preferred and non-preferred policy options.

- All holders of an ACT Licence to Take Water under the Water Resources Act 2007
  - 180 licensees
  - includes ACT Golf Clubs
- Authors of previous submissions to the Review
- Peak body representatives

A total of 17 submissions were received. Submissions are recorded verbatim below. Submissions are listed in order received.

Submissions were received from the following authors.

1. Individual licensee
2. Yowani Country Club
3. Murrumbidgee Country Club
4. ACT Equestrian Association
5. Icon Water
6. Federal Golf Club
7. Burns Golf Club Belconnen
8. Golf NSW/ACT
9. ACT-Monaro District Golf Association
10. Individual licensee
11. Individual licensee
12. ACT Rural Landholders Association of Farmers
13. Gold Creek Country Club
14. Phillip Oval Management Group
15. Australian Sports Turf Management Association
16. Clubs ACT
17. Coalition of Major Participation Sports

Each written submission is provided in full on the following pages.

Sub No.	Written submissions (verbatim)
1	• I would like to provide feedback from the point of view of a licensee who uses ground water for domestic gardening watering. • This is a group who uses small volumes, and does not have any financial gain from the water use, unlike clubs and golf courses. • I would also argue that we contribute to the heritage value and street amenity of older Canberra suburbs. • Table 1: I disagree that licence fees should be increased for all users, because of the point made above that we small domestic users do not gain financial benefit from water use, and the fee is proportionally large. • Table 4: I agree with Option h- that is, a tiered scheme of Water Abstraction charges. As explained above, I feel this charge should be lower for small domestic users who do not have any financial gain from water use, as opposed to clubs and golf courses where water is used for financial gain. REF From: Individual licensee Date: 21 June 2023

2	• As the holder of a licence to take water in the ACT, and as the author of previous written feedback, the Yowani Country Club Limited has been invited to provide a submission on proposed policy options to inform the ACT Government response to the Non-Potable Water Review. The Yowani Country Club welcomes the opportunity to provide further input on this most important issue.
	• For sporting clubs, access to, and the cost of, water for irrigation purposes is a major factor affecting both their operating cost and financial sustainability. In this regard sporting clubs, but particularly golf clubs, are much more than sporting venues, as they enhance the aesthetic amenities of the ACT and form part of the urban landscape that provides eco-centres that support natural flora and fauna. Many golf courses, such as Yowani, are also part of flood abatement zones and help manage storm water flows through established dams and eco-friendly wetlands. They also act as natural fire breaks and safety zones during bushfires.
	• If the Government is serious about its intention to support clubs in securing their long-term financial futures, by diversifying their operations away from gaming and by reducing their reliance on community assets like potable water, then Clubs must be encouraged and supported to invest in infrastructure required to increase water storage capacity, to reduce reliance on town water supplies and ensure their water security.
	• In the case of Yowani we have already invested \$1.3 m in 2012 to construct a stormwater harvesting facility (SWHF). This facility enables the club (under licence) to harvest low-quality and highly sedimented storm water, that is fit for no other purpose, during moderate to high rainfall events. In addition, the Club is about to embark on a major project to undertake major 2 upgrades to its water storage capabilities and to more efficiently utilise its water resources to eliminate any future dependence on community potable water assets. This will include:
	    o Construction of two additional storage dams to increase storage capacity by approximately 20 ML at a cost of at least \$1m
	    o Replace the existing course irrigation system (which is now past its useful life) to allow more efficient and targeted use of water resources. Estimated to cost \$2m.
	    o Enhance YCC's role as part of the Government's flood mitigation strategy.
	    o Protection of the values of Sullivan's Creek through a process of naturalisation. This will aid in the improvement of the low-quality of water that flows through club land and on to Lake Burley Griffin through a process of natural filtration.
	• There is not, and nor has there ever been, a level playing field in the ACT for the right to access water at reasonable cost. Some sporting clubs have preferential access to zero cost/free water from Lake Burley Griffin, others have access under licenced conditions to storm water, and still others must rely on treated water, potable water, or natural rainfall.
	• In the case of Yowani, the Club has taken positive steps, and invested considerable capital, in implementing measures to improve its water security and in reducing water use through the replacement of its existing aged watering system with one offering greater efficiency in its water use. The Club has also disposed of its poker machines and become pokie free in support of the Government's gambling harm minimisation initiatives.
	• The suggestion that a one size fits all approach is an appropriate solution ignores the complexities of the clubs' industry in the ACT in which the diversity of interests and individual needs of clubs vary widely. The four recommendations from ACT Treasury suggest that all users of the ACT's water resources should contribute equally to fixed and variable costs of providing those resources. However, this ignores the investments made by some clubs, like Yowani, to ensure that they have reduced reliance on community resources.
	• We would also suggest that the generalised assumption that water usage for clubs represent less than 10% of a club's overall costs and does not have a significant impact on their ongoing financial viability, is at best misguided. Whilst this might apply to most high intensity community clubs or associations, for sporting club's that maintain large swathes of open sporting green space, access to water at reasonable price is a key and significant issue impacting directly on their cost of operation and financial sustainability.
	• As the action sought from Stakeholders is to simply provide an omnibus statement in respect of the four policy options put forward as to what extent do we agree with the policy options presented we would have to state that Yowani disagrees. However, as the option to provide further comment is available, apart from what is stated in the body of this submission, specific

Sub No.	Written submissions (verbatim)
	comments on the four policy options provided in Table 3 of the Consultation Paper are as follows: ◦ Option a) Review the non-potable Water Abstraction Charge (WAC) – We note that this Option proposes to consider the application of the National Water Pricing Principles in the setting of ACT water charges related to the cost recovery and user-pays principles. As Yowani predominantly relies on natural rainfall and stormwater capture we would argue that the cost of capturing and storing stormwater is met by the Club and not by the ACT Government or taxpayer. Yowani has also argued in the past that the total WAC should resemble the bulk water pricing rates applied by other jurisdictions (eg the Water NSW Annual Review of Rural Bulk Water Charges). It should also recognise the important community benefit provided by NFP sporting Clubs such as Yowani unlike other, for profit, commercial water users. **Yowani therefore strongly disagrees with this Option as currently framed.** ◦ Option b) Freeze WAC Settings for fixed term - Yowani would accept the need to set the price of the WAC for a set term (proposed as 3 years) to provide price certainty for licensees in preparing forward budgets. **Yowani Agrees with this Option, subject to the reasonableness of the WAC charge as outlined in the above response to Option a).** ◦ Option c) Removal of the market equity scheme – Yowani believe this to be a shortsighted option that will act only to remove the incentive for sporting clubs to invest in the infrastructure that is necessary to improve water security and water usage. It also penalises those clubs that have made significant financial investments to improve their water security and usage in support of the Governments aims and objectives in this area of community interest. **We therefore strongly disagree with this policy option.** ◦ Option d) Provide short-term financial assistance under extreme circumstances – Yowani would agree with this option, particularly for those clubs that have limited capacity to access and store water for irrigation purposes. Severe drought can have catastrophic impacts on those smaller and less financially secure clubs. However, drought doesn't play favourites and for those perhaps larger clubs (with larger areas of community greenspace to maintain) that rely on storm water capture, the results of extended drought can be as catastrophic in the absence of natural water flows. **Yowani therefore conditionally agrees with this Option.** • Yowani continues to strongly believe that the significant capital expenditure incurred by sporting clubs to improve and maintain water capture, storage and use should continue to be recognised and encouraged by Government. This through retention of incentives such as the Capital Works Offset Program, and a total WAC that resembles bulk water pricing rates applied within other jurisdictions and that recognises the important community benefit provided by NFP Sporting Clubs such as Yowani. REF From: Yowani Country Club Date: 28 June 2023

<table>
<tr><th>Sub No.</th><th>Written submissions (verbatim)</th></tr>
<tr><td>3</td><td>Below is a submission I put forward to ClubsACT for inclusion in a submission that they were making on behalf of our golf club. I understand this was submitted. Further to this, I would like to add some comments on Table 3 of the Policy on Page 6:-
I agree with freezing the WAC for a fixed term. This does make it easier to budget for;
I don’t agree with the removal of the market equity scheme. I understand this was put in place to assist clubs in building water saving infrastructure to reduce their potable water usage charges into the future. Clearly, these costs aren’t cheap and the market equity scheme shouldn’t be removed otherwise, in our case, it will be another $30,000+ that we would have to pay in a dry year. We are currently investigating options for a new irrigation system but this cost will be $2M+. The Club’s turnover is only $1.6M PA. The more we are charged under a WAC the further away a new, water efficient irrigation system is;
I disagree with short term assistance for some users. My comments below. It should be an even playing field and offering discounts, even in extreme situations, is a competitive advantage.
Golf clubs are some of the biggest water users in the Territory. At the same time, we are also one of the most responsible. We are always looking to reduce water usage by investigating water saving options including moving to couch grass, building irrigation dams to harness water run off and installing water efficient irrigation systems to name three.
More than happy to elaborate on any of the above but Murrumbidgee feels strongly on these points.
REF
From: Murrumbidgee Country Club
Date 30 June 2023</td></tr>
<tr><td>4</td><td>The Equestrian Park Management Group has pointed out to the ACT Equestrian Association that in the main the administration fee outweighs the extraction fee, by a high factor when we extract no water. Generally our experience of administration is one reminder a year to read our water meter! As a small user we would much prefer not to pay fixed admin costs and to pay for the water we actually use.
REF
From: ACT Equestrian Association
Date 3 July 2023</td></tr>
</table>

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In our response, Icon Water has assumed the following:

1. Potable Water Abstraction Charge (WAC) refers to Item Number 1.13 in Column 1
2. Non-potable WAC refers to Item Number 1.14 in Column 1

of the *Water Resources (Fees) Determination 2022 (No 2) Disallowable Instrument DI2022-199*[2].

It is recommended that the ACT Government's response to the Review provides clarity around the terminology of the WAC used it its submission.

Question 1: To what extent do you agree with the policy options presented in Table 3?

Icon Water Response: Neutral

Question 2: Do you have any further comments on the policy options presented in Table 3?

Icon Water see potential benefit from enhanced transparency and clarity around pricing, including responsibilities and principles.

Preferred policy option a)

Icon Water note that our customers on raw water contracts, such as those supplied to Uriarra Village, have the higher 'potable water WAC' passed through to their water prices.

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[1] https://yoursayconversations.act.gov.au/download_file/4928/1956
[2] https://www.legislation.act.gov.au/DownloadFile/di/2022-194/current/PDF/2022-194.PDF

Icon Water recommend that the proposed review does not consider 'non-potable WAC' in isolation. The proposed review should consider the outcomes of the WAC Final Report[3] to ensure that all WAC remains aligned with its original intent.

Preferred policy option b)

Our interpretation of this policy is that the price path would be 'locked in' for a set period (i.e. a specified series of increases (e.g. X% per year) rather than prices 'frozen' at the same level over a fixed period). It is recommended the wording be revised to provide clarity on the intent.

The period length should give consideration to the complexity of the review required to set the price path (i.e. if complex and resource intensive, may want to consider a longer period than three years).

This option should be considered in the context of the National Water Pricing Principles.

Our assumption is that preferred policy option b) only applies to 'non-potable WAC'. If this approach was also to be applied to the 'potable water WAC', consideration should be given to the pricing periods for regulated water and sewerage services with a view to minimise over/under recoveries from customers (i.e. the WAC determination would need to be available in advance of the ICRC's final price determination).

Preferred policy option d)

Our strategic customer engagement program, *Let's Talk Water and Wastewater*, provides relevant insights into our customer views on tariffs, affordability and liveability. The Icon Water Customer and Community Strategic Engagement Project Report outlines customer insights in relation to tariffs and affordability (Section 4.4.2) and liveability (4.5.5).

These insights suggest that Government should also consider financial assistance for non-residential customers that are not supplied with non-potable water (i.e. supplied with potable water). We recommend that ACT Government consider this customer feedback in the development of a financial assistance program.

Sub No.	Written submissions (verbatim)
	Question 3: Do you have any feedback on the policy options presented in Table 4, that were considered, but not preferred? **Other policy option h)** There are potential benefits of a tiered pricing scheme that may incentivise water conservation practices / limit excessive water usage. It is noted that this would benefit low volume non-potable water users. **Other policy option j)** Pricing is a key consideration that may affect recycled water and stormwater uptake and should be considered by ACT Government during development of a holistic policy on water recycling or integrated water management. Recycling/stormwater/third pipe schemes have a number of costs - financial, social and environmental. There are other potential system benefits of water recycling that may offset capital expenditure on recycled water infrastructure. Assessment should be undertaken on a case-by-case basis and consider the benefits and costs. **Other policy option k)** This option is not articulated accurately. Pricing of recycled water is not independently reviewed. It is set through commercial arrangements between Icon Water and our customers, or through a standard non-potable customer contract. In setting its non-potable water prices, Icon Water takes in to account the [3] https://www.icrc.act.gov.au/__data/assets/pdf_file/0006/1247469/wacfinalreport10oct03.pdf *National Water Initiative (NWI) Pricing Principles for recycled water and stormwater use* (2010)[4] and the pricing principles outlined by the ICRC in their *Final Report: Regulated water and sewerage services price 2023-28*[5]. **Question 4: Do you have any feedback on the draft criteria for non-ongoing financial relief?** Draft Eligibility Criteria 2 would significantly limit the eligibility of large users under this scheme, as they do not have a licence to take water. It is recommended that consideration be given to this scheme being expanded to customers on any non-potable water contract with Icon Water, regardless of whether they have an existing licence. It is recommended that Draft Eligibility Criteria 5 be reviewed. Consideration should be given to expanding this scheme to community club-based organisations that use potable water as their main source (majority of water is from potable water source, not non-potable water). In 'extreme circumstances' when licenced ACT irrigators are needing to switch to potable water (e.g. during drought), it is likely that community club-based organisations that rely more heavily on potable water are similarly incurring increased water costs. In addition, without retrofitting additional metering/monitoring it may not be possible for applicants to measure the split of their potable water usage between irrigation and other usage and demonstrate that they meet this criterion. It is recommended Draft Eligibility Criteria 7 is reviewed as there are many factors, other than average rainfall years, which impact water usage. This includes the timing of rainfall (e.g. early winter rainfall followed by no spring/summer rainfall during peak irrigation season). We appreciate engagement and the opportunity to contribute to the ACT Government's draft response. For further information on this submission please contact Nic Morgan, Senior Policy Advisor, Nic.Morgan@iconwater.com.au. REF From: Icon Water Date 3 July 2023

Sub No.	Written submissions (verbatim)
6	• The Federal Golf Club supports and endorses the comments by the ACT Monaro DGA. We note in particular that: o The preferred policy position seems more focussed on ease of administration rather than on an equitable application of costs to users particularly golf clubs. o Water pricing policy does not in itself promote the efficient use of water or investment in water storage and security measures including distribution systems. o Policy options (c) and (d) in Table 3 are not supported as they clearly work against the needs of golf clubs. • There are a number of specific issues which apply to the Federal Golf Club, a public access not-forprofit club: • 1. The Federal Golf Club has no natural water course running through its property. To irrigate the golf course Federal relies on rainfall, run off into its 2 small ponds, several bores (which haven't produced much for several years) and potable water. • 2. The proposal to align the Water Abstraction Charge (WAC) with fixed and variable costs is not supported. In our case the Government does not incur any fixed or variable costs, nor is there any cross subsidization by any other user of non-potable water. In fact, as there are no services provided by the Government for the WAC it could be more correctly defined as a tax. • 3. The removal of the Market Equity Scheme (MES) to provide a 50 per cent concession against the WAC is astonishing. We cannot see how the removal of the MES improves the equity of water pricing with other licensees. For the WAC to apply, the club needs to invest significant resources to develop ponds to capture water which the club is then charged through the WAC to use. In this situation it only equitable that a proportion of the cost of this water infrastructure, through the re-introduction of the discontinued Infrastructure Equity Scheme, should be a deduction against the WAC each year. • 4. The claim on page 4 of the Consultation Paper that "…water usage costs … are generally less than 10 per cent of a club's overall costs and do not have a significant impact on the ongoing financial viability of most high-intensity club users" is refuted. The claim demonstrates that the reviewers have very little understanding of the club's operations. • The proposed WAC in conjunction with potable water charges particularly in low rainfall years needs to be considered in the context of the direct costs of maintaining the course at a minimal playable condition. In those years water will potentially be the largest individual cost item for the club apart from wages directly related to course maintenance. Considering water as only a component of the club's total operating costs significantly understates the impact of water costs on the clubs ongoing financial viability. • In 2019 and 2020 during the drought, the water cost for the club was over $600,000. This resulted in the club reporting significant financial losses in each of those years. It also took several years for the club to pay off a $420,000 debt to Icon Water for the use of potable water over the 2019/20 summer period. • 5. The proposed criteria for non-ongoing financial relief sets out 10 eligibility criteria, all of which would need to be met for a club to receive up to $20,000 in financial assistance. The criteria appear to be impossible to be satisfied particularly as criterion 7 requires that rainfall be at or below the lowest 20% of the long-term average annual rainfall records for Sutton gauge 070232. The average rainfall was 658.7mm at gauge 070232. To satisfy criterion 7 the rainfall would need to be 131.74mm. The lowest average annual rainfall over the last 12 years was 350mm in 2019. Given this data it is highly unlikely that this criterion will be met at any time in the future REF From: Federal Golf Club Date 6 July 2023

7	Thank you for the opportunity to respond to the Consultation Paper of May 2023 outlining a proposed Government response to the Non-Potable Water Review. We have chosen to restrict our response to high level comments in relation to; 1. what we believe should be the overall intent of the review, and; 2. the draft criteria for non-ongoing financial relief included at ATTACHMENT A of the paper. In terms of more detailed commentary on key issues and principles raised in the paper, we support the views being expressed separately by the ACT-Monaro District Golf Association of which we are a member. **What should be the overall intent of the review?** Water is a scarce and extremely valuable resource. As such, we should be encouraging all water users and consumers to use it an efficient and conserving manner. This means encouraging users to implement practices and invest in supporting infrastructure that helps the capture and consumption of water in a way that meets the efficiency and conservation objectives. We see this review of non-potable water as an opportunity to encourage and assist golf clubs to pursue these objectives. In our view, the overriding objective of this review should be to encourage golf clubs to make significant financial investments in capturing, accessing, managing and efficiently utilising non-potable water. From what we can see – including in the Parliamentary & Governing Agreement which initiated this review - this has never been clearly stated as the overarching objective of the review. This would be a missed opportunity. Whilst discussion and analysis of pricing principles and equity and transparency issues are important, our view is that consideration of these issues should be seen through the prism of encouraging more efficient and prudent use of a scarce and critical resource. With this objective in mind, rather than doubling the Water Abstraction Charge (WAC) by removing the market equity scheme as suggested in the consultation paper – an initiative which would increase costs and therefore make investment more difficult - we strongly suggest consideration be given to removing the WAC altogether for those Clubs that can clearly outline plans and timelines for investment in better water capture and utilisation on their courses.

This would involve a form of mutual commitment between the ACT Government and individual golf clubs. An agreement whereby the golf club would commitment to relevant water efficiency investments over a certain period of time in return for which the Government would waive the WAC for the duration of that investment period. Such an initiative would genuinely assist and reward those Clubs who are committed to improving their management and use of water and, in so doing, contribute to the strong community and Government commitment to conserving this critical resource.

Whilst further work would need to be done to work through the details of how this arrangement would work best in practice, were the ACT Government to accept this recommendation in principle, we are certain the golf club industry in the ACT would work diligently and constructively with Government to see such an initiative put in place.

Non-Ongoing Financial Relief

ATTACHMENT A to the Consultation paper outlines draft criteria which might apply were the ACT Government to implement a financial relief program for Clubs under exceptional circumstances. Our major concern with the proposed criteria is it suggests Clubs with gaming machine revenue should be ineligible. We strongly oppose this suggestion for two main reasons.

Firstly, we don't think it is appropriate for Government to discriminate between Clubs based on the particular business model they choose to pursue. Clubs adopt the business model which best suits their own circumstances, expertise, history and constitutional objectives. Clubs pursue a business model which they believe provides the best prospects for building a strong, sustainable Club that will provide services well into the future for its members and the community. Against this background, we believe the principal eligibility consideration of Government in providing assistance for users of non-potable water should not be whether or not they derive revenue from gaming machines, but rather whether organisations seeking assistance deliver clear community benefits but require assistance to help them navigate some difficult times. Further, if assistance is to be provided, we believe that a further key eligibility factor should be that, in return for Government assistance, the organisation must also commit to initiatives it will also implement itself to help address the challenges it faces. In other words, there should be some level of mutuality in the assistance agreement.

There is one other point to note here were Government to go with the ineligibility criteria relating to gaming machines. Would the Government treat a club with five poker machines the same as a Club with two hundred poker machines. A situation which does apply in Canberra. Would both clubs be ineligible even though one Club clearly has far less reliance on gaming revenue than the other? I think most people would think to do that would not be "fair" to the Club with five machines. So does Government draw a line and say Clubs with more than a certain number of poker machines are ineligible? And if so, where is that line drawn? This exercise would get very subjective and contentious. There would always be Clubs who considered they were on the wrong side of the "line" and therefore being treated unfairly. An unnecessary complication in achieving the intent of the assistance and yet another reason not to go down the path of making Clubs with gaming revenue ineligible.

Sub No.	Written submissions (verbatim)
	Our second concern with this proposed eligibility criteria is that it does not apply to any other ACT Government assistance program which is available to our Club. We can, and in many cases do, access Government assistance programs for example to assist us with energy efficiency initiatives, the installation of electric vehicle chargers, and investments to diversify and strengthen the business. None have a requirement that the Club derive no income form gaming machines. Therefore, to introduce a financial relief package in relation to non-potable water usage as outlined in the Consultation Paper would be inconsistent with other Government assistance programs made available to our Club. **Concluding Comments** Our Club is new to the golf industry having only purchased the Belconnen Golf Club in April this year. We therefore come to this industry with no particular experience or expertise in golf club management and operation, including the issue of water pricing. This clearly has some disadvantages when it comes to discussing an issue like this one which is a detailed review of non-potable water. In this regard we are fortunate to be a member of the ACT-Monaro District Golf Association which clearly has deep expertise in this area and is a powerful advocate for the industry. They have also been very welcoming of us and are a valuable source of advice as we climb a rather steep learning curve. However, being a new entrant to the industry does bring with it some benefits. In particular, we can bring a fresh set of eyes and ideas to an issue. This can sometimes allow us to see things a bit differently. Hence in the case of this review of non-potable water we question whether the depth of focus on pricing principles and equity issues – as important as they are - has distracted somewhat from what we believe should be the higher-level objective of encouraging Clubs to invest more in capturing, accessing, managing and efficiently utilising this valuable resource called non-potable water. The discussion on pricing and related principles should be done so with this objective firmly in the front of our minds. Hence our comments earlier in this submission. In conclusion, we hope our small contribution here has provided some value add to the discussion. We look forward to working further with the Government on this important issue both directly and through our representative body the ACT-Monaro District Golf Association. REF From: Burns Golf Club Belconnen Date 6 July 2023

Sub No.	Written submissions (verbatim)

8	• Please accept this correspondence by Golf NSW/ACT in support of the following affiliated Clubs:
	  ○ Burns Golf Club Belconnen
	  ○ Fairbairn Golf Club
	  ○ Federal Golf Club
	  ○ Gold Creek Golf Club
	  ○ Gungahlin Lakes Golf Club
	  ○ Murrumbidgee Country Club
	  ○ Royal Canberra Golf Club
	  ○ Royal Military College Golf Club
	  ○ Yowani Country Club
	• Collectively the above Clubs generate in excess of $70m in annual benefits to the Australian Capital Territory community.
	• Golf as industry provides multiple benefits to the wider community which include supporting local charities, junior programs, amateur/professional competitions, tourism, employment, small business, and most importantly the mental and physical health of all who play.
	• We recently commissioned the highly respected Sport Business Partners and Street Ryan to evaluate the contribution golf, both as a sport and industry, delivered to ACT – see below link: https://www.golfnsw.org.au/wp-content/uploads/2021/05/Golf-in-ACT-Community-Impact-Study-Final100.pdf
	• The results highlighted golf is more than a sport.
	• Our Clubs strongly believe the current 'Market Equity Scheme' should continue and both our Board and I support this position.
	• The ACT Government and Office of Water in introducing the Scheme has played a pivotal role in ensuring fairness and equal opportunities for all Clubs, which in turn has contributed to the overall growth and development of the district, and the community at large.
	• Termination of the Market Equity Scheme would reinstate the inequity which led to its adoption by the ACT Government in the first place.
	• The extra financial impost would simply exacerbate the ongoing cost pressures faced by golf clubs, many of which are having to take significant steps to diversify income sources to be able to continue to provide the above-mentioned benefits for the community.
	• It is also important to ensure the end result delivers a pricing strategy which supports and benefits the whole of the Australian Capital Territory from both a social and recreational perspective.
	• In closing we ask the ACT Government and Office of Water ensure there is an equitable treatment of all water users during the consultation process, and not a 'one size' fits all approach.
	
	REF
	From: Golf NSW/ACT
	Date 6 July 2023

9	• The ACT Monaro District Golf Association (DGA) continues to support the need for a review into nonpotable water pricing to deliver appropriate pricing arrangements for non-potable water access by golf clubs in the ACT: o – having regard to bulk water charges applying nearby in NSW, o – to recognise rather than penalise investments made by golf clubs themselves to improve their water management, o – to arrive at a framework for pricing which golf clubs could support as fair and reasonable, in order to encourage ongoing water efficiency across the variety of sources of water they rely on. • In reviewing what is proposed in the consultation paper, it is disappointing that, rather than having the primary concerns previously raised by the DGA and golf clubs throughout the review process addressed, they have been set aside, with a preferred policy solution that places golf clubs in a worse position than before the review commenced. • Further, contrary to the paper's first principle to apply policy options equitably across non-potable water licensees, the paper is silent on the treatment of the ongoing Competition Equalisation Payment for primary producers – appearing therefore to increase rather than diminish the disparity in treatment between different licensees. • The issue of cross-subsidisation deserves particular attention. • The paper states that options to assist water users should not cross-subsidise water costs by other licensees. If a "one size fits all" solution to the proposed WAC review is the outcome, then to the extent golf clubs have invested their own resources to manage supply risk and improve their water efficiency, they would be clearly cross-subsidising other licensees via the application of such a universal WAC. • The withdrawal of the Infrastructure Offset Scheme has removed what was a previous incentive and form of recognition of this inequity. • Policy and pricing options which assist and incentivise golf clubs (and potentially other non-potable water licensees) to invest in increased on-site storage for irrigation purposes would add benefits beyond the immediate user. The benefits of keeping more water in the landscape extend further, contributing to urban amenity, creating urban habitat, offsetting the cost to the environment of polluted runoff – thus improving the health of waterways and wetlands, and alleviating localised flooding. • The DGA wishes to reiterate that our ACT-based member clubs have differing water access circumstances, which adds to the complexity of pricing considerations, and that the comments below remain complementary to and cannot supplant specific arrangements each or any club may have for access to non-potable water sources. • Overall, the approach proposed in the consultation paper is disappointing. The concerns we have raised above and in the specific comments overleaf (regarding Tables 3 and 4 policy options) highlight the lack of equitable treatment, insufficient detail on important aspects, and the potential adverse consequences for golf clubs in the ACT. We urge that these aspects be reconsidered to ensure a fair and well-informed decision-making process, and a pricing strategy that supports the delivery of social, recreational and other benefits to the population of the ACT • TABLE 3 – SPECIFIC COMMENTS ON THE PREFERRED POLICY OPTIONS A. • We note and agree the importance of reviewing the non-potable Water Abstraction Charge (WAC). However it is not clear how Recommendation 1 of the Non-Potable Water Review, reproduced at Table 1, will be reflected in the review now proposed at Table 3, option a), particularly the potential to reduce the variable WAC – nor how long this will take and by what process, and with what degree of independence. • Nor is it clear how the consideration of application of the NWI Pricing Principles in setting the non-potable WAC in the ACT will be tested against the quantum of bulk water charges arising as a result of their application in other jurisdictions, notably NSW. • The DGA doesn't argue against improved accountability and transparency of pricing, although it is not clear what "strengthened water governance" would entail, nor the costs and benefits to customers. The DGA supports the principles of cost recovery and consumption-based user pays, but does argue that any review of the WAC, and however it is constructed or replaced,

	must explicitly accommodate for the investment costs made by golf clubs to improve their efficiency and sustainability in water access and usage – in the various ways described in detail in our original submission in April 2021. B. • While the fixed-period price freeze may provide pricing certainty to users, the paper is silent on the course of action following the end of this period, creating pricing uncertainty for golf clubs and other water users. C. • In the context of the preferred policy position in this paper, the proposed removal of the Market Equity Scheme (MES) ignores the reason it was introduced by Government in the first place – the inequity of the WAC as currently constructed for application in the ACT – and so the removal of the MES is opposed by the DGA. The fact that, according to the Treasury's Final Report, the non-potable WAC obligation for rural irrigators is almost completely eliminated via the Competition Equalisation Payment system underscores this point. • D. • Regarding short-term financial assistance, the preferred option provides limited detail on its operation, while a whole attachment is devoted to criteria that would effectively exclude many golf clubs from accessing non-ongoing financial relief, let alone that some criteria require clarification as to meaning and effect. • For example, timing and periodicity of rainfall through a year is considerably more critical to sustainment of playing surfaces – and the consequential demand for supplementary water access – than aggregate annual rainfall (important as that is). • Again, denying eligibility for short-term financial assistance under extreme circumstances to golf clubs associated with revenue streams from gaming, in preference to other clubs, is considered inequitable and unreasonable in the context that the assistance relates to provision of the same community services. • TABLE 4 – SPECIFIC COMMENTS ON OTHER POLICY OPTIONS CONSIDERED E. • Until the proposed review of the WAC is completed, the 'do nothing' option (retention of the status quo, with the Market Equity Scheme in place) as described is a logical approach. F. • As argued at 3C. above, the adoption of the Market Equity Scheme for golf clubs resulted from the inequity of the WAC in the first place, so suggesting it's expansion as a policy option, then arguing that it would perpetuate ongoing annual subsidies, is curious. G. • From the perspective of the golf sector, this option reflects the first recommendation of the original Treasury Review, and the DGA considers it should be part of the solution. • The basis for not preferring this option also conflates two separate issues – on the one hand, the setting of a fair non-potable WAC, and on the other the impact on users of other charges for reticulated stormwater, treated effluent or potable water. H • With just 185 licensees for non-potable water to administer, it is unclear to the DGA how a user-based tiered allocation and pricing system poses "challenges" that could not be overcome. (The DGA notes that there is already a higher administration fee for those licensed to take more than 1000 megalitres.) Such a system would have the advantage of responding to the variability of water value in differing weather circumstances via price signal. I. • Beyond the limited way the "surface water rights" option at i) is described, to the extent that golf clubs have invested from their own resources in means of capturing and storing rainfall and stormwater runoff to serve their irrigation needs in dry conditions (and at the same time contribute to the various beneficial forms of urban amenity by keeping water in the landscape), a concomitant reduction of water fees for the "cost recovery" element of price would be entirely consistent with the stated principle for equitable application of policy options – and as we argue at 3A. above. J.

Sub No.	Written submissions (verbatim)
	• The DGA notes that the utilisation of recycled water is not an option golf clubs would choose under current arrangements and charges, unless (as in the case of at least one golf club), they have no more economically substitutable source. K. • With regard to subsidising recycled water, the DGA considers that the implementation of such schemes in the ACT has resulted in diseconomies of scale, to which is then added an overlay of water pricing principles, creating an overly-onerous pricing regime. In NWI terms, the DGA would argue that any decision on pricing or subsidisation for access to recycled water should be with the long-term interests of customers/users in mind. REF From: ACT-Monaro District Golf Association Date 6 July 2023
10	• selected 'neutral' to preferred policy option • As a small volume user I think a tiered WAC FEE preferable otherwise it eventually would be cheaper to use potable water REF From: Individual licensee Date 7 June 2023

Sub No.	Written submissions (verbatim)
11	• selected 'agree' to preferred policy option • This review is focused on clubs that have irrigation licenses which typically use significant volumes of non-potable water. However, while focusing on the MER and high volume irrigators, I would urge that the new charging model for non-potable water charges resulting from this review be equitable for *all* classes of non-potable water users. • Primary Producers (farmers) depend on non-potable water. Some ACT farmers - those who irrigate crops - are eligible for assistance under the Competition Equalisation Payment (CEP) scheme towards their water costs. • I am a non-irrigating primary producer and would like to point out an inequity in the non-potable charging model that could be easily addressed • The past ten years have confirmed that rain-fed dams are no longer reliable enough to support our ongoing livestock operation. After struggling through the last drought with no connection to mains water (potable or non-potable) we were motivated to sink a bore in 2021. • Our bore water license precludes irrigation allowing only for livestock and domestic use. As non-irrigators we are not covered by the CEP, nor am I suggesting we should be. • I am happy to pay a fair price for the water we use, but find that the fixed cost (the annual admin fee) already feels excessive for the task of issuing us with an annual invoice for water used. For example, this year the admin fee is 155% of our actual water usage charge meaning that we are effectively paying much more for our water usage - 82c/kL overall - compared to ~32c (or less with the benefit of the MES subsidy) paid by a large volume user. Our operation would benefit very little from a reduction in the per litre water rate - in fact were it to be (hypothetically) halved to 16c/L our effective overall rate would only reduce from 82c to 65c per litre (more than 4 times the hypothetical 16c rate). • I therefore propose that the annual admin charge (currently $496) be adjusted to be, say, 20% of the actual water usage component of the invoice until it reaches a maximum of $496. • This would bringing the *overall cost per actual kL used* for small users down closer to that for larger users. For the 20% admin fee cap proposed above it would have the effect of small volume users paying no more than 32 x 1.2 = 38c/kL overall. • It would also create an additional incentive for smaller volume users to reduce (actual) consumption below their maximum allowance REF From: Individual licensee Date 5 July 2023

Sub No.	Written submissions (verbatim)
12	• As the peak body for ACT farmers, we would like to express our interest in the review of non-portable water and request that our Association be kept informed of any changes that may be made. We understand the importance of this issue and believe that farmers must have access to affordable and reliable water sources to benefit our food and ecological systems. • The matter was raised at our most recent general meetings, and information was distributed through our mailing list and website forums. The Association encouraged individual farms to submit a response on their specific case with farmers in the ACT considered low-risk and low water usage and vulnerable small business owners to fee changes. • Producing food and fibre needs water, and we hope the ACT Government water policy enables agriculture rather than prevents the sector's growth. We need to look at the water cycle within the ACT and capitalise on wastewater treatment facilities for agricultural irrigation and prioritise agricultural production. Additionally, drought as a result of a La Nina event within the next 12 months threaten the lives and existence of rural communities and businesses. • Our Association is committed to working with the ACT Government to ensure that the needs of farmers are taken into account during the review process. We appreciate the efforts that have been made so far to address this issue, and we look forward to continuing to work together to find solutions that meet the needs of everyone involved. • Thank you for your attention to this matter, and we welcome ongoing involvement in the water policy development. REF From: ACT Rural Landholders Association of Farmers Date 7 July 2023

13	• As part of your review the Government has committed to ensuring clubs continue to support the community, while reducing harm from gaming. The Government committed to undertaking a review into water costs for high-intensity club users of non-potable water, with the aim of allowing clubs to maintain operations while not requiring cross-subsidisation from other ACT water users. • Gold Creek Country Club is a golf club that has no subsidization from the Territory in any of its operations and has no poker machines. • The water used on site is captured on site and pumped at the cost of Gold Creek Country Club onto the greens which is enjoyed by an enormous amount of neighbors adjoining the property. Our income source is predominately from the Golfing operations; unfortunately, this has not been enough to sustain or even gather any profitability during its 27 years of operation. • The addition of charges for surface water used to irrigate the land, which is then fed back into the dam, could be seen as double dipping and will force the Golf Club deeper into the red. There has been no government support provided for the operations during our ownership. • selected 'strongly disagree' to preferred policy option • It is the position of Gold Creek Country Club that whilst the provision of certainty for licensees is critical to the establishment of effective water policy, removal of the Market Equity Scheme concession of the WAC will have significant detrimental impacts to the operation of golf clubs in the ACT. • Our facility has self-funded the ability to capture, store and use efficiently ground and surface water, and removal of any/all support (excluding minimal short-term, non-ongoing financial assistance as proposed) will both a) significantly increase operational costs for the club requiring non-potable water to maintain safe, presentable and quality playing surfaces, and b) significantly reduce the impetus for the Club to invest in infrastructure to capture/access ground and surface water - which will dramatically increase the need and use for potable water to be used in irrigation to maintain these facilities. c) provide an increased burden on top of existing water usage costs, funded by the Club, d) reduce the community amenities provided at the cost to the Club • The Club is not licensed poker machine venue and is not subsidised by any government for any of the collection, and usage. • Further, it is the opinion of the Club that increased charges for irrigation and associated reductions in playing surface quality - will have direct flow-on impacts at these facilities, including (but not limited to) a) value of membership with lower quality surfaces, b) reduction in membership numbers of membership fees due to lower quality surfaces c) reduction in staff numbers/jobs to offset increased irrigation costs d) increased operating costs will result in lower investment into capital, environmental and sustainability practices at these clubs e) will have an impact on interstate visitors and would look poorly on the ACT Club. • Based on feedback from our members it is also important to note that we strongly disagree with the findings of the Non-potable Water Review that water usage costs are generally less than 10 per cent of a club's overall costs and do not have a significant impact on the ongoing financial viability of most high-intensity club users. • Over the past 27 years, the club has not turned a profit and is not sustainable. We have seen examples of water usage exceed 25% of a clubs operational costs, and further increases to these facilities is not sustainable, even with $20,000 or up to 25% of invoiced amount (whichever is less) proposed • Did the review look to differentiate between groups in setting policy recommendations, for example - users with access to on-site water vs not, users with access to treated effluent et al? • Users have all the infrastructure on site and recycle the water, the WAC would cause a double dipping of water being used and then run off into the storm water and then re used for irrigation again. • Proposed amount of financial relief (up to $20,000 or up to 25% of invoiced amount (whichever is less) for external party water supply is negligible in comparison to reduction in WAC (%), resulting in significant cost increases to clubs, particularly high-volume irrigators.

Sub No.	Written submissions (verbatim)
	• The Club undertook and continues to work every year to reduce any water reliance, this should be deducted against any possible charges. But note that a Water Abstraction License limiting the amount of water should also be in force. • The size of our irrigation zone is around 80 hectares, any particular increase in any cost, significantly harms the Clubs long term future. • We are unsure what the Territory provides in services that cause a charge to the Territory while the Club recycles its water to the benefit of the community. • The Club agrees on fixed fee Abstraction charges for a license with limitations. It does not agree on the actual charges of the used proportions. • As noted in the introduction, this review was designed for licensed clubs that have gambling and subsidisation. The Club has neither and should be treated as such. Secondly the cost to the Territory for the capture and continued re-use of the water on site is not clear. Thirdly the community benefits have not been considered. • We hope that we are not penalised for the lack of income generated by pokies and note, like most golf courses there are significant challenges especially in Canberra to become or remain financially viable without additional costs being placed on them. REF From: Gold Creek Country Club Date 7 July 2023
14	• In the last response, the Phillip Oval Management Group submitted a response around no access to non-potable water at Phillip Oval. The response supported the extension of a non-potable water source to the Phillip Oval precinct. • The problem still exists. The Phillip Oval precinct remains unable to access non-potable water. The ground is currently watered by potable water, which is a significant cost. We again support the extension of non-potable water access to Phillip Oval. REF From: Phillip Oval Management Group Date 10 July 2023

Sub No.	Written submissions (verbatim)
15	• selected ‘disagree’ to preferred policy option • It is the position of the Australian Sports Turf Managers Association, that whilst the provision of certainty for licensees is critical to the establishment of effective water policy, removal of the Market Equity Scheme concession of the WAC will have significant detrimental impacts to the operation of golf clubs in the ACT. • The majority of these facilities have self-funded the ability to capture and store ground and surface water, and removal of any/all support (excluding minimal short-term, non-ongoing financial assistance as proposed) will both a) significantly increase operational costs for clubs requiring non-potable water to maintain safe, presentable and quality playing surfaces, and b) significantly reduce the impetus for any Club in ACT to invest in infrastructure to capture/access ground and surface water - which will dramatically increase the need and use for potable water to be used in irrigation to maintain these facilities. • Further, it is the opinion of the Association that increased charges for irrigation and associated reductions in playing surface quality - will have direct flow-on impacts at these facilities, including (but not limited to) a) value of membership with lower quality surfaces, b) reduction in membership numbers of membership fees due to lower quality surfaces c) reduction in staff numbers/jobs to offset increased irrigation costs d) increased operating costs will result in lower investment into capital, environmental and sustainability practices at these clubs • Based on feedback from our members throughout the ACT, it is also important to note that we strongly disagree with the findings of the Non-potable Water Review that water usage costs are generally less than 10 per cent of a club’s overall costs and do not have a significant impact on the ongoing financial viability of most high-intensity club users. • Over the past 5 years, we have seen examples of water usage exceed 25% of a clubs operational costs, and further increases to these facilities is not sustainable, even with $20,000 or up to 25% of invoiced amount (whichever is less) proposed • Did the review look to differentiate between groups in setting policy recommendations, for example - users with access to on-site water vs not, users with access to treated effluent et al? • Proposed amount of financial relief (up to $20,000 or up to 25% of invoiced amount (whichever is less) for external party water supply is negligible in comparison to reduction in WAC (%), resulting in significant cost increases to clubs, particularly high-volume irrigators. • Rather than a minimal amount of relief offered, the Association would support the development and introduction of a tiered system to offset water-acquisition costs relative to size/quantity of user groups REF From: Australian Sports Turf Managers Association Date 12 July 2023

16	• ClubsACT Submission – Non-Potable Water Review Policy Options • Introduction • ClubsACT is the peak industry association for the ACT Licensed Club Industry representing a membership including the majority of ACT Golf Clubs, Bowling Clubs, Football (Rugby Union, AFL and NRL) and Soccer clubs. Our members are not-for-profit entities and across the ACT our membership provides or maintains a significant number of water dependent facilities for the ACT community. Our membership represents one of the largest consumers of ACT water and has a significant stake hold interest in the pricing of both potable and non-potable water. • We acknowledge that our members currently have differing water access circumstances, which adds to the complexity of pricing considerations. Our comments in the submission seek to address the broad nature of concerns raised by our members whilst contemplating the variable nature of individual situations. • ClubsACT works closely with the ACT Monaro District Golf Association (DGA) and the Coalition of Major Participation Sports ACT (COMPS) who we also consulted in drafting this submission. We support the submission tendered by the DGA on behalf of ACT Golf Clubs and have liaised with COMPS on the preparation of this submission. We understand that some of our members have lodged their own submissions which we seek to supplement with a broader industry perspective through this submission. • General Issues • ClubsACT supports the need for a review into non-potable water pricing to deliver appropriate pricing arrangements for non-potable water access for not-for-profit clubs across the ACT. For sporting clubs, access to, and the cost of, water for irrigation purposes is a major factor affecting both their operating cost and financial sustainability. In this regard sporting clubs, are much more than sporting venues and should be recognised for their unique circumstance in this issue, given the contribution they make to enhancing the aesthetic amenities of the ACT. • Our members facilities form a significant part of Canberra's urban landscape, providing ecocenter's that support natural flora and fauna. Many of our members facilities, are also part of flood abatement zones and help manage storm water flows through established dams and ecofriendly wetlands. They also act as natural fire breaks and safety zones during bushfires. Club vegetation landscapes have a cooling effect on the local environment through transpiration and shading, limiting the land absorbing heat, thus cooling the local environment. The porous nature of club ground surfaces also reduces the risk of flooding during high rain periods. • The provision and pricing of water in the ACT has significant impact on our membership and is structured more in line with a commercial market perspective rather contemplating the not-for-profit nature of our industry. • The members of ClubsACT (and their fee-paying memberships) provide a range of benefits to the Canberra community that are not contemplated appropriately in the pricing structure of water. as of 1 July 2019, the ACT Government made changes to the ACT community contribution scheme to maximise community benefits with one of the major reforms being to apportioning facilities maintenance to support greater access by the broader community to sports and recreation facilities. Under the relevant legislation, contributions directed towards club affiliated sporting infrastructure facilities help support sporting activity and may promote the availability of these facilities for the use and enjoyment of the general public • Unlike the commercial sector, our members have significant constraints on seeking cost recovery for pricing increases. The provision and maintenance of community sporting facilities, and the green space across that ACT that is sustained by this, factor significantly in the livability of the ACT. The direct contribution these facilities make to the environmental issues within the ACT is rarely if ever acknowledged. • Pricing of water in the ACT should contemplate in its design the bulk water charges applying nearby in NSW, recognize the investments made by our industry to improve water management and sustainability and recognize the significant community contribution already being made by our industry to the ACT community in this area. The setting of pricing should be designed as an incentive to encourage further investments in this area by our industry rather than create a disincentive to improve water management.

	• ClubsACT is strongly of the view that the structure of water pricing for our industry should be seen as fair and reasonable to encourage the ongoing pursuit of water efficiency across the variety of sources of water that are relied upon. • The debates surrounding water pricing issues in the ACT have now been on the table for many years, with a series of reviews occurring where it has been felt that there has been no significant consideration of the concerns raised by the industry through these processes. The current discussion paper again seems to have put aside these issues and has arrived at a preferred policy solution that would apparently place our club communities in a worse position that is currently the case. • It seems that the discussion paper was crafted on the presumption that water usage for clubs represent less than 10% of a club's overall costs and does not have a significant impact on their financial viability. Again, this ignores the diversity of the industry, the not-for-profit nature of the sector prohibiting the easy recovery of increased costs in this area and the fact that this cost of whatever magnitude is directly contributing to a community asset. Access to water at a reasonable price is a key and significant issue impacting directly on the cost of operation and financial sustainability of our members. • It also concerns us that the while the paper's first principle is to apply policy options equitably across non-potable water licensees, the paper itself is silent on the treatment of the ongoing Competition Equalisation Payment for primary producers. We would reject any increase to the disparity in treatment between different licensees. • Our members are concerned that the paper's consideration of cross-subsidisation fails to recognize the investment our members have made, of their own resources, to manage supply risk and improve their water efficiency. • Whilst the paper states that options to assist water users should not cross-subsidise water costs by other licensees, the desire for a "one size fits all" solution to the proposed WAC review, our members would be clearly cross-subsidising other licensees via the application of such a universal WAC. The withdrawal of the Infrastructure Offset Scheme removed what was a previous incentive and form of recognition of this inequity. • The suggestion that a one size fits all approach is appropriate in respect of this issue, ignores the complexities of the clubs' industry in the ACT and the diversity of interests and individual needs. The four recommendations in the discussion paper propose all users of the ACT's water resources should contribute equally to fixed and variable costs. We are concerned, however, that this ignores the substantial investments made by some of our members to reduce their reliance on community resources. • Policy and pricing options which assist and incentivise our members to invest in increased on-site storage for irrigation purposes would add benefits beyond the immediate user. The benefits of keeping more water in the landscape extend further by making a direct contribution to urban amenity, creating urban habitat, and offsetting the cost to the environment of polluted runoff. The impact this would make to improving the health of waterways and wetlands, and alleviating localised flooding should not be overlooked. • The feedback we have received in consolidating this submission has been concerning. There is an increasing frustration of our members over this issue. There is a growing sense that despite ongoing engagement by the industry and our members over a number of years on the WAC and pricing, that the issues and concerns are being ignored. The discussion paper itself has insufficient detail on important aspects, fails to understand the issues addressed above, ignores potentially adverse impacts on our members and will only increase inequitable treatment. • We strongly believe that Clubs in the ACT must be encouraged and supported to invest in the infrastructure required to increase water storage capacity, to reduce reliance on town water supplies and ensure their water security. • We join the DGA in urging that these broader aspects be reconsidered to seek a balanced and wellinformed decision-making process. We strongly urge the development of a pricing strategy that ongoingly supports the delivery of social, recreational and other benefits to the population of the ACT. • SPECIFIC COMMENTS ON THE PREFERRED POLICY OPTIONS • Option A: Review the non-potable Water Abstraction Charge (WAC) –

- We agree the importance of reviewing the non-potable Water Abstraction Charge (WAC). We note that this Option proposes to consider the application of the National Water Pricing Principles in the setting of ACT water charges related to the cost recovery and user-pays principles. As some of our members rely heavily natural rainfall and stormwater capture and have invested in facilities to achieve this, we would argue that the cost of capturing and storing stormwater is met by those Clubs and not by the ACT Government or taxpayer.
- ClubsACT is also of the view that the WAC should resemble the bulk water pricing rates applied by other jurisdictions. It should also recognise the important community benefit provided by NFP sporting Clubs unlike commercial water users. ClubsACT whilst supporting such a review of the WAC, we do not support the current framing of the proposal.
- ClubsACT supports the principles of cost recovery and consumption-based user pays, but we strongly believe that any review of the WAC must explicitly recognise the investment costs made by sporting clubs to improve their efficiency and sustainability in water access and usage. ClubsACT strongly disagrees with this option as it is currently proposed.
- Option B: Freeze WAC Settings for fixed term –
- Upon the conclusion of an appropriately constructed review of the WAC, ClubsACT would accept the proposal to set the price of the WAC for a set term (proposed as 3 years) to provide price certainty for our members in preparing forward budgets. However, we believe that the extension of the proposed 3-year period to 5 years would better facilitate long term investments by our members in options to increase water availability and sustainability. ClubsACT Agrees with this Option, subject to the reasonableness of the WAC charge as outlined in this submission.
- Option C: Removal of the market equity scheme –
- ClubsACT strongly rejects this option. This proposal would remove the incentive for sporting clubs to invest in the infrastructure that is necessary to improve water security and water usage. It also unfairly penalises those clubs that have made significant financial investments to improve their water security and usage. ClubsACT strongly disagree with this policy option.
- Option D: Provide short-term financial assistance under extreme circumstances –
- ClubsACT supports this proposal in principle, particularly for clubs that have limited capacity to access and store water for irrigation purposes. Severe drought can have devastating impacts on those smaller and less financially secure clubs that have high water needs. However, the circumstances of larger clubs (with larger areas of community greenspace to maintain) that rely on storm water capture should not be overlooked. The results of extended drought are catastrophic to our industry sporting clubs in one form or another across the board, especially when facing significant disruption of natural water flows.
- Regarding Attachment A of the discussion paper identifying the criteria for short-term financial assistance, we completely reject the proposition that those clubs who have a gaming machine revenue stream as part of their operations should be denied support. It is disturbing that this singularly unjustified proposition should even be included in this discussion paper.
- We would like it clarified on what basis this element would be included in the proposal and retained in any final outcome. Given that the vast majority of clubs who could be seen to need and benefit from such extreme circumstances support have gaming machine revenues (to widely varying degrees), this measure would establish a support mechanism for the industry that would be denied to the majority of the intended beneficiaries in its design. It is a blunt and unsophisticated approach that ignores the varying degrees of exposure that Clubs have to gaming machine revenue or the size and number of facilities being maintained by those clubs. The proposal also bundles small and large clubs together regardless of the resources or needs because of one element of their operations.
- Extreme circumstances, such as those that would indicate the need for support, occur without fear or favor to clubs. A period of severe drought impacts on all Clubs providing community facilities requiring water. Often there is also a correlation between the size and number of the facilities and green space requiring maintenance and the size of a club and its historical income streams from gaming machines. In many cases the capacity to ensure the provision of these community assets by clubs is sustained by their income from gaming machines. This makes them no less in need of support during Extreme circumstances. In extreme

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	circumstances, short-term financial assistance should be available to all not-for-profit clubs regardless of the nature of their operations. • Many of the clubs with significant exposure to the maintenance of community facilities draw revenue from gaming machines to facilitate the provision of these facilities. It would be inequitable not to treat all clubs equally given the significant community benefit provided by the facilities they maintain with high water needs. Should a Club meet the identified eligibility criteria for support, it is beyond ridiculous to suggest that the mere existence of gaming machine revenue should in and of itself deem them no longer in need of support. ClubsACT agrees with this option subject to removal of the gaming machine revenue exclusion. • Conclusion • We request that renewed consideration be made of the issues raised in our submission and the submission lodged by the DGA. Many of the issues identified have been raised by the industry in previous consultations going back many years with little to no impact. If genuine consultation is to be seen to have occurred, it is time that the concerns of our members are factored into the decisions that are taken. • The issue of the NFP status of our members seems to be constantly ignored and it is long overdue that this specific element be factored appropriately in the pricing structures going forward. • Until the proposed review of the WAC is completed, we believe that the ‘do nothing’ option (retention of the status quo, with the Market Equity Scheme in place) as described is a logical approach. REF From: Clubs ACT Date 14 July 2023

Sub No.	Written submissions (verbatim)
17	• selected 'neutral' to preferred policy option • Our group considers that the broader use of non-potable could be worthwhile on the proviso that the ACT Government fully addresses the following issues: • o Management of the transition from potable water to non-potable water does not diminish access to required water levels for community sporting facilities; • o Ensuring that the cost of using non-potable water is underpinned by a competitive pricing regime that provides long-term incentive for users of non-potable water; • - this should include a category providing for subsidised use by not-for-profit organisations who are providing services (and facilities) to the ACT community; • - the cost is a critical factor for the following reasons: • 1. the availability of discretionary income and being able to meet the cost of participation is a constant consideration in the provision of organised and recreational sport to the community. • 2. the intangible value that the accessibility to, the affordability of, and the presentation of community sporting facilities provide to community well-being and cohesion cannot be underestimated. • 3. the licensed club sector is a considerable user of water as a major provider of much-needed sporting facilities to the ACT community. • The Clubs' provision of service and facilities are important contributions to Canberra and its community, i.e. how its citizens interact and connect with each other, how a large proportion of the population is able to engage in healthy activities, and in assisting government in the provision of community facilities. • o Ensuring that non-potable water is a reliable source of water for community sporting facilities, particularly during drought seasons/years; • o Enabling the maximum efficacy of non-potable water through provision of appropriately drained community sporting facilities; • o Putting in place stringent public health measures for using treated stormwater and treated waste-water, as sources of non-potable water, on grass surfaces for community sport; o Undertaking a community-based education program to ensure that: • - the transition from a highly trusted source of potable water minimises public uncertainty about the likelihood of contaminated non-potable water, • - the community is actively engaged in understanding the value and the use of non-potable as a reliable source of water to sustain sporting facilities that are available to the community. REF From: Coalition of Major Participation Sports ACT Date 17 July 2023

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