

Proposed Criteria for expenditure of Water Abstraction Charge Revenue

Criteria that may be used to support the expenditure of WAC revenue, aligned with its objectives and NWI Pricing Principles:

- a. *Water planning and management activities* are based on a defined and consistent set of activities relating to:
 - i. Water resource and environmental management planning
 - ii. Water management, eg. water use efficiency, capital works, environmental works, operations and maintenance
 - iii. Water monitoring, evaluation and resource assessment
 - iv. Information management and reporting
 - v. Water administration and regulations, e.g. water sensitive urban design, metering and compliance, administration of water trade
 - vi. Water industry regulation.
- b. Alignment with ACT Government strategies specifically relating to water and catchment management, including:
 - i. ACT Water Strategy
 - ii. Living Infrastructure Plan
 - iii. Nature Conservation Strategy
- c. *Government administrative activities* should be excluded from the cost of activities levied upon water users, including:
 - i. development of intergovernmental agreements
 - ii. broad strategy/policy development
 - iii. development and/or refinement of overarching statutory instruments
 - iv. Ministerial and Parliamentary services.
- d. *Cost-effectiveness test* should be applied to activities, periodically reviewed by an independent party and findings of the test publicly reported
- e. *Cost allocation* delineates the assignment of cost between water user and government based on an 'impactor pays' approach.
- f. *Community Service Obligations* – shortfalls between revenue required to achieve cost recovery from water users and total costs recovered through the WAC is transparently reported.

It is recommended that these draft criteria are refined through consultation across Directorates to ensure that their interpretation and implementation is appropriate.