



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2022-2023

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

ANSWER TO QUESTION ON NOTICE

Jo Clay MLA: To ask the Minister for Water, Energy and Emissions Reduction

Ref: Budget Outlook Pg 242

In relation to: Water Abstraction Charge

1. How much of the Water Abstraction Charge revenue is collected from NSW?
2. How much of the Water Abstraction Charge revenue is collected from the ACT?
3. How much Water Abstraction Charge money is being spent in ACT?
4. How much Water Abstraction Charge money is being spent in NSW?
5. What is the Water Abstraction Charge intended to be spent on in 22-23?
6. How much of the charge is spent on environmental activities?
7. How much of the charge is spent on suburban planning or activities to enable suburban development?

Mr Shane Rattenbury MLA: The answer to the Member's question is as follows: –

1. Queanbeyan-Palerang Regional Council (QPRC) is Icon Water's only customer in NSW, and Icon Water pays a Water Abstraction Charge (WAC) to the ACT based on the total volume of water abstracted.

Under the agreement between Icon Water and QPRC there is a component of the fee that relates to the WAC, as outlined below:

- WAC component billed to QPRC in 2021/22 FY was \$2,324,130.90.
 - WAC component billed to QPRC in 2020/21 FY was \$1,704,805.83.
2. The amount of revenue collected from the WAC is dependent on the volume of water use. In 2020-21, the revenue collected from the WAC was \$31.19 million. The annual average revenue collected from the WAC over the period 2015-16 to 2020-21 was \$31.16 million per year. The volume of water use required to determine the WAC revenue in 2021-22 has not been finalised.
 3. Revenue from the WAC is not hypothecated or assigned directly to specific water management activities. Expenditure on water management activities related to the purpose of the WAC was \$12.32 million in 2020-21. The annual average expenditure on water management activities for the period 2015-16 to 2020-21 was \$24.68 million per year.
 4. The ACT Government does not fund water management activities within NSW.

The WAC is set to recover the cost of water planning and management activities and reflect the environmental cost and scarcity value of the resource. The relevant water management activities and the environmental cost of water abstraction occur within the ACT water resource area.

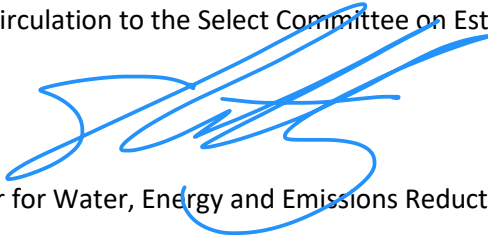
5. The ACT Budget 2022-23 sets out the operating budget for Directorates and funding for new initiatives. Total funding for new water management initiatives in 2022-23 is \$3.29 million.

Planned expenditure for water management activities in 2022-23 funded from Directorate operating budgets have not yet been determined.

6. Revenue from the WAC is not hypothecated or assigned directly to specific environmental activities. Expenditure for water planning and management activities in 2020-21, related to the purpose of the WAC, was \$12.3 million. These activities contributed towards supporting environmental outcomes, for example the Healthy Waterways projects, Waterwatch and stormwater management.
7. Revenue from the WAC is not hypothecated or assigned directly to specific activities. Expenditure for suburban planning or activities to enable suburban development are not considered water planning and management activities associated with the purpose of the WAC.

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

Signature:



Date: 12/7/22

By the Minister for Water, Energy and Emissions Reduction, Shane Rattenbury MLA