



Media Release

2018–23 WATER AND SEWERAGE SERVICES PRICES

The Independent Competition and Regulatory Commission today released its final decision and price direction for regulated water and sewerage services prices. This final decision determines the amount of revenue Icon Water can earn, and what prices it can charge, over the period 1 July 2018 to 30 June 2023.

“The Commission’s decision will result in a fall in the prices ACT consumers pay for water and sewerage services in 2018–19,” Senior Commissioner Joe Dimasi said.

“A typical Canberra household consuming 200kL per year will see a fall of 3.5 per cent (or about \$42) in their annual bill in 2018–19 compared to 2017–18. Annual bills are then expected to increase by around 2 per cent each year for the rest of the regulatory period, which is roughly in line with expected inflation.”

Annual bills for non-residential customers will fall by between 1.8 and 8.7 per cent in 2018–19 compared to 2017–18, depending on water usage and the number of billable fixtures. Over the 2018–23 regulatory period these bills will increase by between 0.4 per cent and 3.6 per cent.

Under the Commission’s final decision, prices will be lower than initially proposed by Icon Water in June 2017. The lower prices result from efficiencies in Icon Water’s planned operating and capital expenditure, lower interest rates and the Commission’s decision on how to calculate the return on Icon Water’s capital investments.

As a result of the Commission’s final decision, the combined water and sewerage services bills payable by residential consumers in the ACT will remain lower than the average of comparable jurisdictions.

The Commission’s final decision means that the amount of revenue Icon Water can earn from water and sewerage tariffs (the net revenue requirement) is \$1,547 million over the five-year regulatory period. This is 3.2 per cent lower than Icon Water’s initial proposal of \$1,598 million.

The final decision allows for a small rebalancing of tariffs to better reflect Icon Water’s underlying cost structure whilst remaining consistent with the Commission’s social objectives.

In determining final prices, the Commission has undertaken extensive community consultation and has worked closely with Icon Water. The Commission thanks everyone who made submissions or attended the public hearings.

“The Commission appreciates Icon Water’s cooperative approach and constructive engagement throughout the price investigation. In response to the Commission’s draft decision, Icon Water sought efficiencies in planned capital expenditure that benefited ACT consumers,” Mr Dimasi said.

A copy of the final report and price direction are available on the Commission’s website at www.icrc.act.gov.au or can be obtained by either contacting the Commission on (02) 6205 0799 or via email at icrc@act.gov.au.

Table 1 The Commission’s final decision on water and sewerage service tariffs, 2018–19 to 2022–23

	2017–18 ^a	2018–19	2019–20	2020–21	2021–22	2022–23
Water tariffs						
Supply charge (\$/pa)	104.21	120	140	160	180	200
Tier 1 price (\$/kL)	2.68	2.43	2.45	2.48	2.50	2.52
Tier 2 price (\$/kL)	5.38	4.88	4.93	4.97	5.02	5.07
Sewerage service tariffs						
Sewerage services charge (\$/pa)	537.34	531.19	531.20	531.20	531.21	531.21
Sewerage fixtures (\$/pa)	525.51	519.50	519.50	519.51	519.51	519.52

Notes: ^a Data for 2017–18 (last year of the current regulatory period) are presented for comparison purposes. Actual charges payable from 2019–20 to 2022–23 could differ from the indicative charges in this table if actual inflation differs from forecast inflation or if the cost pass-through mechanism is triggered.

Table 2 Expected annual bills for typical small and large households, 2018–19 to 2022–23

Water consumption		2017–18*	2018–19	2019–20	2020–21	2021–22	2022–23
200kL per year	Annual bill (\$)	1,200	1,158	1,183	1,208	1,232	1,257
	\$ change		-42	25	25	25	25
	Percentage change		-3.5	2.1	2.1	2.1	2.0
400kL per year	Annual bill (\$)	2,254	2,114	2,148	2,182	2,216	2,250
	\$ change		-140	34	34	34	34
	Percentage change		-6.2	1.6	1.6	1.6	1.5

Notes: *Data for 2017–18 (last year of the current regulatory period) are presented for comparison purposes. Actual bill impacts from 2019–20 to 2022–23 could differ from the indicative impacts in this table if actual inflation differs from forecast inflation or if the cost pass through mechanism is triggered.

Table 3 Comparison of combined water and sewerage services bills of Australian water utilities, assuming residential consumer with 200kL a year consumption (\$, nominal)

	Actual (2017–18)	Estimates (2018–19)	Notes
Sydney Water	1,096	1,132	d
Barwon Water	1,097	1,124	a,c
Hunter Water	1,130	1,185	d
SA Water (Adelaide)	1,149	1,177	a,c
TasWater	1,166	1,214	b
Icon Water	1,200	1,158	
South East Water	1,243	1,152	a,c
City West Water	1,270	1,301	a,c
Average	1,276	1,285	
Yarra Valley Water	1,392	1,311	b,c
Queensland Urban Utilities	1,487	1,524	a
Unitywater – Moreton Bay	1,811	1,857	a

Notes: a Indexed assuming inflation of 2.5 per cent from 2017–18. b: Based on Draft Determination. c: Victorian Government rebate applied but not parks and waterways charges. d: 2018–19 figures based on IPART determination (in 2015–16 values) adjusted by the CPI by the Commission.

Sources: Commission’s calculations and utility and regulator websites.

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