MEDIA RELEASE

COMMISSION RELEASES TECHNICAL PAPER ON WATER DEMAND IN THE ACT

The ACT Independent Competition and Regulatory Commission (the Commission) today released a technical paper on the demand for water in the ACT as part of its review of Icon Water's water and sewerage services tariffs. "The paper provides an estimate of the price elasticity of demand for water in the ACT – that is, the impact of a change in the price of water on the water consumption of individual account holders", Senior Commissioner Malcolm Gray, said.

While this paper examines the behaviour of individual Icon Water customers, it complements the work done by the Commission early in 2015 on the aggregate consumption of water in the ACT. The clear conclusion that emerges from both studies is that significant changes in water consumption patterns have emerged as a result of the ACT community's experience of the Millennium Drought. Aggregate water consumption has fallen by around 10 gigalitres per year or about 20 per cent. The price elasticity of water demand from separately metered domestic premises has fallen even more dramatically from about -0.3 to about -0.03.

"The community has sharply reduced its water consumption and has reached the point where further significant reductions would be difficult to achieve." Senior Commissioner Gray added.

The technical paper invites stakeholders to make a submission to the tariff review by **1 July 2016**.

The paper is 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.

Submissions can be sent to the Commission by post at GPO Box 161, Civic Square ACT 2608; via e-mail at icrc@act.gov.au, or lodged at the Commission's offices at Level 8, 221 London Circuit, Canberra City.

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