

Independent Competition and Regulatory Commission

By email to [icrc@act.gov.au](mailto:icrc@act.gov.au)

**Draft Report: Regulated water and sewerage services prices 2018-23**

We refer to your Media Release seeking submissions on the Draft Report by the Independent Competition and Regulatory Commission (the Commission).

Our submission follows.

**ACT Civil and Administrative Tribunal**

The ACT Civil and Administrative Tribunal (ACAT) was established by the *ACT Civil and Administrative Tribunal Act 2008* and commenced operation on 2 February 2009. ACAT brought together a large number of ACT tribunals, including the former Energy and Water Consumer Council.

Under Part 12 of the *Utilities Act 2000*, ACAT Energy and Water is responsible for determining hardship applications and complaints made by consumers and customers of ACT energy and water utilities. In relation to water and sewerage services, these may include complaints about:

1. contravention of an industry code dealing with utility service standards by a utility
2. failure (or potential failure) of a utility to provide a utility service to a consumer or the withdrawal (or potential withdrawal) of a utility service from a consumer, where such failure or withdrawal causes (or is likely to cause) substantial hardship to the consumer
3. contraventions by a utility in relation to the protection of personal information
4. contraventions by a utility of an obligation in relation to network operations under the *Utilities Act* or the *Utilities (Technical Regulation) Act 2014*
5. acts or omissions of an authorised person for a utility in relation to network operations
6. the amount of a capital contribution charge imposed under s 101 of the *Utilities Act* by a utility.

ACAT also has jurisdiction to consider and resolve customer complaints about credit reference reports made by water utilities.

Icon Water is the only water utility covered by the ACAT Energy and Water jurisdiction.

The ACAT considers hardship applications involving Icon Water customers and consumers and also investigates and determines complaints made by Icon Water customers. In dealing with water and sewerage complaints, the ACAT relies principally on the *Consumer Protection Code* made by the Commission. ACAT Energy and Water does not have a complaint role in relation

to residential tenants in the ACT. Their obligations in relation to water charges arise through residential tenancy law.

#### **Previous ACAT Recommendations**

On 15 December 2016, the ACAT made a brief submission to the Water Tariff Draft Report released at that time by the Commission. This Submission emphasised:

- A priority on water conservation, including a higher tier 2 price to encourage conservation and promote the development of appropriate bypass and water reuse systems.
- A two-tiered price with the lower tier price supporting access to an essential service at a reasonable price.
- A modest, staged increase in supply fees rather than a major transition from consumption charges to supply fees.

#### **Support for the Draft Report**

The ACAT has considered the Draft Report and is pleased to advise that it supports the Commission's proposals, which are consistent with our previous Recommendations.

In more specific terms, ACAT considers that:

1. The proposed price path for water supply fees is a modest rebalancing between overhead and consumption charges which, in itself, should not lead to increased hardship. The recent removal of the water and sewerage concessions is likely to have a much greater impact on low income water customers.
2. The proposed price path for sewerage services is a small reduction in Year 1 and less than inflation thereafter.
3. The proposed price path for tier 1 and tier 2 consumption is a welcome, small reduction in consumption charges.
4. The Commission will maintain oversight of miscellaneous fees and charges on an annual basis.
5. The proposed pass through events and arrangements are appropriate.

Yours sincerely



Graeme Neate AM  
President  
ACT Civil & Administrative Tribunal

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