

MEDIA RELEASE

Commission proposes Icon Water's regulated water and sewerage services prices for 2023–28

Today the ACT's economic regulator released its draft decision and proposed price direction for regulated water and sewerage services. This draft decision proposes the amount of revenue Icon Water can earn, and what prices it can charge, over the period 1 July 2023 to 30 June 2028.

The Commission's draft decision indicates a rise in the prices ACT consumers will pay for water and sewerage services for the 2023-28 regulatory period. The draft decision estimates that the combined water and sewerage services bill for an average household consuming 200kL a year will increase by 4.2% on average over the regulatory period. In real terms (excluding inflation) the combined bill is expected to increase at an annual average of 1.2%.

"Under our draft decision, an average residential customer is expected to pay \$1,227 for its annual combined bill in 2023-24, an increase of \$50 (or 4.2%) compared to 2022-23." Senior Commissioner Joe Dimasi said.

"However, despite this proposed increase, the combined water and sewerage services bills payable by residential consumers in the ACT will remain lower than the average of comparable jurisdictions." Mr Dimasi said.

"Non-residential customers will see their combined annual bills increase by \$437 to \$4,917, depending on water consumption and the number flushable fixtures installed." Mr Dimasi said.

"An average non-residential customer consuming 5,000kL per annum with 50 flushable fixtures installed will see their bill increase by \$2,108 (or 4.42%)." Mr Dimasi said.

The proposed increases in water and sewerage services prices reflect the effect of large planned investment in sewerage treatment, increases in costs (wages, insurance, electricity and chemicals), cost of debt and forecast inflation in the 2023-28 regulatory period. These factors have been partially offset by the growth in Canberra's population and the ability to spread these increased costs across a broader customer base.

Under the Commission's draft decision, both water and sewerage prices will be lower than Icon Water's proposal. The difference reflects our decision to reduce Icon Water's allowed revenue requirements and to seek greater efficiencies.

The Commission notes that this is a draft decision and is seeking comment on the draft report, and the proposed findings and recommendations. A copy of the draft report and proposed price direction are available on the Commission's website at www.icrc.act.gov.au. The draft report is open for comment until 14 December 2022. Submissions can be sent to the Commission by post at GP Box 161, Civic Square, ACT 2609; or via email at icrc@act.gov.au.

The Commission will hold a public hearing on the report in November 2022. Persons wishing to appear at the hearing are invited to contact the Commission to register.

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Contact

To contact the Commission, please visit www.icrc.act.gov.au.

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Attachment

Table 1. Current tariffs, Icon Water’s proposal and the Commission’s draft decision for 2022-23

	Current prices 2022-23	Icon Water’s proposal 2023-24	Commission’s draft decision 2023-24
Water Supply Charge (\$/year)	200	211.86	206.30
Water Tier 1 (0–200kL/year) (\$/kL)	2.28	2.42	2.35
Water Tier 2 (more than 200kL/year) (\$/kL)	4.58	4.85	4.72
Sewerage Supply Charge (\$/year)	502.18	547.38	530.13
Sewerage Flushable Fixture Charge: Non-residential Customers (\$/year)	491.13	535.33	518.47

Table 2. Indicative impacts on annual combined water and sewerage services bill for residential customers from 2022–23 to 2023–24 (current \$)

Annual water consumption (kL)	Annual 2022–23 combined bill (\$)	Annual 2023–24 combined bill (\$)	Change in combined bill (%)	Change in combined bill (\$)
50	816	854	4.6%	38
100	930	972	4.5%	41
150	1,044	1,089	4.3%	46
200	1,177	1,227	4.2%	50
250	1,387	1,443	4.0%	56
300	1,616	1,679	3.9%	63
350	1,845	1,915	3.8%	70
400	2,074	2,152	3.7%	77
500	2,532	2,624	3.6%	92
750	3,677	3,805	3.5%	128

Table 3. Indicative impacts on annual combined water and sewerage services bill for non-residential customers from 2022–23 to 2023–24 (current \$)

Annual water consumption (kL)	Number of fixtures (#)	Annual 2022–23 combined bill (\$)	Annual 2023–24 combined bill (\$)	Change in combined bill (%)	Change in combined bill (\$)
1,000	10	9,733	10,171	4.49%	437
	50	29,397	30,909	5.21%	1,531
	100	53,935	56,833	5.37%	2,898
2,500	10	16,603	17,257	3.94%	654
	50	36,249	37,996	4.82%	1,747
	100	60,805	63,919	5.12%	3,114
5,000	10	28,053	29,068	3.62%	1,014
	50	47,699	49,806	4.42%	2,108
	100	72,255	75,730	4.81%	3,474
15,000	10	73,853	76,310	3.33%	2,456
	50	93,499	97,048	3.80%	3,550
	100	118,055	122,972	4.16%	4,917