



ICRC

independent competition and regulatory commission

Media Release

COMMISSION APPROVES THE INTRODUCTION OF WATER AND SEWERAGE CAPITAL CONTRIBUTION CODE

The ACT Independent Competition and Regulatory Commission today released its final determination on the Water and Sewerage Capital Contribution Code (Code) proposed by Icon Water. The Commission facilitated two rounds of public consultation on the Code, prior to the release of this final determination.

Canberra's population is predicted to increase by almost 50 per cent between 2015 and 2041. The ACT Government's planning strategy aims for half of this growth to occur in established areas through urban infill and redevelopment. This will place pressure on the existing water and sewerage network; with Icon Water modelling suggesting certain infrastructure will exceed capacity unless upgrades are completed. "The Code deals with the question of how these upgrades will be funded. Under existing arrangements upgrades are charged to the development triggering the upgrade, referred to as the 'last person standing'. The Commission accepts that this creates inefficiency and unfairness as the benefits of the upgrades are more widely dispersed. The Code changes this by moving to a charge on all new developments within established suburbs that will result in a net increase in network demand" said Senior Commissioner Joe Dimasi. "It introduces a framework where 50 per cent of the upgrade cost is recovered through new customers; the remaining costs are recovered through general tariffs".

The charge and associated projects will be subject to annual review by the Commission.

The Code will come into effect from 1 January 2018, with an 18 month transition period for properties purchased prior to the commencement date.

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