**MEDIA RELEASE**

**COMMISSION UPDATES ICON WATER’S REGULATED WATER AND SEWERAGE SERVICES PRICES FOR 2020–21**

The ACT Independent Competition and Regulatory Commission today released its annual update on the maximum prices that Icon Water can charge for its regulated water and sewerage services from 1 July 2020. Icon Water may charge less than the maximum prices calculated in accordance with the Commission’s 2018 price direction, and for 2020-21 has chosen to do so.

“Icon Water has made a decision to freeze combined water and sewerage prices during 2020‑21 at their 2019-20 levels, recognising the impact of COVID-19 on customers and the community”, said Senior Commissioner Dimasi. “This means that customers will continue to pay the 2019-20 Tier 1 and Tier 2 water usage prices and a combined water and sewerage supply charge that remains at 2019-20 levels.”

 “The price freeze means that a typical household consuming 200 kilolitres of water per year will save $18 off the total water and sewerage bill that Icon Water could have charged for 2020-21.”

The price freeze will give non-residential customers a benefit of between $50 and $410 on their total annual water and sewerage bill (depending on the number of fixtures and their water consumption).

Whilst Icon Water intends to freeze overall prices, it will increase the water supply charge by $6.21 (which is below the maximum increase of $20 allowed by the Commission) to offset a reduction in the fixed sewerage charge of $6.21 determined by the Commission.

The 2020–21 allowed maximum price increase is 1.5 per cent. This reflects changes in the Consumer Price Index, the cost of debt and certain pass-through allowances as set out in the Commission’s 2018 decision on prices for the 2018-2023 regulatory period.

The largest pass-through adjustment was for the Water Abstraction Charge, which is paid to the ACT Government for the license to take water. The actual charge for 2020–21 was $2m higher than forecast, due to higher than forecast water usage.

The Commission has also reduced the Precinct Charge that developers pay to Icon Water to fund infrastructure upgrades to $1,100 per equivalent population, down from $1,200 in 2019–20. The decrease reflects lower forecast inflation and a reduction in forecast capital expenditure by Icon Water.

The Commission has published a report on the price adjustment process for 2020–21, including details of the price calculations. The report is available at <http://www.icrc.act.gov.au>.

12 June 2020

ENDS

To contact the Commission, please visit [www.icrc.act.gov.au](http://www.icrc.act.gov.au).

For media enquiries, please contact:

**Fiona Platzer**Tel: 02 6205 0799 Email: icrc@act.gov.au

**Attachment 1: 2020–21 prices and customer impacts tables**

Table 1 Icon Water’s water prices, 2019–20 to 2020–21

|  |  |  |
| --- | --- | --- |
|   | 2019–20 | 2020–21 |
| Fixed ($/year) |  140.00  |  146.21  |
| Tier 1 (0–200 kL/a) ($/kL) | 2.46  | 2.46  |
| Tier 2 (200 kL/a+) ($/kL) |  4.94  |  4.94  |

Table 2 Icon Water’s sewerage services prices, 2019–20 to 2020–21

|  |  |  |
| --- | --- | --- |
|   | 2019–20 | 2020–21 |
| Supply charge ($/year) a | 527.34 | 521.13 |
| Fixture charge non-residential customers ($/year)b | 515.74 | 509.66 |

Note: a The sewerage supply charge has decreased due to an overall increase in customers.
 b For every additional flushing fixture greater than two.