

Briefing for the Treasurer

Regulated water and sewerage services prices for 2021-22

Water and sewerage services prices

On 15 June 2021, we will announce the maximum prices that Icon Water can charge for its regulated water and sewerage services from 1 July 2021.

For the 2021–22 regulatory year, maximum allowed water prices have increased slightly while sewerage prices have decreased.

Impact on customers

Last year, Icon Water was allowed to raise prices by up to 1.52%, but it decided to freeze water usage prices at 2019–20 levels in response to the COVID-19 pandemic. Icon Water has advised us that it will ‘unfreeze’ water usage prices in 2021-22. So, the actual increase in the annual bill of 2% is the combined effect of this year’s maximum price change of 0.4% and the maximum price change for last year. Actual price impacts are shown in table 2.

If Icon Water chooses to charge the maximum allowed price, an average residential customer consuming 200kL per annum will see their actual combined water and sewerage bill increase by \$0.45 per week, or \$23.21 per annum (an increase of 2%). For non-residential customers, bill changes will range from increases of up to \$7.64 per week, to decreases of up to \$26.12 per week, depending on water consumption and the number flushable fixtures installed. Table 3 shows that a mid-level non-residential customer consuming 5,000kL per annum with 50 flushable fixtures installed will see their bill decrease by \$8.33 per week, or \$433 per annum (a decrease of 0.9%).

The slight increase in residential customer bills versus the decrease in non-residential customer bills is because sewerage charges make up a greater portion of non-residential bills due to the instalment of flushable fixtures. So, the decreases in sewerage charges from last year impact non-residential bills more than residential bills.

Maximum water and sewerage prices for 2021–22

The maximum tier 1 usage charge at \$2.48 per kL is unchanged from last year’s maximum price. The maximum tier 2 usage charge at \$4.99 per kL is slightly higher (0.2% increase) than last year’s maximum price. The fixed supply charge at \$180 per year will increase by \$20 as set out in our price direction.

The maximum sewerage prices will be \$506.30 per year for the supply charge (2.8% decrease). There is an additional annual charge of \$495.16 per flushable fixture (2.8% decrease) for non-residential customers with more than two flushable fixtures.

Table 1 in the Attachment shows price for 2021-22 and the change from 2020-21.

Key drivers of the change in maximum prices

The small increase in the maximum tier 2 water usage charge mainly reflects higher than forecast costs associated with the Water Abstraction Charge, which more than offset a lower cost of debt.

The decline in the sewerage charges mainly reflects a lower cost of debt.

Capital contributions charge and Precinct Map

The precinct charge is used to calculate the class 2 infrastructure charge for developments within a precinct under the Utilities (Water and Sewerage Capital Contribution Code) Determination 2017.

The Precinct Charge for 2021–22 will be set at \$1,200 per new customer or equivalent population (an increase of \$100 from 2020-21).

Attachment

Water and sewerage services prices

Table 1. Maximum water and sewerage prices and changes, 2020–21 to 2021–22 (current \$)

	2020–21	2021–22	Change (\$)	Change (%)
Water Supply Charge (\$/year)	160	180	20.00	12.5
Water Tier 1 (0–200kL/a) (\$/kL)	2.48	2.48	0.00	0.0
Water Tier 2 (200kL/a+) (\$/kL)	4.98	4.99	0.01	0.2
Sewerage Supply Charge (\$/year)	521.13	506.30	-14.83	-2.8
Sewerage Flushable Fixture Charge: Non-residential Customers (\$/year)	509.66	495.16	-14.50	-2.8

Table 2. Actual water and sewerage prices and changes, 2020–21 to 2021–22 (current \$)

	2020–21	2021–22	Change (\$)	Change (%)
Water Supply Charge (\$/year)	146.21	180	33.79	23.1
Water Tier 1 (0–200kL/a) (\$/kL)	2.46	2.48	0.02	0.8
Water Tier 2 (200kL/a+) (\$/kL)	4.94	4.99	0.05	1.0
Sewerage Supply Charge (\$/year)	521.13	506.30	-14.83	-2.8
Sewerage Flushable Fixture Charge: Non-residential Customers (\$/year)	509.66	495.16	-14.50	-2.8

Table 3. Change in annual combined water and sewerage services bill for non-residential customers from 2020–21 to 2021–22 (current \$) based on actual prices

Annual water consumption (kL)	Number of fixtures (#)	Annual 2020-21 combined bill (\$)	Annual 2021-22 combined bill (\$)	Change in combined bill (\$)	Change in combined bill (%)
1,000	10	9,189	9,136	-53	-0.6
	50	29,575	28,942	-633	-2.1
	100	55,058	53,700	-1,358	-2.5
2,000	10	14,129	14,126	-3	0.0
	50	34,515	33,932	-583	-1.7
	100	59,998	58,690	-1,308	-2.2
5,000	10	28,949	29,096	147	0.5
	50	49,335	48,902	-433	-0.9
	100	74,818	73,660	-1,158	-1.5
10,000	10	53,649	54,046	397	0.7
	50	74,035	73,852	-183	-0.2
	100	99,518	98,610	-908	-0.9

MEDIA RELEASE

Commission updates Icon Water's regulated water and sewerage services prices for 2021–22

Today the ACT's economic regulator released the annual update of the maximum prices that Icon Water can charge for its regulated water and sewerage services from 1 July 2021.

In 2021–22, the average residential customer consuming 200kL per annum will see their actual combined water and sewerage bill increase by \$0.45 per week (an increase of 2%). Last year, Icon Water was allowed to raise prices by up to 1.52%, but it decided to freeze water prices in response to the COVID-19 pandemic. This year, Icon Water has indicated that it will 'unfreeze' water prices, meaning that the actual increase in the combined bill of 2% is the combined effect of this year's maximum price change of 0.4% and the maximum price change for last year. Actual price impacts are shown in table 2.

"Icon Water's decision to freeze prices last year meant that it would forgo the additional revenue it was entitled to earn under last year's price reset. This year's 2% increase will bring prices back to the normal trajectory of the maximum price level that it is allowed to charge. However, this will not allow Icon Water to recover the forgone revenue", Senior Commissioner Joe Dimasi said.

For non-residential customers, bill changes will range from increases of up to \$7.64 per week, to decreases of up to \$26.12 per week, depending on water consumption and the number of flushable fixtures installed. Table 3 shows that a mid-level non-residential customer consuming 5,000kL per annum with 50 flushable fixtures installed will see their bill decrease by \$8.33 per week, or \$433 per annum (a decrease of 0.9%).

"The slight increase in residential customer bills versus the decrease in non-residential customer bills is because sewerage charges make up a greater portion of non-residential bills due to the instalment of flushable fixtures. So, the decreases in sewerage charges from last year impact non-residential bills more than residential bills."

The Precinct Charge that developers pay to Icon Water to fund infrastructure upgrades will increase to \$1,200 per equivalent population, up from \$1,100 in 2020–21. The increase reflects a rise in forecast capital expenditure by Icon Water.

ENDS

Contact

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Attachment

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Table 2. Actual water and sewerage prices and changes, 2020–21 to 2021–22 (current \$)

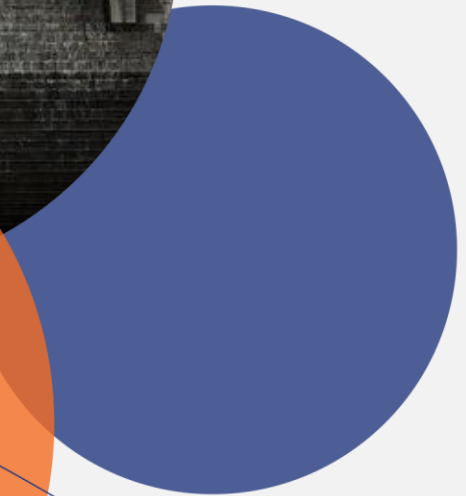
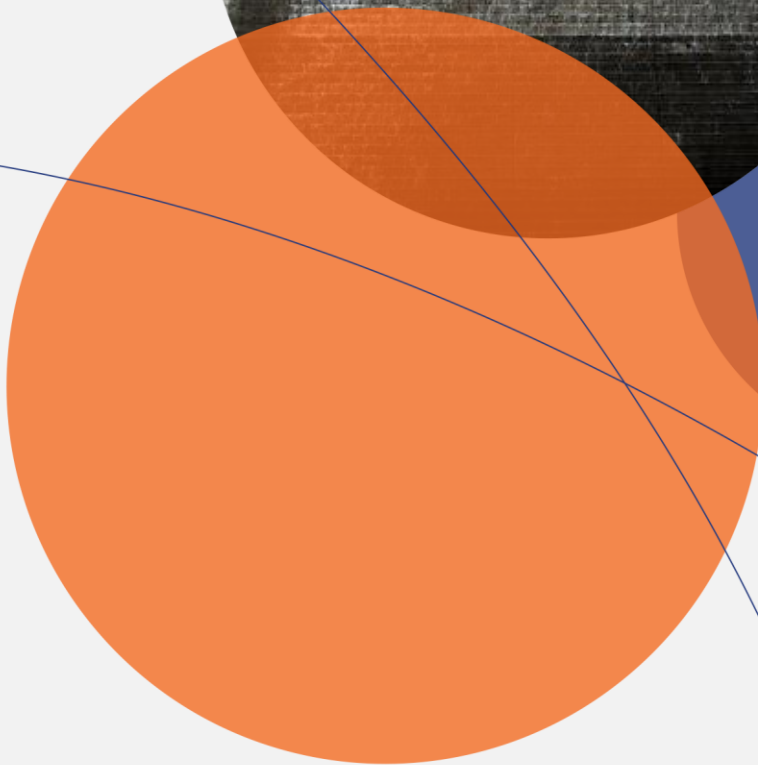
	2020–21	2021–22	Change (\$)	Change (%)
Water Supply Charge (\$/year)	146.21	180	33.79	23.1
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Table 3. Change in annual combined water and sewerage services bill for non-residential customers from 2020–21 to 2021–22 (current \$) based on actual prices

Annual water consumption (kL)	Number of fixtures (#)	Annual 2020-21 combined bill (\$)	Annual 2021-22 combined bill (\$)	Change in combined bill (\$)	Change in combined bill (%)
1,000	10	9,189	9,136	-53	-0.6
	50	29,575	28,942	-633	-2.1
	100	55,058	53,700	-1,358	-2.5
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Regulated water and sewerage services: 2021–22 price adjustment

Report 12 of 2021, June 2021



The Independent Competition and Regulatory Commission is a Territory Authority established under the *Independent Competition and Regulatory Commission Act 1997* (the ICRC Act). We are constituted under the ICRC Act by one or more standing commissioners and any associated commissioners appointed for particular purposes. Commissioners are statutory appointments. Joe Dimasi is the current Senior Commissioner who constitutes the Commission and takes direct responsibility for delivery of our outcomes.

We have responsibility for a broad range of regulatory and utility administrative matters. We are responsible under the ICRC Act for regulating and advising government about pricing and other matters for monopoly, near-monopoly and ministerially declared regulated industries, and providing advice on competitive neutrality complaints and government-regulated activities. We also have responsibility for arbitrating infrastructure access disputes under the ICRC Act

We are responsible for managing the utility licence framework in the ACT, established under the *Utilities Act 2000* (Utilities Act). We are responsible for the licensing determination process, monitoring licensees' compliance with their legislative and licence obligations and determination of utility industry codes.

Our objectives are set out in section 7 and 19L of the ICRC Act and section 3 of the Utilities Act. In discharging our objectives and functions, we provide independent robust analysis and advice.

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1. Executive summary

Under our *Price Direction for Regulated Water and Sewerage Services 1 July 2018 to 30 June 2023* (the price direction), we make an annual price adjustment to account for changes in the consumer price index and cost of debt, and to include approved pass-through amounts such as changes in the ACT Government's water abstraction charge (WAC) and Commonwealth subvention payments (ICRC Report 2, 2018).

This report sets out the maximum prices that Icon Water can charge for regulated water, sewerage, and miscellaneous services in 2021–22, in line with the price direction.

In 2021–22, the average residential customer consuming 200kL per annum will see their actual combined water and sewerage bill increase by \$0.45 per week (an increase of 2%). Last year, Icon Water was allowed to raise prices by up to 1.52%, but it decided to freeze prices in response to the COVID-19 pandemic. Icon Water has advised us that it will 'unfreeze' prices in 2021-22. So, the actual increase in the bill is the combined effect of this year's maximum price change and the maximum price change for last year.

Non-residential customers can expect the actual changes in their bills to range from increases of up to \$7.64 per week, to decreases of up to \$26.12 per week, depending on water consumption and the number flushable fixtures installed.

Under our price direction, Icon Water can increase water and sewerage services charges for 2021-22 by up to the combined maximum change allowed for 2020-21 and 2021-22, but it cannot recover the revenue lost in 2020-21 because of its decision to freeze prices in 2020-21.

1.1 Maximum water and sewerage prices for 2021-22

Maximum water prices for 2021–22 will be \$2.48 per kL for the tier 1 usage charge (no change from maximum prices in 2020-21), \$4.99 per kL for the tier 2 usage charge (0.2% increase compared to maximum prices in 2020-21) and \$180 per year for the fixed supply charge (an increase of \$20 as set out in the price direction).

Table 1.1 shows the prices for 2021-22 and changes from 2020-21 prices. The maximum sewerage prices for 2021–22 will be \$506.30 per year for the supply charge (2.8% decrease). There is an additional annual charge of \$495.16 per flushable fixture (2.8% decrease) for non-residential customers with more than two flushable fixtures. This is discussed in more detail in chapter 2.

Table 1.1. Summary of maximum annual price changes, 2020–21 to 2021–22 (current \$)

	2020–21	2021–22	Change (\$)	Change (%)
Water Supply Charge (\$/year)	160	180	20.00	12.5
Water Tier 1 (0–200kL/a) (\$/kL)	2.48	2.48	0.00	0.0
Water Tier 2 (200kL/a+) (\$/kL)	4.98	4.99	0.01	0.2
Sewerage Supply Charge (\$/year)	521.13	506.30	-14.83	-2.8
Sewerage Flushable Fixture Charge: Non-residential Customers (\$/year)	509.66	495.16	-14.50	-2.8

The small increase in the maximum Tier 2 water usage charge mainly reflects higher than forecast costs associated with the Water Abstraction Charge, which more than offset a lower cost of debt. The decline in the sewerage charges mainly reflects a lower cost of debt. This is discussed in more detail in chapter 3.2.

While we determine the maximum prices, Icon Water may charge less than the maximum prices. During 2020-21, Icon Water froze the combined water and sewerage prices at their 2019-20 levels, recognising the impact of COVID-19 on customers and the community.

Icon Water has advised us that it will 'unfreeze' prices in 2021-22. This means that the actual combined bill for residential customers will increase by around 1.9% in 2021-22, which is the combined effect of this year's maximum price change and the maximum price change for 2020-21. See chapter 2.2 for details.

1.2 Capital contributions charge and precinct map

We have approved changes to the precinct map and precinct charge that are used to calculate the Class 2 infrastructure charge for developments within a precinct under the Utilities (Water and Sewerage Capital Contribution Code) Determination 2017. The Precinct Charge for 2021–22 will be set at \$1,200 (an increase of \$100 from 2020-21). This is discussed in more detail in chapter 3.7.

Icon Water has proposed 18 changes to the Precinct Map across 4 suburbs (see Appendix 1 for the full Precinct Map).

1.3 Structure of this report

The remainder of the report is structured as follows:

- Chapter 2 illustrates the impact of the 2021–22 price adjustments on ACT customers' annual bills for water and sewerage services.
- Chapter 3 describes the price adjustment calculations and sets out the adjusted maximum prices to apply from 1 July 2021.
- Appendix 1 presents the detailed schedule of maximum water, sewerage, and miscellaneous service charges for 2021-22, along with the Precinct Map.

2. Customer bill impacts

We have estimated the financial impacts on ACT consumers of the adjustments to maximum water and sewerage service prices that will apply for 2021-22. We have calculated changes in annual water charges, sewerage charges and combined water and sewerage services bills for households and business customers using different amounts of water and sewerage services.

We set the maximum prices Icon Water can charge. Icon Water may charge less than the maximum prices and chose to do so in 2020-21. Icon Water froze combined water and sewerage prices during 2020-21 at their 2019-20 levels, recognising the impact of COVID-19 on customers and the community.

Under the price direction, Icon Water is allowed to increase water and sewerage services charges for 2021-22 up to the combined maximum change allowed for 2020-21 and 2021-22. However, it cannot recover the revenue lost in 2020-21 because of its decision to freeze prices in 2020-21.

In this chapter, we show two sets of bill impacts:

- In section 2.1, we show what the bill impacts would be in 2021-22 if Icon Water had charged the maximum prices allowed under the price direction in 2020-21. This is to show the bill impacts from the change in maximum allowed prices just for 2021-22.
- In section 2.2, we show what the bill impacts would be in 2021-22 if Icon Water charges the maximum allowed prices in 2021-22 compared to actual bills in 2020-21, which benefited from Icon Water's decision to freeze prices

2.1 Bill impacts from changes to maximum prices

Combined water and sewerage bills

Table 2.1 shows the change from 2020-21 to 2021-22 in the combined water and sewerage services bill for residential customers based on the maximum prices we set.

If Icon Water had charged the maximum prices allowed under the price direction in 2020-21, and charges the maximum prices allowed under the price direction in 2021-22, a typical customer consuming 200kL of water per year would see an increase in their combined annual bill of 0.4% or \$5.25. This is less than the 2.1% increase that was forecast in the final report on regulated water and sewerage services prices 2018-2023 (ICRC Report 1, 2018), primarily due to significantly lower than forecast inflation and a lower cost of debt. The increase in the maximum combined bill in 2021-22 follows an increase of 1.5% in the maximum allowed bill in 2020-21.

Table 2.1. Change in annual combined water and sewerage services bill for residential customers from 2020–21 to 2021–22 (current \$), based on maximum prices

Annual water consumption (kL)	Annual 2020–21 combined bill (\$)	Annual 2021–22 combined bill (\$)	Change in combined bill (\$)	Change in combined bill (%)
0	681	686	5.17	0.8
50	805	810	5.17	0.6
100	929	934	5.17	0.6
150	1,053	1,058	5.17	0.5
200	1,198	1,203	5.25	0.4
250	1,426	1,432	5.67	0.4
300	1,675	1,681	6.17	0.4
350	1,924	1,931	6.67	0.3
400	2,173	2,180	7.17	0.3
500	2,671	2,679	8.17	0.3
750	3,916	3,927	10.67	0.3

Table 2.2 shows the change from 2020–21 to 2021–22 in the combined annual water and sewerage services bill for non-residential customers based on maximum prices. Bill decreases range between \$13 and \$1,408 per year. This contrasts with the increase in combined bills for residential customers. This is because sewerage charges make up a greater portion of non-residential bills (due to them typically having more flushing fixtures) than residential bills, meaning that decreases in sewerage charges impact non-residential bills more than residential bills.

Table 2.2. Change in annual combined water and sewerage services bill for non-residential customers from 2020–21 to 2021–22 (current \$), based on maximum prices

Annual water consumption (kL)	Number of flushable fixtures (#)	Annual 2020-21 combined bill (\$)	Annual 2021-22 combined bill (\$)	Change in combined bill (\$)	Change in combined bill (%)
1,000	10	9,238	9,136	-103	-1.1
	50	29,625	28,942	-683	-2.3
	100	55,108	53,700	-1,408	-2.6
2,000	10	14,218	14,126	-93	-0.7
	50	34,605	33,932	-673	-1.9
	100	60,088	58,690	-1,398	-2.3
5,000	10	29,158	29,096	-63	-0.2
	50	49,545	48,902	-643	-1.3
	100	75,028	73,660	-1,368	-1.8
10,000	10	54,058	54,046	-13	0.0
	50	74,445	73,852	-593	-0.8
	100	99,928	98,610	-1,318	-1.3

Water bill impacts

Table 2.3 shows the change in maximum annual water charges from 2020–21 to 2021–22 for residential customers with different consumption levels. It shows that the annual water bill for a typical customer consuming 200kL per year will increase by 3%, or \$20.¹

¹ The calculations include the application of daily pricing consistent with historical water use in each quarter. This means that customers using 200kL per year pay for a small amount of water at the tier 2 price in some quarters.

Table 2.3. Change in annual water charges for residential customers from 2020–21 to 2021–22 (current \$), based on maximum prices

Annual water consumption (kL)	Annual 2020–21 water bill (\$)	Annual 2021–22 water bill (\$)	Change in water bill (\$)	Change in water bill (%)
0	160	180	20.00	12.5
50	284	304	20.00	7.0
100	408	428	20.00	4.9
150	532	552	20.00	3.8
200	677	697	20.08	3.0
250	905	926	20.50	2.3
300	1,154	1,175	21.00	1.8
350	1,403	1,425	21.50	1.5
400	1,652	1,674	22.00	1.3
500	2,150	2,173	23.00	1.1
750	3,395	3,421	25.50	0.8

Table 2.4 shows the change in annual water charges for non-residential customers. It shows that annual water charges will increase by between 0.2% and 0.6% for non-residential customers, with increases ranging from \$28 to \$118 per year, depending on consumption level.

Table 2.4. Change in annual water charges for non-residential customers from 2020–21 to 2021–22 (current \$), based on maximum prices

Annual water consumption (kL)	Annual 2020–21 water bill (\$)	Annual 2021–22 water bill (\$)	Change in water bill (\$)	Change in water bill (%)
1,000	4,640	4,668	28.00	0.6
2,000	9,620	9,658	38.00	0.4
5,000	24,560	24,628	68.00	0.3
10,000	49,460	49,578	118.00	0.2

Sewerage charges

Sewerage charges were not subject to Icon Water’s price freeze in the 2020–21 price reset. Table 2.5 shows that the annual sewerage service charge for a residential customer will decrease by 2.85% or around \$15. The charge per flushable fixture for non-residential customers will decrease by the same amount.

Table 2.5. Sewerage services prices, 2020–21 to 2021–22 (current \$)

	2020–21	2021–22	Change (\$)	Change (%)
Supply charge (\$/year)	521.13	506.30	-14.83	-2.85
Flushable fixture charge non-residential customers(\$/year)	509.66	495.16	-14.50	-2.85

2.2 Bill impacts compared to actual bills in 2020-21

Icon Water decided to freeze combined water and sewerage prices during 2020-21 at their 2019-20 levels. We have calculated bill impacts if Icon Water charges the maximum allowed prices for 2021–22 compared to actual bills in 2020-21, which were lower than they could have been because of Icon Water’s decision to freeze prices. Therefore, the bill impacts shown in this section reflect the combined effect of:

- the change in maximum allowed prices for 2021-22 (this annual adjustment)
- the difference between actual prices in 2020-21 and the maximum allowed prices in 2020-21 (last year’s annual adjustment that Icon Water decided not make in 2020-21).

Combined water and sewerage bills

Table 2.6 shows the change in the combined water and sewerage services bill for residential customers. A typical customer consuming 200kL of water per year will see an increase in their combined annual bill of 2% or \$23.

Table 2.6. Change in annual combined water and sewerage services bill for residential customers from 2020–21 to 2021–22 (current \$)

Annual water consumption (kL)	Annual 2020–21 combined bill (\$)	Annual 2021–22 combined bill (\$)	Change in combined bill (\$)	Change in combined bill (%)
0	667	686	18.96	2.8
50	790	810	19.96	2.5
100	913	934	20.96	2.3
150	1,036	1,058	21.96	2.1
200	1,180	1,203	23.21	2.0
250	1,406	1,432	25.46	1.8
300	1,653	1,681	27.96	1.7
350	1,900	1,931	30.46	1.6
400	2,147	2,180	32.96	1.5
500	2,641	2,679	37.96	1.4
750	3,876	3,927	50.46	1.3

Table 2.7 shows the change in the combined annual water and sewerage services bill for non-residential customers. Bill changes range from decreases of \$1,358 to increases of \$397 per year, or -2.5% to 0.7%.

Bill decreases are larger for non-residential customers with a higher number of flushable fixtures; this is because the sewerage supply charge that applies per flushable fixture is lower (discussed below).

Table 2.7. Change in annual combined water and sewerage services bill for non-residential customers from 2020–21 to 2021–22 (current \$)

Annual water consumption (kL)	Number of fixtures (#)	Annual 2020-21 combined bill (\$)	Annual 2021-22 combined bill (\$)	Change in combined bill (\$)	Change in combined bill (%)
1,000	10	9,189	9,136	-53	-0.6
	50	29,575	28,942	-633	-2.1
	100	55,058	53,700	-1,358	-2.5
2,000	10	14,129	14,126	-3	0.0
	50	34,515	33,932	-583	-1.7
	100	59,998	58,690	-1,308	-2.2
5,000	10	28,949	29,096	147	0.5
	50	49,335	48,902	-433	-0.9
	100	74,818	73,660	-1,158	-1.5
10,000	10	53,649	54,046	397	0.7
	50	74,035	73,852	-183	-0.2
	100	99,518	98,610	-908	-0.9

Water bill impacts

Table 2.8 shows the change in annual water charges for residential customers with different consumption levels. It shows that the annual water charge for a typical customer consuming 200kL per year will increase by about 6% or \$38.

Table 2.8. Change in annual water charges for residential customers from 2020–21 to 2021–22 (current \$)

Annual water consumption (kL)	Annual 2020–21 water bill (\$)	Annual 2021–22 water bill (\$)	Change in water bill (\$)	Change in water bill (%)
0	146	180	33.79	23.1
50	269	304	34.79	12.9
100	392	428	35.79	9.1
150	515	552	36.79	7.1
200	659	697	38.04	5.8
250	885	926	40.29	4.6
300	1,132	1,175	42.79	3.8
350	1,379	1,425	45.29	3.3
400	1,626	1,674	47.79	2.9
500	2,120	2,173	52.79	2.5
750	3,355	3,421	65.29	1.9

Table 2.9 shows the change in annual water charges for non-residential customers. It shows that annual water charges will increase by between 1.1% and 1.7%, with increases ranging from about \$78 to \$528 per year, depending on consumption level.

Table 2.9. Change in annual water charges for non-residential customers from 2020–21 to 2021–22 (current \$)

Annual water consumption (kL)	Annual 2020–21 water bill (\$)	Annual 2021–22 water bill (\$)	Change in water bill (\$)	Change in water bill (%)
1,000	4,590	4,668	77.79	1.7
2,000	9,530	9,658	127.79	1.3
5,000	24,350	24,628	277.79	1.1
10,000	49,050	49,578	527.79	1.1

Sewerage charges

Sewerage charges were not subject to Icon Water's price freeze in the 2020–21 price reset. Changes in sewerage charges are shown in table 2.5 in section 2.1.

3. 2021–22 price adjustment

This chapter describes the price adjustment calculations that have been made in accordance with the price direction and sets out the adjusted maximum prices to apply from 1 July 2021.

3.1 Consumer price index adjustment

We are required by clause 5.1 of the price direction to calculate the maximum prices for regulated water, sewerage and miscellaneous services for each regulatory year, on the basis set out in clauses 6, 7 and 8 of the price direction. We must give Icon Water notice of the adjusted prices on or before 1 June each year. We must also give Icon Water details of our calculations for the adjusted prices, including the values of the change in the CPI used in the calculations.

The CPI adjustment formula used, as set out in clause 6 of the price direction, is²:

$$P_t = P_{t-1} \times \left(\frac{CPI_{June(t-2)} + CPI_{Sept(t-1)} + CPI_{Dec(t-1)} + CPI_{March(t-1)}}{CPI_{June(t-3)} + CPI_{Sept(t-2)} + CPI_{Dec(t-2)} + CPI_{March(t-2)}} \right)$$

The CPI adjustment for 2021–22 is:

$$CPI_{2021-22} = \frac{114.4 + 116.2 + 117.2 + 117.9}{114.8 + 115.4 + 116.2 + 116.6} - 1 = 0.583153\%$$

3.2 Cost of debt update

Our final report for regulated water and sewerage services from 1 July 2018 to 30 June 2023 included an annual update to the ‘smoothing factor’ that is used to smooth price changes over the regulatory period. This ‘smoothing factor’ – known as the X factor – is adjusted annually to account for an update of the weighted average cost of capital (WACC) to reflect an update to the trailing average cost of debt.

As discussed in the final report, the trailing average cost of debt is calculated by re-pricing 10% of the cost of debt each year (ICRC Report 1, 2018). The re-pricing of 10% of the cost of debt for 2021–22 has resulted in a slight reduction in the cost of debt for 2021–22. This reduction has resulted in the X factor being updated from -2.14 in 2020-21, to -3.29 in 2021-22 for water, and from -2.82 in 2020-21, to -3.54 in 2021-22 for sewerage services. The cost of debt decreased because of a decrease in corporate borrowing rates over the last 12 months (as measured by Australian Corporate Bond yields).

² The CPI adjustment for 2021–22 prices is not a forecast of inflation in that year but rather is based on historical changes in the CPI up to March 2020 from June 2017 based on quarterly figures, using the ‘four quarter on four quarter’ approach. The CPI data (weighted average of eight capital cities) are available from the Australian Bureau of Statistics website at <http://www.abs.gov.au/ausstats/abs@.nsf/0/938DA570A34A8EDACA2568A900139350>.

3.3 Pass-through adjustment

General provisions

Clauses 9 and 10 of the price direction set out the process for incorporating the effect of any approved pass-through events on Icon Water's costs in prices for the following year.

The price direction allows for seven pass-through events, two of which have been triggered for the 2021–22 price adjustment. These are changes in the ACT Government's Water Abstraction Charge (WAC) and Commonwealth subvention payments.

Clause 10.2 of the price direction provides for Icon Water to submit a pass-through application. Icon Water must make the submission by 1 May each year of the regulatory period, after which we must make a decision and tell Icon Water by 30 May. If Icon Water does not lodge a submission, Clause 10.2.4 of the price direction allows us to initiate a pass-through adjustment.

Pass-through adjustments for 2021–22 prices

Icon Water submission

Icon Water gave us a pass-through submission on 29 April. Icon Water sought to incorporate three pass-through amounts in its adjusted prices for 2021–22. These relate to the WAC (for water) and subvention payments (one each for water and sewerage) in 2019–20, which is the latest year for which the costs are available.

In a typical regulatory year, Icon Water would also include a pass-through adjustment for the Utilities Network Facilities Tax (UNFT) to account for any difference between forecast and actual UNFT payments. However, in 2020, the ACT Government decided to freeze the UNFT rate as part of its COVID-19 economic support package.³ So, in its 2020–21 price submission, Icon Water brought forward its pass-through adjustment for 2019–20 and no pass-through adjustment for UNFT is being sought in 2021–22 prices.

Icon Water asked for pass-through amounts of positive \$5,399,635.13 for water services and negative \$344.89 for sewerage services (in nominal terms). These amounts are the difference between actual and forecast amounts that were already included in 2019–20 prices.

Our decision

In setting prices before the start of a regulatory period, we forecast the amount of the WAC to be recovered from customers by Icon Water and paid to the ACT Government in each year of the regulatory period. For the Commonwealth subvention payment, we subtract forecast payment from Icon Water's revenue requirement, which reduces customer charges. Any difference between the forecast and actual amounts is then subject to an annual pass-through adjustment, which can be positive or negative. Positive pass-throughs raise prices while negative pass-throughs bring prices down.

The \$5,399,635.13 pass-through amount for water services is mainly driven by a difference between the WAC amount estimated for the 2020–21 price adjustment and the actual amount collected and paid in 2019–20. The WAC was higher than forecast because of higher than forecast water consumption due to dry

³ For details on the ACT Government's COVID-19 support package, visit: <https://www.covid19.act.gov.au/economic-support/economic-survival-package/families-and-households>.

conditions. The small negative pass-through of \$344.89 for sewerage services results from a higher than forecast subvention payment.

A breakdown of the pass-through amounts is provided in Table 3.1 (noting that these amounts are in nominal terms).

Table 3.1. Pass-through amounts to be included in water and sewerage services prices in 2021–22 (nominal \$)

	2020–21 estimate (\$)	Actual (\$)	Difference (\$)
Water			
WAC	30,595,463.11	35,995,063.86	5,399,600.75
Subvention payment	1,144,147.44	1,144,181.82	34.37
Total Water			5,399,635.13
Sewerage			
Subvention payment	11,441,473.29	11,441,818.18	344.89
Total Sewerage			344.89

Source: Icon Water's Submission (2021).

In accordance with clause 10.2 of the price direction, our decision is that the pass-through events specified in the submission occurred and fall within the scope of clause 9 and the pass-through amounts proposed by Icon Water are therefore approved.

We have accounted for the time value of money (using the weighted average cost of capital) and its effect on the return to shareholders (tax equivalent payments and imputation credits) in calculating the pass-through price adjustment, in line with the post-tax model used to calculate the price path in the price direction.

The price adjustment for the pass-through amounts takes into account updates to CPI, the X factor and cost of debt. The calculation is consistent with our approach for determining adjusted prices in 2020–21 and based on the post-tax model used to calculate the price path in the price direction.⁴ The calculation has resulted in the following pass-through adjustments:

- Positive 5.258026% for water.
- Positive 0.000365% for sewerage.

3.4 2021–22 maximum water prices

We have used the following formula to update volumetric charges for CPI, pass-through adjustments, X factor and cost of debt updates:

$$P_{2021-22} = P_{2020-21} \times (1 + \text{CPI}_{2021-22}) \times (1 + X_{2021-22}) \times (1 + \text{PT adj water}_{2021-22})$$

We rounded prices to the nearest cent.

⁴ The methodology is described in ICRC Report 1 and 2 (2018).

Table 3.2 shows the maximum water prices for 2021–22. The fixed supply charge has increased in line with the price direction. The volumetric charges have increased by approximately 0.2% from 2020–21. This increase reflects changes in the CPI and the positive pass-through adjustment set out in section 3.3, which slightly offset the lower cost of debt.

Table 3.2. Water prices, 2020–21 to 2021–22 (current \$)

	2020–21	2021–22	Change (%)
Fixed (\$/year)	160	180	12.5
Tier 1 (0–200kL/a) (\$/kL)	2.48	2.48	0.0
Tier 2 (200kL/a+) (\$/kL)	4.98	4.99	0.2

3.5 2021–22 maximum sewerage services prices

Maximum sewerage services prices for 2021–22 have been calculated to account for CPI and pass-through adjustments and the updated X factor, using this formula:

$$P_{2021-22} = P_{2020-21} \times (1 + \text{CPI}_{2021-22}) \times (1 + X_{2021-22}) \times (1 + \text{PT adj sewerage}_{2021-22})$$

We rounded prices to the nearest cent.

Table 3.3 shows the maximum sewerage services prices for 2021–22. Prices have decreased by 2.8% from 2020–21. The small pass-through from the subvention payment (shown in Table 3.1) and small increase in CPI were not enough to offset the negative smoothing factor adjustment due to the lower cost of debt (see section 3.2), resulting in a decrease in prices.

Table 3.3. Sewerage services prices, 2020–21 to 2021–22 (current \$)

	2020–21	2021–22	Change (%)
Supply charge (\$/year)	521.13	506.30	-2.8
Fixture charge non-residential customers (\$/year)	509.66	495.16	-2.8

3.6 2021–22 maximum charges for miscellaneous services

Maximum charges for miscellaneous services in 2021–22 have been calculated using the following formula, with charges rounded to the nearest dollar for the GST-inclusive price:

$$P_{2021-22} = P_{2020-21} \times (1 + \text{CPI}_{2021-22})$$

The full list of calculated maximum miscellaneous services charges for 2021–22 is in Appendix 1.

3.7 Class 2 Infrastructure Charge – inside a Precinct

General provisions

Clause 11 of the price direction sets out the process for updating the Precinct Charge and Precinct Map that are used to calculate the Class 2 infrastructure charge for developments within a precinct under the Utilities (Water and Sewerage Capital Contribution Code) Determination 2017.

The Class 2 Infrastructure Charge (C2IC) payable for a Development inside a Precinct is calculated as the product of the net increase in Equivalent Population (EP) and Precinct Charge (C), in accordance with the formula⁵:

$$C2IC = (\text{net increase in EP}) \times C$$

Precinct Charge for 2020–21

Icon Water submission

On 29 April 2021, Icon Water submitted its proposed Precinct Charge, along with the financial model used in estimating the charge. It also submitted an updated Precinct Map to incorporate recently connected developments for 2021–22.

Icon Water proposed a Precinct Charge for 2021–22 of \$1,200 per equivalent population. This is based on the existing practice of rounding the charge to the nearest \$100.

Our decision

Icon Water's proposed precinct charge of \$1,200 for 2021-22 is \$100 more than the \$1,100 precinct charge for 2020–21.

The reasons for the increase in the 2021-22 precinct charge are:

- Inflation adjustment: the model uses capital expenditure forecasts that were originally estimated in 2017 and 2019 and are expressed in 2017 and 2019 dollars. Icon Water has revised its model to use CPI to convert all capital expenditure forecasts in the model to 2021 dollars. This contributed to the increase in the precinct charge.
- Addition of new capital projects. This year's precinct charge is based on capital projects over the 20-year period between 2021 and 2041. This includes a new water tank in Gungaharra in 2041, which was not included in setting last year's precinct charge.

We consider the reasons for the increase in precinct charge are reasonable. We have therefore approved a Precinct Charge for 2021-22 of \$1,200.

Icon Water has proposed 18 changes to the precinct map across 4 suburbs. We consider that these proposed changes are reasonable with regard to the *Utilities (Water and Sewerage Capital Contribution Code) Approval 2017*.

The updated Precinct Map is in Appendix 1 and once approved will be made available on our website.

⁵ The methodology is described in ICRC Report 10 (2017).

Appendix 1: Water, sewerage, and miscellaneous service charges 2021–22

Icon Water has split the schedule of charges into two sub-schedules to differentiate the charges that are covered by the Standard Customer Contract (SCC) and those that are not covered.

- **Schedule A: Standard water and sewerage services charges** – this schedule contains the standard water and sewerage charges, Class 1 through Class 6 land category charges (except for the metered hydrant standpipe water charge) and items 1 and 2 from the current miscellaneous charges schedule.
- **Schedule B: Miscellaneous fees and charges** – this schedule contains the metered hydrant standpipe water charge and the remainder of the miscellaneous charges.

In addition, Icon Water has submitted an updated Precinct Map. The schedules below represent the charges included in Schedule A and Schedule B. The map below is the updated Precinct Map, which is also available on our website.

A. Standard Water and Sewerage Services Charges, Icon Water 2021-22

The following charges apply from 1 July 2021 for, or in connection with, the provision of water services and sewerage services.

This schedule includes other fees and charges associated with these services.

Where water services are provided to any class of land in a meter reading period that ends after 30 June:

- the supply charge will be the charge applicable at the date of the account; and
- water consumption charges are determined based on average daily usage. The 2021-22 charges will apply to average consumption on and from 1 July 2021. The 2020-21 charges will apply to average consumption prior to 1 July 2021.

GST does not apply to water services and sewerage services unless otherwise stated.

In this Schedule of Charges:

- a “flushing fixture” means a flushing cistern or flush valve.
- a “parcel of land” includes leased and unleased parcels of National land and Territory land.
- a “subsidiary building” means a building that is only used for purposes connected with the use of the main building.

Standard Charges

Standard Water Charges

	2020-21	2021-22
The standard water charge is:		
· the Standard Water Supply Charge - a supply charge to each parcel of land; plus	\$160.00	\$180.00
· The Standard Water Consumption Charge, being:		
o consumption charge for the first 0.548 kilolitres supplied on average per day of the billing period; plus	\$2.48 per kL	\$2.48 per kL
o for all water supplied in excess of 0.548 kilolitres on average per day of the billing period.	\$4.98 per kL	\$4.99 per kL

Standard Sewerage Charge

	2020-21	2021-22
The Standard Sewerage Charge is:	\$521.13	\$506.30

Charges for categories of land

Class 1 – Single residential

This class applies to a parcel of land:

- (a) with a single residential dwelling (with or without a granny flat) and no other building is erected on the land; or
- (b) with more than one building on the land if one is a single residential dwelling (or a single residential dwelling and granny flat) and any other buildings are subsidiary buildings.

Charges	2020-21	2021-22
Water charge (where the parcel of land is connected to the water network and metered):		
· water supply charge; plus	Standard Water Supply Charge	Standard Water Supply Charge
· water consumption charge.	Standard Water Consumption Charge	Standard Water Consumption Charge
Sewerage charge (where the parcel of land is connected to the sewerage network):		
· Sewerage supply charge	Standard Sewerage Charge	Standard Sewerage Charge

Class 2 - Multiple residential (not unit title or community title)

This class applies to a parcel of land:

- (a) with more than one residential dwelling (for example, flats, dual occupancy or multiple residential buildings), and no other building is erected on the land other than subsidiary buildings,

but excludes:

- (b) any parcel of land included in Class 1 Single residential; and
- (c) any parcel of land included in Class 3 Unit title or community title.

Charges	2020-21	2021-22
Water charge (where the parcel of land is connected to the water network and metered):		
· water supply charge; plus	Standard Water Supply Charge (calculated based on the number of residential dwellings – see below)	Standard Water Supply Charge (calculated based on the number of residential dwellings – see below)
· water consumption charge.	Standard Water Consumption Charge (calculated based on the number of residential dwellings – see below)	Standard Water Consumption Charge (calculated based on the number of residential dwellings – see below)
Sewerage charge (where the parcel of land is connected to the sewerage network):		
· sewerage supply charge.	Standard Sewerage Charge (calculated based on the number of residential dwellings – see below)	Standard Sewerage Charge (calculated based on the number of residential dwellings – see below)

Note:

- For a complex in this class which is not sub-divided into units under unit titles legislation or is included in a community title scheme under community title legislation (for example, ‘dual occupancy’):
 - o there is a single parcel of land; and
 - o the water supply charge and sewerage supply charge are each calculated based on the number of residential dwellings. For example, if a complex contains 4 units the water supply charge and the sewerage supply charge are the relevant standard charge x 4; and

Class 3 – Unit title or community title

Where a parcel of land is sub-divided into units under unit titles legislation or is included in a community title scheme under community title legislation:

- (a) each unit or community title lot (which is not common property) is a separate parcel of land in this class; and
- (b) each common property is a separate parcel of land in this class.

Charges	2020-21	2021-22
Water charge for each parcel which is a unit or community title lot:		
- water supply charge (including for a parcel of land for which services are available but the parcel is not connected to the water network); plus	Standard Water Supply Charge	Standard Water Supply Charge
- water consumption charge (where the parcel of land is connected to the water network and separately metered).	Standard Water Consumption Charge	Standard Water Consumption Charge
Water charge for each parcel which is common property:		
- water supply charge; plus	Nil	Nil
- water consumption charge (where the parcel of land is connected to the water network and separately metered) and the units or community title lots are each separately metered; or	Standard Water Consumption Charge	Standard Water Consumption Charge
- water consumption charge (where the parcel of land is connected to the water network and separately metered) and the units or community title lots are not each separately metered.	Standard Water Consumption Charge (calculated based on the number of residential dwellings – see below)	Standard Water Consumption Charge (calculated based on the number of residential dwellings – see below)
Sewerage charge for each parcel which is a unit or community title lot (where the parcel of land is connected to the sewerage network):		
- sewerage supply charge; plus	Standard Sewerage Charge	Standard Sewerage Charge
- (where the parcel of land permits any use other than residential purposes only) charge for each flushing fixture in excess of two flushing fixtures.	\$509.66	\$495.16
Sewerage charge for each parcel which is common property:		
- sewerage supply charge for any common property parcel where there is no flushing fixture; or	Nil	Nil
- sewerage supply charge for all other parcels of land in this class which are common property; plus	Standard Sewerage Charge	Standard Sewerage Charge
- charge for each flushing fixture in excess of two flushing fixtures.	\$509.66	\$495.16

Note:

- In determining water consumption charges under this category, each unit is given a daily allowance in relation to the volume of water supplied at the lower consumption charge rate. For example, if a complex contains 4 units and a common property the daily allowance would be 0.548 kilolitres x 5, being charged at the lower rate with any consumption in excess of that being charged at the higher rate.

Class 4 - Community institutions

This class applies to a parcel of land:

- (a) with a building used for the purpose of a church or other religious establishment, hospital, benevolent institution or charitable institution, and no other building is erected on the land other than subsidiary buildings; or
- (b) that is occupied by or used in connection with a school that is registered (or provisionally registered) under the Education Act 2004 (ACT) including grounds belonging to or used in connection with such a school.

Charges	2020-21	2021-22
Water charge (where the parcel of land is connected to the water network and metered):		
- water supply charge; plus	Standard Water Supply Charge	Standard Water Supply Charge
- Water consumption charge for a parcel of land used for:		
o the purpose of a church or other religious establishment under paragraph (a) above; or	\$2.48 per kL	\$2.48 per kL
o a school under paragraph (b) above; or		
- water consumption charge for all other parcels of land in this class.	Standard Water Consumption Charge	Standard Water Consumption Charge
Sewerage charge (where the parcel of land is connected to the sewerage network):		
- sewerage supply charge; plus	Standard Sewerage Charge	Standard Sewerage Charge
- charge for each flushing fixture in excess of two flushing fixtures.	\$254.83	\$247.52

Class 5 – Commercial and other non-residential

This class applies to all other parcels of land which are not covered by Classes 1-4 above, including but not limited to:

- (a) the Australian National University; and
- (b) commercial and retail premises.

Charges	2020-21	2021-22
Water charges (where the parcel of land is connected to the water network and metered):		
- water supply charge; plus	Standard Water Supply Charge	Standard Water Supply Charge
- water consumption charge.	Standard Water Consumption Charge	Standard Water Consumption Charge
Sewerage charge (where the parcel of land is connected to the sewerage network):		
- sewerage supply charge; plus	Standard Sewerage Charge	Standard Sewerage Charge
- charge for each flushing fixture in excess of two flushing fixtures.	\$509.66	\$495.16

Class 6 - Unmetered, unconnected and metered standpipe charges

Unmetered water charges

This charge applies to a parcel of land that is connected to the water supply network, but which is not metered. This charge does not apply to a parcel of land in Class 3 Unit title or community title.

Charges	2020-21	2021-22
Water supply charge	\$606.38	\$609.92

Unconnected Water & Sewerage Charges

This charge applies to a parcel of land that is not connected to:

- (a) the water network but water supply infrastructure has been installed and is available to the land; and/or
- (b) the sewerage network, but sewerage supply infrastructure has been installed and is available to the land,

including but not limited to a vacant parcel of land or carpark.

This charge does not apply to a parcel of land in Class 3 Unit title or community title which is common property.

Charges	2020-21	2021-22
Water supply charge (where the parcel of land is not connected to the water network)	Standard Water Supply Charge	Standard Water Supply Charge
Sewerage supply charge (where the parcel of land is not connected to the sewerage network)	Standard Sewerage Charge	Standard Sewerage Charge

Other fees and charges	2020-21	2021-22
Special reading of a water meter	\$44.00	\$44.00
Testing a standard 20 mm water meter	\$281.00	\$283.00
Notes: 1. Testing fees for meters larger than 20mm are by individual quote. 2. Meter testing fees are refundable where a test shows a meter to be defective as defined in the Water Metering Code.		
Fee payable upon request for a certificate showing the amount of charges payable in respect of a quantity of water or of a parcel of land.	\$40.00	\$40.00
Attendance (debt collection or disconnection / restriction):		
• first visit in a 12 month period (in office hours)	\$67.00	\$67.00
• within a year of a previous visit (in office hours).	\$93.00	\$94.00
Reconnection fee (following disconnection / restriction for non-payment).	\$63.00	\$63.00
Dishonoured cheque and credit card reversal (admin charge). The greater of:	\$15.00 per account or \$41.00 per cheque for multiple accounts	\$15.00 per account or \$41.00 per cheque for multiple accounts
Direct debit reject	\$8.00 per reject	\$8.00 per reject

Payments

Account payments

Annual charges for water services and sewerage services are billed quarterly, unless agreed otherwise with you. The due date for payments is the date shown in the account issued to you.

Interest

Where you fail to pay by the due date, and the amount remains unpaid for a further 14 days, Icon Water may levy interest at the prescribed rate on the amount outstanding for each month or part of a month that the amount remains unpaid, calculated from the day on which the payment became due.

The amount of interest calculated and levied will be included on the next account issued to you.

Payment assistance

Icon Water offers a range of flexible payment options. If you would like information on these or if you need payment assistance, please call us on 02 6248 3111. If you are having difficulty paying your account and we are unable to assist, you may also apply to the ACT Civil and Administrative Tribunal (ACAT) for assistance by calling (02) 6207 7740.

B. Miscellaneous Fees and Charges, Icon Water 2021-22

The following fees and charges apply from 1 July 2021 for miscellaneous services associated with water and sewerage services.

Drawings	2020-21	2021-22
1. Work-as-executed drawings		
Work-as-executed drawings resubmission fee (for the third and any subsequent submission of drawings that have already been rejected twice as incorrect or not compliant with standards).	\$671.00	\$675.00
Work-as-executed drawings non-compliance fee (for drawings that are submitted and do not comply with Icon Water electronic file standards).	\$337.00	\$339.00
Water main connections	2020-21	2021-22
2. Tapping into water main		
100mm diameter main		
20mm main cock	\$806.00	\$811.00
25mm main cock	\$919.00	\$924.00
32mm main cock	\$966.00	\$972.00
40mm main cock	\$989.00	\$995.00
50mm main cock	\$1,034.00	\$1,040.00
150mm diameter main		
20mm main cock	\$825.00	\$830.00
25mm main cock	\$941.00	\$946.00
32mm main cock	\$999.00	\$1,005.00
40mm main cock	\$1,020.00	\$1,026.00
50mm main cock	\$1,060.00	\$1,066.00
225mm diameter main		
20mm main cock	\$892.00	\$897.00
25mm main cock	\$953.00	\$959.00
32mm main cock	\$1,006.00	\$1,012.00
40mm main cock	\$1,020.00	\$1,026.00
50mm main cock	\$1,074.00	\$1,080.00
300mm diameter main		
20mm main cock	\$964.00	\$970.00
25mm main cock	\$982.00	\$988.00
32mm main cock	\$1,034.00	\$1,040.00
40mm main cock	\$1,055.00	\$1,061.00
50mm main cock	\$1,096.00	\$1,102.00
3. Temporary Water Connection		
The price for a temporary water connection will include connection, disconnection and surveillance costs.	By quote	By quote
4. Installation of fire hydrant		
Where insertion of hydrant tee is required ("standard" main depth)		
100mm diameter tee	\$2,753.00	\$2,769.00
150mm diameter tee	\$2,952.00	\$2,969.00
225mm diameter tee	\$3,354.00	\$3,374.00
300mm diameter tee	\$4,216.00	\$4,241.00
Note 1: Where the main exceeds the "standard" depth, additional risers are to be supplied		
Note 2: Hydrant covers and indicators etc, are to be supplied and fixed by the contractor.		
Installation of a hydrant from an existing tee connection	\$1,585.00	\$1,594.00

5. Raise or lower hydrant		\$1,394.00	\$1,402.00
6. Remove hydrant / endcap and connect main			
	100mm main	\$1,608.00	\$1,617.00
	150mm main	\$2,054.00	\$2,066.00
	225mm main	\$2,888.00	\$2,905.00
	300mm main	\$3,624.00	\$3,645.00
7. Cut in stop valve			
	100mm main	\$2,121.00	\$2,133.00
	150mm main	\$2,217.00	\$2,230.00
	225mm main	\$3,318.00	\$3,337.00
	300mm main	by quote	by quote
8. Supply and fix stop valve locking cover			
This charge includes the installation and removal at a later date		\$684.00	\$688.00
9. Disconnection of water service			
Service 20mm to 32mm diameter (cap main cock)		\$726.00	\$730.00
Service 40mm to 150mm diameter (cap main cock / blank flanged tee)		\$953.00	\$959.00
10. Relocation of 20mm and 25mm stop cock and meter			
	Where no shutdown is required	\$750.00	\$754.00
	Where additional excavation is required	\$1,060.00	\$1,066.00
	Where shutdown of main is required	\$1,800.00	\$1,810.00

11. Sewer main connections	2020-21	2021-22
100mm diameter junction into 150mm diameter main	\$1,811.00	\$1,822.00
100mm diameter junction into 225mm diameter main	\$1,958.00	\$1,969.00
100mm diameter junction into 300mm diameter main	\$2,110.00	\$2,122.00
Break out existing 150mm, 225mm or 300mm diameter main to a new manhole	\$1,516.00	\$1,525.00
Connection to existing standard manhole without drop, 100mm, 150mm or 225mm diameter	\$3,035.00	\$3,053.00
150mm connection to existing standard manhole including external drop of up to 2 metres	\$7,987.00	\$8,034.00
Charge for each additional metre of drop	\$288.00	\$290.00
225mm connection to existing standard manhole including external drop of up to 2 metres	\$7,987.00	\$8,034.00
Charge for each additional metre of drop	\$288.00	\$290.00
Provide 100mm or 150mm diameter collar out of existing standard sewer manhole for house connection without drop	\$3,301.00	\$3,320.00
Connecting main to end of existing main or collar out of existing manhole, 150mm or 225mm	\$2,483.00	\$2,497.00
100mm diameter PVC temporary connection to standard sewer manhole including removal of PVC pipe from manhole at completion of project	\$2,483.00	\$2,497.00
Alterations to height of manhole. Raise or lower manhole up to 300mm where the only alteration is to the neck of the manhole and the total length of neck and ring	\$1,108.00	\$1,114.00
Supply and fit "gatic" type cover to an existing manhole	\$1,408.00	\$1,416.00
Disconnection (temporary cap off) of sewer tie for non-compliance	\$989.00	\$995.00
Permanent disconnection of sewer connection to a main 150 or 225 mm	\$989.00	\$995.00
Note: This price does not include excavation works which are commonly carried out by the project contractor (or by Icon Water at a negotiated price).		
Rebuild sewer manhole	\$7,318.00	\$7,361.00
Gatic (if required)	\$559.00	\$562.00

12. Hydrants (metered standpipes)	2020-21	2021-22
32mm hydrant (metered standpipe):		
• annual hire	\$416.00	\$418.00
• quarterly hire	\$149.00	\$150.00
• short-term hire (14 days maximum)	\$80.00	\$80.00
65mm hydrant (metered standpipe):		
• annual hire	\$566.00	\$569.00
• quarterly hire	\$189.00	\$190.00
• short-term hire (14 days maximum)	\$80.00	\$80.00
Metered standpipe water charges		
Water consumption charge for consumption of water through a metered hydrant standpipe	\$4.98 per kL	\$4.99 per kL

Note:

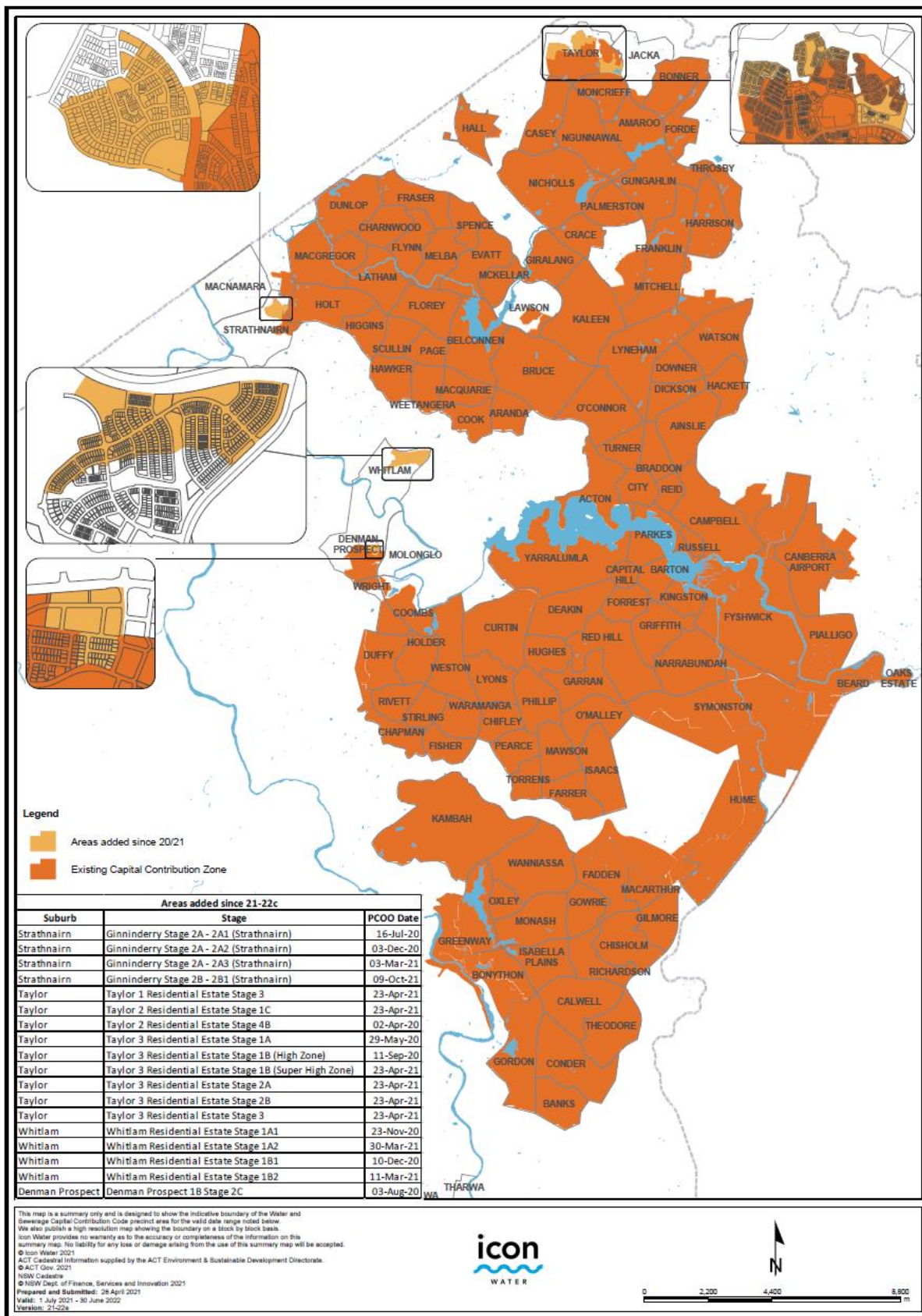
- The above charges relating to (non-contestable) water main connections, hydrants and sewer main connections apply to basic installations only. Additional charges will apply to non-standard components, work of unusual complexity or work that is necessary outside of normal business hours. Estimates can be supplied on request.
- Only property owners or their authorised agents are entitled to apply to Icon Water for the (non-contestable) works listed in this schedule.
- It is the responsibility of the lease owner (or authorised agent) to meet the costs of Icon Water charges together with all internal and external works which may be necessary to carry out a connection or disconnection to Icon Water's water and sewerage network.
- Where the site is not ready at the nominated time to allow Icon Water to commence work, additional charges will apply for rescheduled works.

Payments

Interest

Where you fail to pay by the due date, and the amount remains unpaid for a further 14 days, Icon Water may levy interest at the prescribed rate on the amount outstanding for each month or part of a month that the amount remains unpaid, calculated from the day on which the payment became due.

The amount of interest calculated and levied will be included on the next account issued to you.



Abbreviations and acronyms

Commission	Independent Competition and Regulatory Commission
CPI	Consumer price index
GST	Goods and services tax
ICRC	Independent Competition and Regulatory Commission
ICRC Act	<i>Independent Competition and Regulatory Commission Act 1997</i> (ACT)
kL	kilolitre
price direction	<i>Price Direction for Water and Sewerage Services 1 July 2018 to 30 June 2023</i>
SCC	Standard customer contract
UNFT	Utilities Network Facilities Tax
WAC	Water abstraction charge

References

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ICRC Report 2 (2018) Price Direction: Regulated water and sewerage services 1 July 2018 to 30 June 2023, Independent Competition and Regulatory Commission, Canberra. May 2018.

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