

Independent Competition and Regulatory Commission (Regulated Water and Sewerage Services) Terms of Reference Determination 2021

Disallowable instrument DI2021-278

made under the

Independent Competition and Regulatory Commission Act 1997,
s 15 (Nature of industry references) and s 16 (Terms of industry references).

1 Name of instrument

This instrument is the *Independent Competition and Regulatory Commission (Regulated Water and Sewerage Services) Terms of Reference Determination 2021*.

2 Commencement

This instrument commences on the day after it is notified.

3 Reference for investigation under s 15

Pursuant to subsection 15 (1) (a) of the Act, I refer to the Independent Competition and Regulatory Commission (the 'Commission') the matter of an investigation into, and the making of a price direction for regulated water and sewerage services provided by Icon Water Limited.

The price direction will be for the period of 1 July 2023 to 30 June 2028.

4 Terms of Reference for investigation under s 16

1. The Commission must consider:
 - a. the objectives of the Commission outlined within section 7 of the Act;
 - b. the objective related to price directions outlined in section 19L of the Act;
 - c. the legislative requirements outlined in section 20 (2) of the Act;
 - d. the policies of the ACT Government as they relate to the supply and use of water and sewerage services, including the *ACT Water Strategy - Striking the Balance 2014-2044*;
 - e. the National Water Initiative, Murray-Darling Basin Plan commitments and associated policies and agreements; and

- f. any other matters considered to be directly relevant to the pricing investigation.
2. The Commission should consider:
 - a. continuing to use the current regulatory model, and, where identified, implement improvements to aspects of the methodology, including improvements identified in reviews undertaken in accordance with the reset principles in clause 13 of the Price Direction for Regulated Water and Sewerage Services 1 July 2018 to 30 June 2023; and
 - b. minimising the potential for significant price fluctuations during the regulatory period, while ensuring the recovery of the prudent and efficient costs of Icon Water Limited.
3. As part of its investigation, the Commission should outline its intended approach to achieving its various regulatory objectives within its decision making process.
4. The Commission should identify, in the draft and final reports of the investigation, the incremental impact on prices associated with:
 - a. any changes to the total allowed revenue for Icon Water Limited;
 - b. any changes to the water demand forecasts used in the regulatory model; and
 - c. any changes to the structure of Icon Water Limited's regulated water and sewerage services tariffs.
5. In accordance with subsection 16 (2) (d) of the Act, the Commission must make available a draft report for public inspection within the period of 1 September 2022 to 12 December 2022.
6. In accordance with subsection 16 (2) (a) of the Act, the Commission must submit its final report to the referring authority within the period of 1 March 2023 to 1 May 2023.

Andrew Barr MLA
Treasurer
9 December 2021