

Australian Capital Territory

Independent Competition and Regulatory Commission (Water Abstraction Charge) Revocation 2008 (No 1)

Disallowable instrument DI2008—119

made under the

Independent Competition and Regulatory Commission Act 1997, section 4C (Declared fees to be passed on to consumers)

EXPLANATORY STATEMENT

The Water Abstraction Charge (WAC) is a statutory fee payable by the holder of a licence to take water, determined under the *Water Resources Act 2007*.

Previous price determinations by the Independent Competition and Regulatory Commission (ICRC) in relation to water services did not take into account the WAC paid by the licence holder. Instead, the *Independent Competition and Regulatory Commission (Water Abstraction Charge) Declaration 2003 (No 1)* DI 2003-332 declared the WAC to be a statutory fee affecting the cost of providing water services that may be passed on in full to consumers of the service.

In April 2008 the ICRC Final Report for the water and wastewater price review determined that the WAC is a standard business cost. As such the WAC has been taken into account by the ICRC in the price direction for the provision of water services to operate from 1 July 2008 to 30 June 2013.

As a consequence, the *Independent Competition and Regulatory Commission (Water Abstraction Charge) Declaration 2003 (No 1)* DI 2003-332 is revoked from the date of commencement of the price direction.