

Utilities (Water and Sewerage Capital Contribution Code) Determination 2025

Disallowable instrument DI2025–244

made under the

Utilities Act 2000, section 58 (Approved codes), section 59 (Determined codes) and section 62 (Notification and disallowance of codes etc)

EXPLANATORY STATEMENT

The *Utilities (Water and Sewerage Capital Contribution Code) Determination 2025* (Code) is an industry code determined by the Independent Competition and Regulatory Commission (Commission) under Part 4 of the *Utilities Act 2000* (Utilities Act).

Section 101 of the Utilities Act allows for the imposition of a capital contribution charge, payable by customers of a utility. Such a charge must be in accordance with a relevant industry code and is for the purpose of raising a contribution from eligible developments towards the expansion and maintenance of capacity in water and sewerage networks in the Territory.

The Commission conducted a review of the *Utilities (Water and Sewerage Capital Contribution Code) Approval 2017* [DI2017-291]. In its review, the Commission sought to:

- critically evaluate the current design and administration of the Code
- consider improvements to the functioning of the Code
- promote an implementation that is consistent with policy intent.

Summary of changes

After finalising its review, the Commission has introduced several changes:

- a cap to the net increase in Equivalent Population (EP) to reduce the capital contribution charges for small secondary dwellings on bigger blocks.
- a mandate for Icon Water to publish its methodology for determining EP multipliers, explanation of its administrative processes and timeframes, and new guidance materials to assist developers understand the practical application of capital contributions.
- a mandate for Icon Water to undertake a periodic review of its EP multipliers in alignment with the regulatory cycles.

- a precinct charge set by the Commission at the start of a regulatory period and fixed for the duration of that period, commencing from the 2028 regulatory period.
- transitional arrangements for Icon Water to implement the required changes. This allows Icon Water time to develop its methodology and guidance material.

For the reasons provided above, and as discussed in more detail in the Commission's issues paper, draft report, and final report, the Commission is satisfied that it is necessary and convenient to determine the new Code. The Commission is satisfied that the Code is not inconsistent in material respects with another industry code or a technical code.

Consultation on the new Code

On 5 November 2024, the Commission published an issues paper for public comment. Submissions on the issues paper closed 14 February 2025. Three submissions were received.

On 30 June 2025, the Commission published its draft code and report for comment. Submissions closed 30 July 2025. Three submissions were received.

Section 59 of the Utilities Act requires that the Commission consult with the Minister (Treasurer) and the Minister responsible for the *Utilities (Technical Regulation) Act 2014*. The Commission provided copies of the issues paper, draft report and draft code to the ministers and invited comments prior to determining the code.

The final code and report incorporate the submissions received. The reports, codes and submissions can be read on the Commission's website www.icrc.act.gov.au.

Revocation

The determination revokes the *Utilities (Water and Sewerage Capital Contribution Code) Approval 2017* [DI2017-291] due to numerous changes implemented in the drafting process to improve the accessibility of the instrument using plain language and more clearly defined terms. To avoid interpretive errors, the Commission decided to revoke the rather than amend the instrument.

Regulatory impact statement

This amendment of the territory law does not fundamentally affect the law's application or operation. Therefore, a regulatory impact statement is not needed per section 36(1)(e) of the *Legislation Act 2001* (ACT).

Human rights

There are no human rights implications arising from this instrument. The instrument does not engage any rights under the *Human Rights Act 2004* (ACT).