

GROWTH SERVICING PLAN 2023-42



Acknowledgement of Country

Icon Water acknowledges the traditional custodians of the Canberra region, the Ngunnawal people and pay our respect to their Elders – past, present and emerging. We recognise and value their continuing culture and the contribution they make to the life of the city and the region. We also acknowledge the First Peoples of the broader region in which we live and work.

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A white, handwritten signature of Ray Hezkial on a dark blue background.

RAY HEZKIAL
Managing Director
Icon Water

MANAGING DIRECTOR'S MESSAGE

For over 100 years, we have been proudly supporting our community by providing safe, clean drinking water and sustainable wastewater services. As the population grows, we need to be responsive to the current and future service needs of our region.

This Growth Servicing Plan 2023–42 outlines our intentions for capital investment in infrastructure to support growth over the next 20 years. It is intended to provide visibility to developers, planning agencies and the community on where and when we are investing in infrastructure over the next two decades.

In line with our vision to be a valued partner in the community, we will responsibly invest in our water and wastewater infrastructure. Through our *Let's Talk Water and Wastewater* engagement, our customers told us they have clear expectations

and priorities for how we plan and invest in the future. Water security, environmental sustainability, maintaining reliable water and wastewater services, quality drinking water and long-term affordability are the key areas of focus our customers highlighted. Our planning will ensure that we continue to support these expectations.

We look forward to working with our community and developers to continue delivering our services to sustain and enhance quality of life.

INTRODUCTION

Canberra is at the centre of a growing region. As our city grows, our urban environment is changing, and we are seeing increasing densities around our services and utilities. Our role is to ensure that water and wastewater services expand at an appropriate rate. This document outlines our high level plan to make this happen.

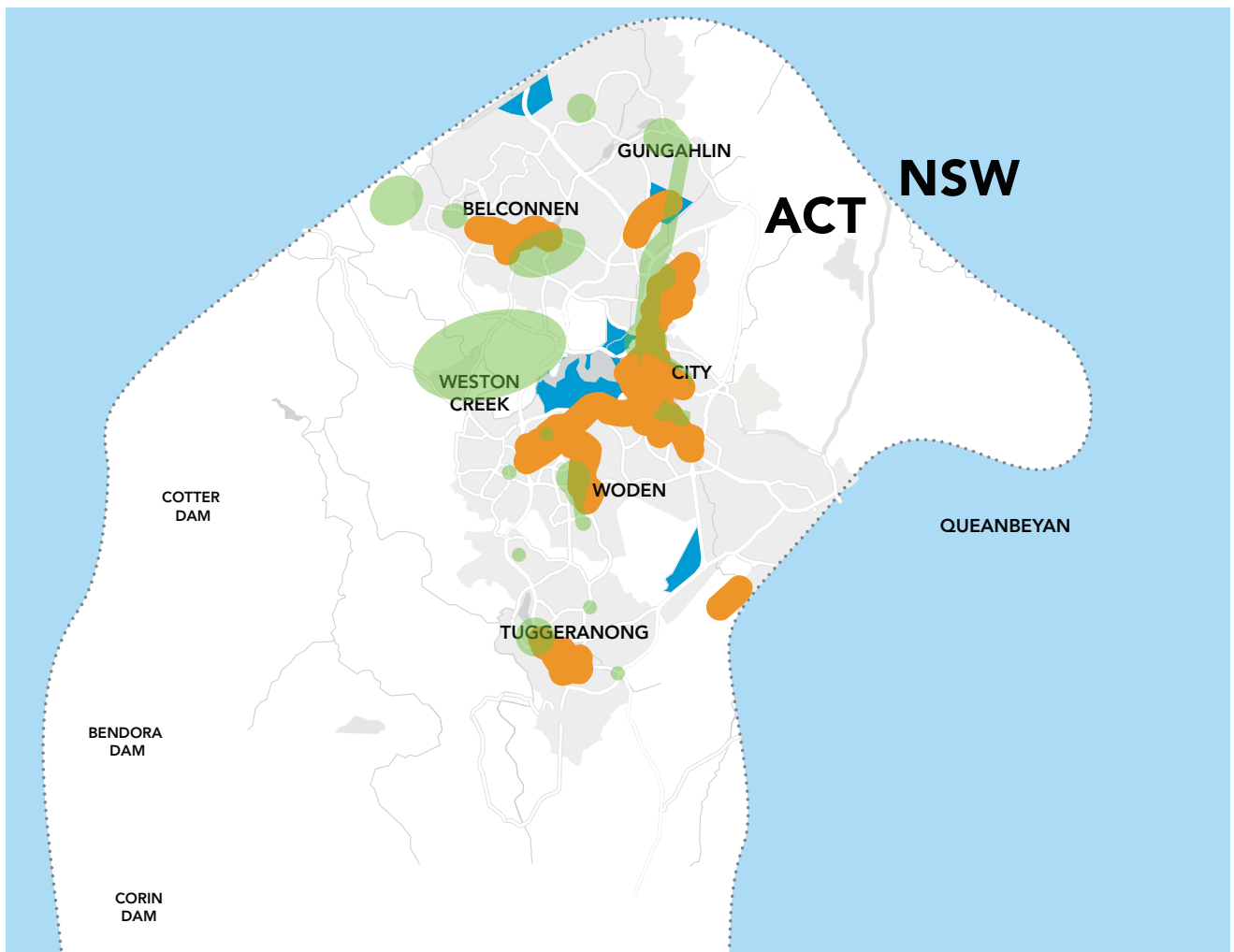
Future Population

The ACT Planning Strategy 2018 anticipates up to 70% of future growth in Canberra to be infill, centred around the Light Rail corridor, as well as urban renewal and densification near the major town centres. We are already seeing these changes with increased densification in these areas.

Ongoing greenfield and expansion of the suburban area are also anticipated, and The ACT Planning Strategy 2018 supports the coordination and integration of growth and change of Canberra region as a whole.

The implications of the current pandemic are yet to be fully quantified. We will continue to review and update our future plans in accordance with government projections.

Figure 1 shows the anticipated growth in the region.



Anticipated Growth Areas:
We expect future growth here.



Water



Wastewater

Network Locations Approaching Capacity:
Potential to accommodate future growth is limited.

Who this plan is for?

This Growth Servicing Plan has been designed to be used by government agencies, commercial developers and the broader ACT community.

What this plan covers

This Growth Servicing Plan shows how and when we expect to respond to growth in the region. It consists of a short term (0-5 years), medium term (5-10 years) and long-term (10-20 years) plan - shown in pages 20-25 of this document respectively. It includes anticipated investment in new and existing infrastructure to 2042, in major infill and greenfield areas. This plan also includes maps and other spatial data, with each map colour coded to differentiate between anticipated growth areas and other areas where growth is not currently expected.

This Growth Servicing Plan focuses primarily on mid-size shared infrastructure that services a part of our city such as part of a suburb up to district level, which is often most relevant to local development growth. We also include some information around local street level reticulation infrastructure and city wide larger infrastructure. We differentiate these into 3 separate Classes (1-3), which is further discussed on page 16.

What this plan should not be used for

This Growth Servicing Plan can not to be relied upon for third party investment decisions. It reflects our current intentions based on existing information. This plan may change depending on future circumstances including population growth, ACT Government planning and growth strategies, changes in development mix, our asset performance, market conditions etc.

A glass carafe of water is the central focus, sitting on a rustic wooden table. The carafe has a textured, faceted design and is partially filled with water. In the background, a laptop is open, and a yellow coffee cup sits on a saucer. The scene is set outdoors, with greenery visible in the distance.

ABOUT
ICON WATER

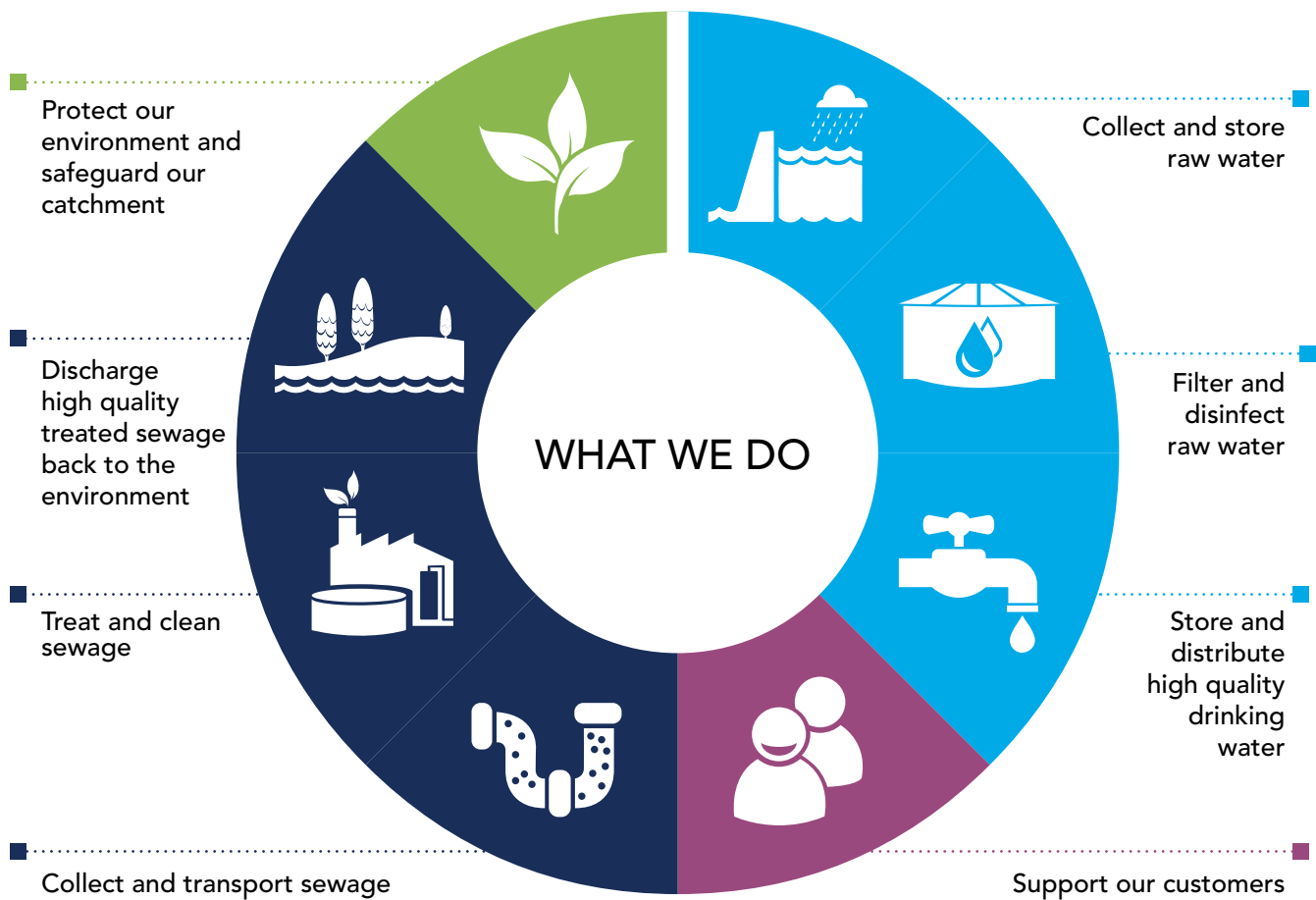
Enjoy a drop of
CANBERRA'S
FINEST

#RefillCanberra

WHO WE ARE

Icon Water is the ACT's supplier of essential water and wastewater services. We have been part of the community for over 100 years, sourcing, treating and supplying water, and managing Canberra's wastewater services. We provide essential services that contribute to public health and the future prosperity and liveability of the region.

The assets we own and manage for the community are valued at around \$3.2 billion and include the region's network of dams, water treatment plants, reservoirs, water and sewerage pumping stations, pipes and other related infrastructure.



OUR ASSETS

\$3.2 billion

of water and wastewater related assets



278 GL

Combined
dam capacity



3,400km

Network
of water pipes



25

Water
pumping
stations



2

Water
treatment
plants



50

Reservoirs



3,400km

Network
of sewer
pipes



27

Sewage
pumping
stations



4

Sewage
treatment
plants

REGULATORY FRAMEWORK

Icon Water is a regulated utility service provider under various ACT, NSW and Commonwealth codes, legislation and regulations including:

- *Utilities Act 2000 (ACT)*
- *Utilities (Technical Regulation) Act 2014*
- *Water Supply and Sewerage Service Standards Code December 2000*
- *Drinking Water Utility Licence (administered annually) issued under the Public Health Act (1997)*
- *Public Health (Drinking Water) Code of Practice (2007)*

Environment

One of our major roles is protecting the environment to maintain the liveability and biodiversity of our region. We operate one of the largest inland wastewater treatment plants in Australia, returning around 70 percent of the water Canberra uses as high-quality environmental flows to the Murrumbidgee system, which is within the Murray-Darling Basin catchment. We work with the ACT Environment Protection Authority (EPA) as the key environmental regulator to maintain our performance in this area.

We strive to balance financial, environmental, social and cultural outcomes and have adapted the United Nations Brundtland Commission definition of sustainability for our organisation:

“Balancing financial health, environmental sustainability, cultural vitality and social responsibility to meet the needs of the present without compromising the ability for future generations to meet their own needs.”

Our operations rely on weather and the water cycle. We are keenly aware of the impact climate change will have on our operations, assets and ability to provide essential services to our community. We use a range of business resilience programs to actively address potential climate change impacts including bushfire management, asset management and field based work practices.

Our Climate Change Adaptation Plan builds on existing programs and helps us understand our exposure to climate change risks and, through practical action, further build our resilience to existing and future climate change impacts in the ACT region.

Technical

Infrastructure assets are integral to the delivery of safe, reliable and quality water and wastewater services to our customers.

Our asset management decisions consider the acts, licenses and regulations ensuring we meet our technical and regulatory requirements. We work with the Utilities Technical Regulator and other key stakeholders to continually improve in this space.

Icon Water has in place an Asset Management System (AMS) that aligns with the ISO 55000 series of standards for asset management and the Institute of Asset Management’s Asset Management Maturity Framework 2015. Our AMS helps us maintain a line of sight between our customer requirements, business objectives and asset life cycle management.

One of the key artefacts of the AMS is the Strategic Asset Management Plan (SAMP). The SAMP combines the top-down directional desires (organisational mission, objectives and policies) with bottom-up realities (asset portfolio capabilities, performance and risk opportunities) to define the direction and long-term service outcomes. It is the basis for outlining and monitoring key performance indicators and provides Icon Water with the ability to monitor, measure and report on asset management objectives. It also provides clear courses of action for our asset management outcomes.

We have published our design and construction standards for our infrastructure.

Visit iconwater.com.au for more information.

Legal

Icon Water is an unlisted public company owned by the ACT Government. As a Territory-owned corporation, we are separated from the direct functions of government. We are governed by an independent board of directors who exercise a strategic governance and oversight role. We are accountable under the Territory-owned Corporations Act (ACT) as well as the Corporations Act.

Economic

The price of water and wastewater services in the ACT is set by the Independent Competition and Regulatory Commission (ICRC), whose key goal is to ensure the prudent and efficient delivery of these services. Further discussion on various infrastructure funding mechanisms and processes is given on page 11.





**INFRASTRUCTURE
FUNDING AND
INVESTMENT
DECISION MAKING**



There are generally two ways to fund new water and wastewater infrastructure in growth areas: through customers or through developers.

Infrastructure Funded by Our Customers

As a Territory-owned corporation, our investment decisions must meet tests set by our pricing regulator, the Independent Competition and Regulatory Commission (ICRC).

We must show that these decisions are financially prudent. Any new infrastructure we fund must be substantiated by demonstrated development demand with high certainty of delivery and timing.

Following demonstration of development demand to the ICRC, we identify the most viable way to service this growth.

New infrastructure requires significant investment, so the timing of construction is important. For an investment on new infrastructure to be efficient and economical, there must be developments ready to connect to the infrastructure soon after construction.

Water and wastewater infrastructure upgrades for city wide large infrastructure (Class 1 assets, more on asset classes in Section 8) are typically funded this way.

Infrastructure Funded by Developers

Infill Development (Capital Contribution)

Under the Water and Sewerage Capital Contribution (WSCC) Code, the cost of water and wastewater infrastructure upgrades required to support increasing density of development in established areas is shared between developers and Icon Water.

The WSCC Code formalises arrangements for contributions that developers pay towards future water and wastewater infrastructure upgrades for mid-sized shared infrastructure (Class 2 assets, more on asset classes in Section 8) that are necessitated by increased development density in established suburbs "within precinct". Icon Water typically undertake the design and delivery of the infrastructure.

Local street level reticulation infrastructure (Class 3 assets, more on asset classes in Section 8) required to support new developments in established areas are typically funded, designed and delivered by the developer.

Greenfield Development (Independently Funded)

Infrastructure required to support new developments outside of existing established areas are typically funded by the developer. Each development proposal is assessed individually, and requirement for augmentation is confirmed on a case-by-case basis.

Depending on the complexity of the asset, Icon Water may or may not be directly involved in the design and delivery of the infrastructure.

A photograph of rain falling on green grass. The rain is captured as vertical streaks, and the grass is in the foreground, slightly out of focus. A white circle is centered in the middle of the image, containing the text 'PLANNING FOR GROWTH'.

**PLANNING FOR
GROWTH**

In recent years, our region has been impacted by fire, flood, drought, storm events and COVID-19. These events, among others, have demonstrated that our operating conditions can be subject to sudden, unpredictable changes.

As such, as well as planning for growth, we are focused on building our resilience to climate change, drought and other challenges.

Data informs our planning process

We rely on broad ranging and up-to-date data to ensure our growth servicing plans are effective in the short, medium and long-term, while also allowing us to meet our customers' current needs.

This data is used in various analytical and modelling tools to assess current and future service capability challenges and determine servicing solutions that are robust and flexible. Data comes from numerous sources including:

- Legislative and regulatory frameworks (see pages 8-9)
- Industry bodies, standards and best practice guidelines
- ACT Government policies, strategies and plans
- Developer applications and investigations
- ABS and ACT demographic data
- Asset and spatial data
- Asset management principles, objectives and levels of service requirements
- Customer data and trends
- Our Let's Talk Water and Wastewater community engagement program

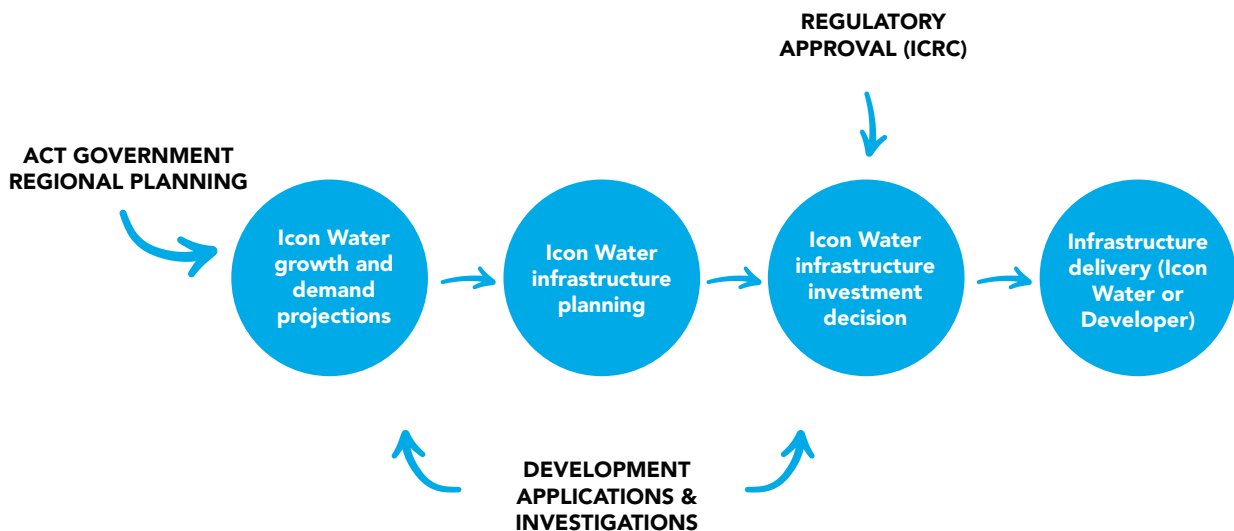


Figure 5 Our general planning process.

OUR PLANNING HORIZONS

As a service-centric organisation we operate over three planning horizons, in broad alignment with each of our three Growth Servicing Plans (pages 15 to 25). Table 1 below shows the planning horizons for the typical lead times for various infrastructure project deliverables.

The closer we are to design and delivery, the more detail and certainty we have about the infrastructure and its development or renewal. As we confirm more details, we have less opportunity to accommodate changes.

Table 1: Planning Horizons

Planning Horizon	Infrastructure Development Stage	Typical Deliverables	Flexibility to Accommodate Changes
0-5 years	<p>Design & Delivery</p> <p>In this stage we are determining and delivering infrastructure. Locations, size, sequencing and specific delivery timeframes are already confirmed.</p>	<ul style="list-style-type: none"> ▪ Detailed design and cost estimates ▪ Construction and commissioning of infrastructure 	Low
5-10 years	<p>Concept Development</p> <p>In this stage we are identifying the preferred servicing option and considering the ideal location, route, size and sequencing.</p>	<ul style="list-style-type: none"> ▪ Options analysis and evaluation ▪ Concept design ▪ Order of cost estimate ▪ Environmental impact assessments 	Medium
10-20 years	<p>Long-Term Planning</p> <p>In this stage we are identifying potential opportunities for delivering integrated water and wastewater services with a high-level pathway.</p>	<ul style="list-style-type: none"> ▪ Technical investigations ▪ Feasibility studies ▪ Environmental studies ▪ Land acquisition ▪ Commercial negotiations 	High



**PLANNING BY
ASSET CLASS**

OUR ASSET CLASSES

Table 2 below summarises our asset classes and how we plan and decide investment for our infrastructure. This Growth Servicing Plan focuses primarily on Class 2 infrastructure, but also includes some information across Class 1 and 3 infrastructure, particularly where future growth is anticipated.

Table 2: Asset Classes

Asset Class	How we plan our services	How we decide <i>where</i> to invest	How we decide <i>when</i> to build infrastructure
<p>Class 1 Headworks and large infrastructure</p>	<p>Icon Water manages planning. Our main reference is the population projections by the ACT Government and Australian Bureau of Statistics.</p> <p>Augmentation is based on holistic demand rather than growth in a localised area.</p>	<p>Investment decisions must comply with requirements set by our pricing regulator, the ICRC, and:</p> <ul style="list-style-type: none"> ▪ be financially prudent ▪ have demonstrated development demand ▪ have high certainty of delivery and timing. 	<ul style="list-style-type: none"> ▪ Building infrastructure is expensive so the timing of construction is important. ▪ For an investment on new infrastructure to be efficient and economical, there must be developments ready to connect to the infrastructure soon after construction.
<p>Class 2 Shared or distribution infrastructure</p>	<p>Icon Water manages planning. Our main guide is the ACT Planning Strategy 2018.</p> <p>We also consider the following:</p> <ul style="list-style-type: none"> ▪ Indicative Land Release Program, Suburban Land Authority (SLA) ▪ Planning studies conducted by various sources ▪ Enquiries received for future developments 	<p>Within these constraints we identify the most viable way to service new development.</p> <p>See page 11 for more detail.</p>	<p>See page 11 for more detail.</p>
<p>Class 3 Local or reticulation infrastructure</p>	<p>Developers typically manage planning and delivery.</p> <p>Developers must comply with Icon Water's Service Standards.</p>	<p>These assets are typically funded by developers.</p> <p>Once complete, they are handed over to Icon Water for long term management.</p> <p>We work to ensure the assets we accept meet the lowest life-cycle costs.</p>	<p>These assets are typically delivered by developers.</p> <p>We inspect and connect the completed infrastructure to our existing services (minimum lead times apply).</p>

WORK CURRENTLY UNDERWAY

As well as future changes and enhancements to our infrastructure, there are a number of areas of current work that should be considered in conjunction with the short, medium and longer-term servicing plans in this document. Table 3 and Figure 6 below show planning and delivery work that's currently underway across the asset classes.

Table 3: Work currently underway

Asset Class	We are working on
Class 1	<p>Upgrades to water and wastewater treatment plants.</p> <p>Upgrades to major trunk sewers and a major water pumping station.</p> <p>Planning for long term water security and drought management.</p>
Class 2	<p>Future projects to support anticipated growth in the next 20 years are outlined in this Growth Servicing Plan (see pages 20-25).</p>
Class 3	<p>Planning and delivery of our Class 3 assets is largely carried out as needed, in addition to our regular asset management activities.</p>

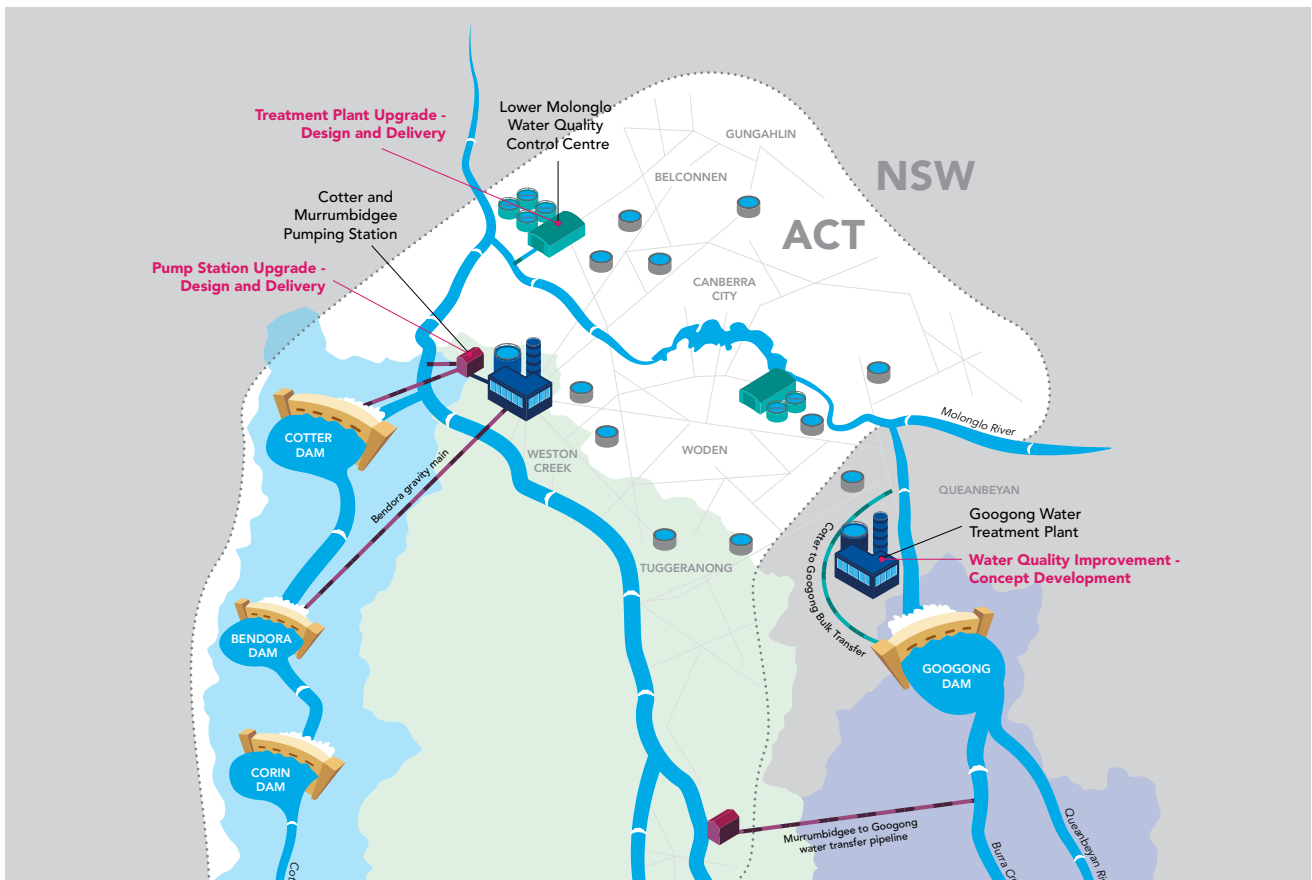


Figure 6 Class 1 works currently underway

HOW TO USE THIS PLAN

This Growth Servicing Plan shows when we expect changes and enhancements to various Class 2 water and wastewater infrastructure over the next 20 years across major infill and greenfield areas.

Reading these maps

Check the colour coding of anticipated growth areas, compared with areas approaching capacity:

Areas we anticipate growth	Network locations approaching capacity
<p>We expect future growth here.</p> <p>We have assessed the augmentation requirements of our network and have included them in this Growth Servicing Plan.</p> <p>Infrastructure would likely be funded through capital contribution or by the Developer. Lead times would apply.</p>	<p>We don't expect future growth here, and the potential to accommodate future growth is limited.</p> <p>If you are considering development here, we will assess the feasibility of augmentation on a case-by-case basis.</p> <p>Infrastructure would likely be funded by the developer and lead times would apply.</p>

ENGAGE WITH US EARLY

It takes time to plan and build infrastructure. If you have a proposed development, engage with us early, so we can collaborate effectively to achieve the best outcomes to support development and ensure services.

Table 3: Funding and delivery arrangement for proposed development

If the timing of your proposed development...	The Funding and Delivery Arrangement will be
Aligns with Icon Water’s Growth Servicing Plan	Icon Water and the Developer, fund and deliver the infrastructure in accordance with this plan.
Requires infrastructure sooner than Icon Water’s Growth Servicing Plan	It may be possible for Icon Water to accelerate infrastructure but this needs to be assessed and negotiated on case-by-case basis (lead times apply).
Is outside of Icon Water’s Growth Servicing Plan	Our ability to service this will be assessed, developed, and negotiated on a case-by-case basis (lead times apply).

SHORT TERM GROWTH PLAN (<5 YEARS)

This map shows the areas identified for augmentation in the next five years. Upgrades to trunk sewers are planned along the growth areas in the Inner North (along the Northbourne Corridor) and in Fyshwick.

More localised upgrades are required in Hume, Kippax and Jerrabomberra.

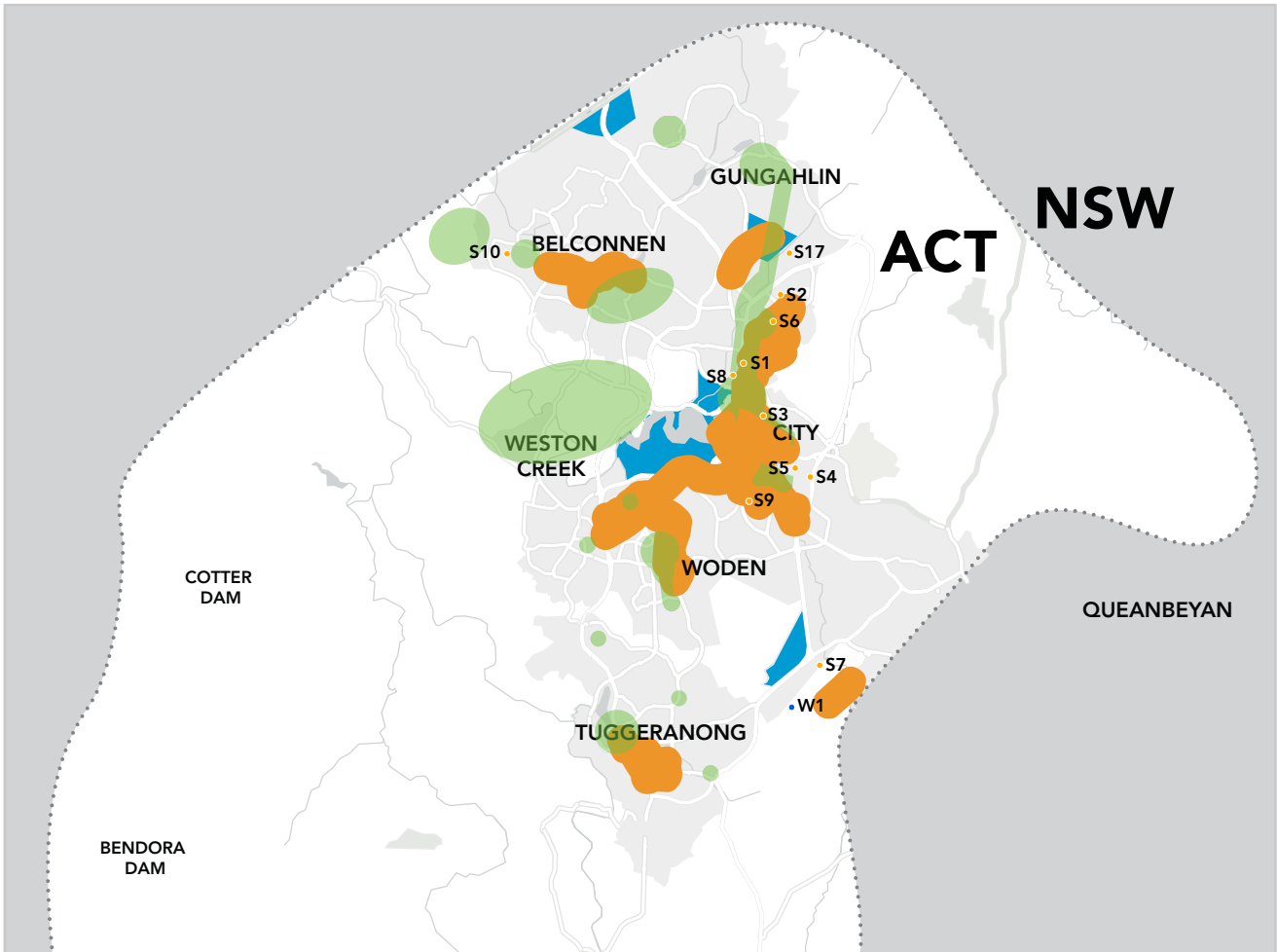


Figure 6 Areas identified for augmentation in the next five years



Anticipated Growth Areas: We expect future growth here.



Water



Wastewater

Network locations approaching capacity: Potential to accommodate future growth is limited.

See page 18 for more information.

Development Type	Service Type	Map Reference	Description	Project Size*
Infill (funded through WSCC)	Water	W1	New water mains to service development in Hume	Small
	Sewer	S1	New sewer mains to service development in Turner	Medium
		S2	New sewer mains to service development in Watson	Small
		S3	Upgrade existing sewer mains to service development in Campbell	Medium
		S4	Upgrade to an existing sewage pumping station in Fyshwick	Large
		S5	Upgrade to an existing sewage pumping station in Fyshwick	Medium
		S6	New sewer main to service development in Dickson	Small
		S7	Upgrade existing sewer mains to service development in Jerrabomberra	Small
		S8	Minor works to service development at ANU	Small
		S9	Upgrade existing sewer mains to service development in Red Hill	Small
S10		Upgrade existing sewer mains to service development at Kippax Centre	Small	
Greenfield (funded individually)	Sewer	S17	Upgrade existing sewer mains to service development in Kenny	Medium

* Small - less than \$3M, medium - over \$3M and less than \$10M, Large - over \$10M

MEDIUM TERM GROWTH PLAN (5-10 YEARS)

This map shows the areas identified for augmentation in the next 5 to 10 years. Upgrades to water distribution mains and trunk sewers are planned along the growth areas in North Canberra, the Inner North and the City.

More localised upgrades are required in Jerrabomberra and Kenny.

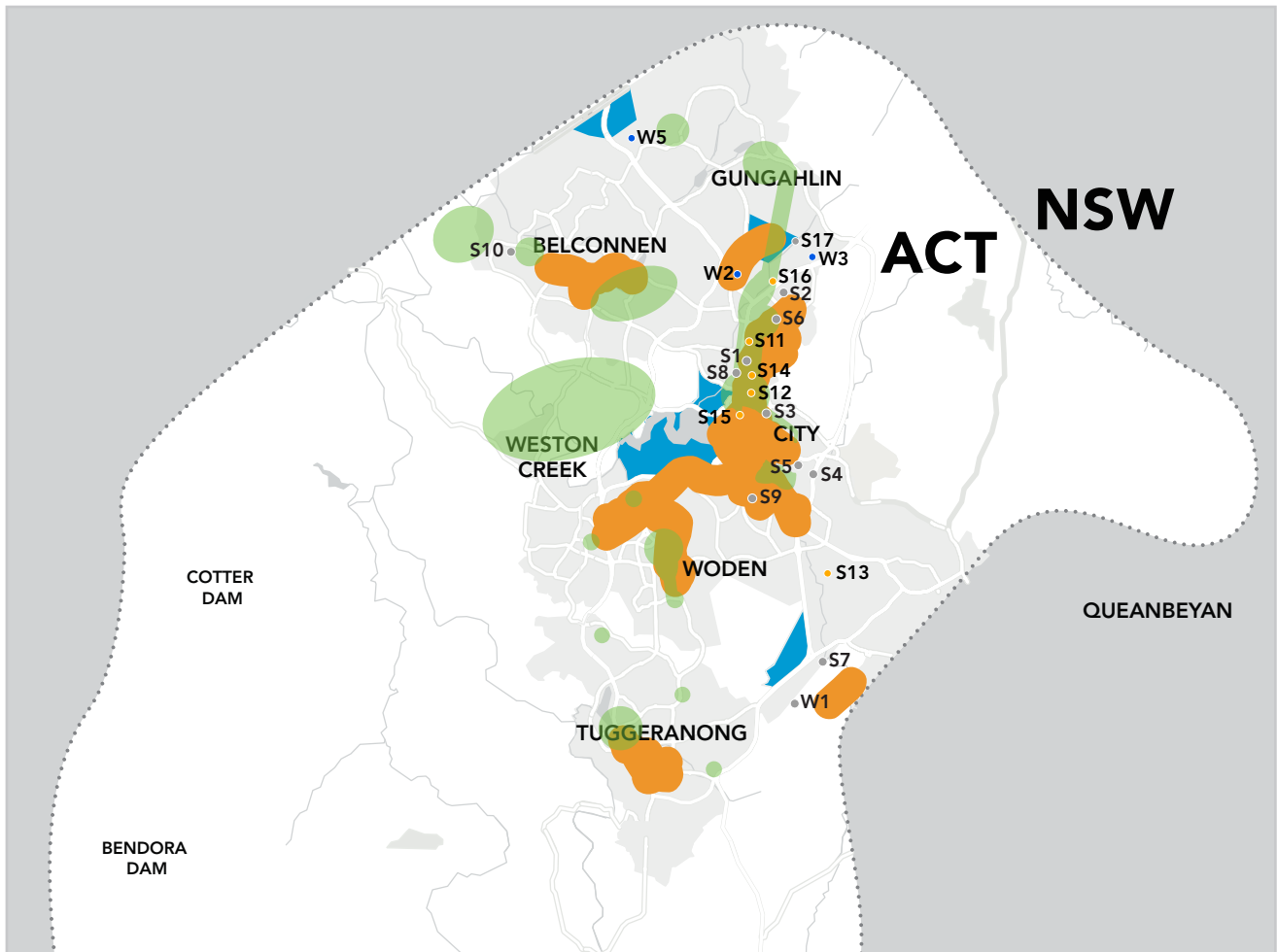


Figure 7 Areas identified for augmentation in the next 5-10 years



Anticipated Growth Areas: We expect future growth here.



Water



Wastewater

Network locations approaching capacity: Potential to accommodate future growth is limited.

See page 18 for more information.

Development Type	Service Type	Map Reference	Description	Project Size*
Infill (funded through WSCC)	Water	W2	New water distribution main from Gungahlin Reservoir to Downer/Watson in North Canberra	Medium
		W3	New water reticulation main to service Downer/Watson	Small
		W5	New reservoir to service development in West Belconnen	Medium
	Sewer	S11	New sewer mains to service development in Lyneham	Medium
		S12	Upgrade existing sewer mains to service development in City	Small
		S13	Additional storage at the Jerrabomberra sewer pump station to service development in Hume	Medium
		S14	New sewer main to service development in Braddon	Small
		S15	Additional storage at West Basin to service development in North Canberra	Large
		S16	Additional storage in Lyneham to service development in North Canberra	Large

* Small - less than \$3M, medium - over \$3M and less than \$10M, Large - over \$10M

LONGER TERM GROWTH PLAN (10-20 YEARS)

This map shows the areas identified for augmentation in the next 10 to 20 years. Upgrades to trunk sewers are planned along the growth areas in the Inner North and Woden.

More localised upgrades are required in various greenfield localities.

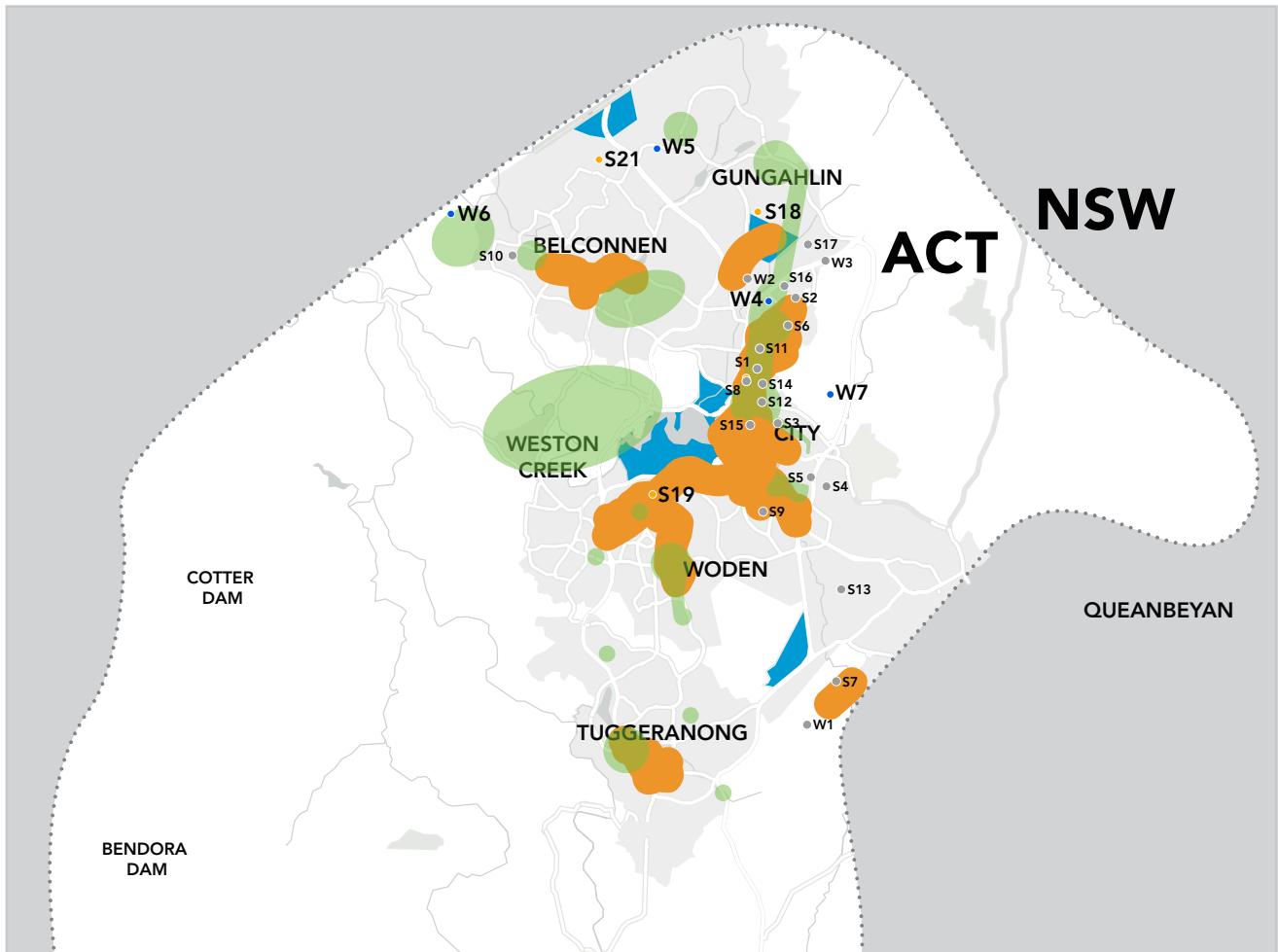


Figure 8 Areas identified for augmentation in the next 10-20 years.



Anticipated Growth Areas: We expect future growth here.



Water



Wastewater

Network locations approaching capacity: Potential to accommodate future growth is limited.

See page 18 for more information.

Development Type	Service Type	Map Reference	Description	Project Size*
Infill (funded through WSCC)	Water	W4	New water distribution main from Gungahlin Reservoir to Downer/Watson in North Canberra	Medium
	Sewer	S18	New sewer mains to service development in Lyneham	Small
		S19	Upgrade existing sewer mains to service development in City	Medium
		S20	Additional storage at the Jerrabomberra sewer pump station to service development in Hume	Medium
Greenfield (funded individually)	Water	W6	New water supply main in Nicholls to service development in Ginninderra	Medium
		W7	New water supply main from Campbell Reservoir to Gungahlin	Medium
	Sewer	S21	Upgrade existing trunk sewer in Hall and potential new sewage pump station to service development in Ginninderra	TBA

* Small - less than \$3M, medium - over \$3M and less than \$10M, Large - over \$10M

NOTES

1. This Growth Servicing Plan can not be relied upon for third party investment decisions. It reflects our 1 March 2023 intentions based on existing information. This plan may change depending on future circumstances such as population growth, ACT Government planning and growth strategies, changes in development mix, our asset performance, etc.
2. This Growth Servicing Plan is a living document is continually updated with major review and publication of this plan at least every 5 years.
3. The Growth Servicing Plan indicates works identified to support anticipated future growth at the time of publication (1 March 2023). Visit [iconwater.com.au](https://www.iconwater.com.au) for the latest version.
4. All growth projections and anticipated future development localities are based on the existing ACT Government Planning Strategy 2018.
5. All new development proposals and augmentation requirements will be assessed on a case-by-case basis.

Principal Registered Office

Level 5, ActewAGL House
40 Bunda Street
Canberra ACT 2600

Mitchell Office

12 Hoskins Street
Mitchell ACT 2911

Postal address

Icon Water
GPO Box 366
Canberra ACT 2601

ACN: 069 381 960

ABN: 86 069 381 960

TTY for Hearing Impaired

133 677

Language assistance

13 14 50, 24 hours

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Nếu cần thông dịch viên, hãy gọi đến số trên đây

Talk to us

E talktous@iconwater.com.au

T (02) 6248 3111



@iconwater



@iconwater



@iconwaterCBR

iconwater.com.au

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