

This Fact Sheet sets out our key decisions on draft prices for Border regulated rivers water users only. This information is not exhaustive and should be viewed in conjunction with our Draft Report and Draft Determination. These documents and other fact sheets are available on our [website](#).

1 Key changes since the 2016 price review

For this price review, we are unbundling existing water management prices into 3 separate pricing components for:

- ▼ Water Administration Ministerial Corporation's (WAMC's) water management charges
- ▼ Murray-Darling Basin Authority (MDBA) charges
- ▼ Dumaresq-Barwon Border Rivers Commission (BRC) charges.

Each component will have its own entitlement (fixed) charge (\$/ML of entitlement) and water take (variable) charge (\$/ML of usage).

Our new price structure improves transparency in costs and prices, and is consistent with how we set charges for Water NSW's rural bulk water services. Our draft decisions also seek to improve the sharing of these costs between all water users. This means that depending on the water source, water users will pay up to 3 charge components. That is, all water users will pay water management charges and water users that are in Murray-Darling Basin (MDB) and BRC areas will also pay MDBA and BRC charges. This includes small users who are subject to the minimum annual charge (MAC).

2 Draft prices for Border regulated rivers water users

Under our draft decisions, Border regulated rivers water users will pay water management, MDBA and BRC charges for the 2021 determination period.

MDBA and BRC draft charges are set at full cost recovery from 1 July 2021 onwards. This means that our draft charges will remain constant in real terms (i.e. will only increase by CPI) over the next 4 years.

WAMC's water management draft charges are also set at full cost recovery from 1 July 2021 onwards. In section 3, we present the key drivers of changes to charges.

Our draft charges are presented in Table 2.1, which shows the combined entitlement and water take charges for each component. We provide a further breakdown of prices in Section 4.

Table 2.1 Combined entitlement and water take charges for Border regulated rivers (\$/ML, \$2020-21)

	2020-21	2021-22	2022-23	2023-24	2024-25	Difference 20-21 to 24-25
Water Management		2.86	2.86	2.86	2.86	N/A
MDBA		0.79	0.79	0.79	0.79	N/A
BRC		1.86	1.86	1.86	1.86	N/A
Total	4.06	5.50	5.50	5.50	5.50	35.5%

Note: Although the figures in the table above are presented to the nearest cent, these figures are not rounded to the nearest cent. As a result, these figures may not add. The charges are in real dollars and exclude the impact of CPI.

For small water users in Border regulated rivers that are subject to the MAC¹, they will be required to pay MAC, MDBA and BRC charges. We have set the MAC at \$219 per licence in 2021-22. This charge is set below cost recovery and will transition towards full cost recovery at a rate of 2.5% per year (or 10% total) in real terms over the next 4 years.

3 What are key drivers of changes to prices?

Prices are increasing by 35.5% from current 2020-21 levels for Border regulated rivers over the next 4 years. Key drivers of this change from the 2016 price review are discussed below.

Changes in costs	<ul style="list-style-type: none"> ▼ WAMC water management costs allocated to Border regulated rivers have declined by 6%. This is mostly because modelling and impact assessment, water management implementation and business and customer service costs allocated to Border have reduced. These lower efficient costs for water management result in downward pressure on full cost recovery prices for water management. ▼ MDBA and BRC costs allocated to Border regulated rivers have increased by around 17% and 584% respectively. ▼ Total costs allocated to Border regulated rivers have increased by 39% in the 2021-22 to 2024-25 period. Overall, this results in upward pressure on combined full cost recovery prices.
Changes in entitlements and water take volumes	<ul style="list-style-type: none"> ▼ There are small changes in entitlement and water take forecasts compared to what we used to set prices in the 2016 price review. This is not a key driver of price changes in Border regulated rivers.
Changes in cost recovery levels	<ul style="list-style-type: none"> ▼ As a result of decreasing efficient costs for water management offset by increasing efficient costs for MDBA and BRC allocated to Border regulated rivers, the combined full cost recovery prices will increase by 35.5%.

¹ Minimum annual charge (MAC) applies to licence holders or water users where the sum of the WAMC's water management entitlement charge and water take charge is less than the MAC.

4 Additional information

In the table below, we have set out the breakdown of the entitlement charges and water take charges for the Border regulated rivers over the 2021 determination period. These charges are set in \$2020-21, therefore before inflation.

Table 4.1 Draft prices for Border regulated rivers water users (\$/ML, \$2020-21)

	2020-21	2021-22	2022-23	2023-24	2024-25	Difference 20-21 to 24-25
Entitlement charge (\$/ML of entitlement)						
Water Management		1.63	1.63	1.63	1.63	
MDBA		0.54	0.54	0.54	0.54	
BRC		1.28	1.28	1.28	1.28	
Total entitlement charge	2.28	3.46	3.46	3.46	3.46	51.9%
Water take charge (\$/ML of usage)						
Water Management		1.22	1.22	1.22	1.22	
MDBA		0.24	0.24	0.24	0.24	
BRC		0.58	0.58	0.58	0.58	
Total water take charge	1.78	2.04	2.04	2.04	2.04	14.6%
Combined total charge	4.06	5.50	5.50	5.50	5.50	35.5%

Note: Although the figures in the table above are presented to the nearest cent, these figures are not rounded to the nearest cent. As a result, these figures may not add. The charges are in real dollars and exclude the impact of CPI.

The prices presented above assume there are no floodplain harvesting (FPH) licences. If FPH licences are introduced, we have allowed for prices to switch to a new pricing schedule resulting in lower water take charges for all water users in Border regulated rivers.