

WAMC prices for Murrumbidgee Groundwater

9 September 2021

Your total prices will increase from 1 October 2021

We have reviewed the Water Administration Ministerial Corporation's (WAMC) efficient costs and prices. As presented in Table 1 and Table 2, total prices will increase from 1 October 2021.

For this water source, the WAMC water management prices are transitioning towards full cost recovery. Price increases will be capped at 2.5% per year (before inflation) to mitigate bill impacts for water users. The prices to recover the costs of the Murray-Darling Basin Authority (MDBA) are set at full cost recovery and will remain constant in real terms over the 2021 determination period (1 Oct 2021 to 30 June 2025). The total prices are increasing by 16.5% (before inflation) from 2020-21 to 2024-25.

Schedule of prices from 1 October 2021

Table 1: Prices for 2-part tariffs (\$/ML, \$2021-22)

	2020-21	2021-22	2022-23	2023-24	2024-25	% change from 2020-21 to 2024-25
Entitlement price						
Water management		2.99	3.07	3.14	3.22	NA
MDBA		0.19	0.19	0.19	0.19	NA
BRC		NA	NA	NA	NA	NA
Combined	2.56	3.18	3.26	3.33	3.41	33.0%
Water take price						
Water management		1.79	1.84	1.89	1.93	NA
MDBA		0.07	0.07	0.07	0.07	NA
BRC		NA	NA	NA	NA	NA
Combined	2.08	1.86	1.91	1.96	2.00	-3.8%
Total price	4.64	5.04	5.17	5.29	5.41	16.5%

Note: The percentage change includes the impact of inflation from 2020-21 to 2021-22 of 1.1%.

Source: IPART analysis.

Table 2: Prices for 1-part tariffs (\$/ML, \$2021-22)

	2020-21	2021-22	2022-23	2023-24	2024-25	% change from 2020-21 to 2024-25
Entitlement price						
Water management		4.78	4.91	5.03	5.15	NA
MDBA		0.26	0.26	0.26	0.26	NA
BRC		NA	NA	NA	NA	NA
Total price	4.64	5.04	5.17	5.29	5.41	16.5%

Note: The percentage change includes the impact of inflation from 2020-21 to 2021-22 of 1.1%.

Source: IPART analysis.

Key drivers of prices changes

The Murrumbidgee groundwater source is a subset of the Inland groundwater source. Since the 2016 price review, water users in Murrumbidgee groundwater are paying lower prices than water users in Inland groundwater to limit bill shocks. This will continue over the 2021 determination period.

The total price increase of 16.5% is driven by how we set prices to recover costs allocated to this water source.

- For WAMC water management prices, we are transitioning these prices to full cost recovery at a capped rate of 2.5% per year, before inflation.
- Meanwhile, MDBA prices are set at full cost recovery.

Minimum annual charge set at \$221.50 per licence

We have set the minimum annual charge (MAC) at \$221.50 per licence in 2021-22. The MAC recovers most of WAMC's costs associated with account management services (i.e. compliance management, customer management and billing management). The MAC will increase by 2.5% per year (before inflation) over the 2021 determination period.

Water users paying the MAC will also be required to pay MDBA prices. This is to improve the sharing of MDBA costs between all water users.