

# WAMC prices for Namoi regulated rivers

## 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, total prices will increase from 1 October 2021.

For this water source, the WAMC water management prices and prices to recover the costs of the Murray-Darling Basin Authority (MDBA) are all set at full cost recovery. This means that prices will remain constant in real terms over the 2021 determination period (1 Oct 2021 to 30 June 2025). The total prices are increasing by 2.2% (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
<b>Entitlement price</b>						
Water management		1.92	1.92	1.92	1.92	NA
MDBA		0.82	0.82	0.82	0.82	NA
BRC		NA	NA	NA	NA	NA
<b>Combined</b>	<b>2.73</b>	<b>2.74</b>	<b>2.74</b>	<b>2.74</b>	<b>2.74</b>	<b>0.3%</b>
<b>Water take price</b>						
Water management		1.54	1.54	1.54	1.54	NA
MDBA		0.39	0.39	0.39	0.39	NA
BRC		NA	NA	NA	NA	NA
<b>Combined</b>	<b>1.84</b>	<b>1.93</b>	<b>1.93</b>	<b>1.93</b>	<b>1.93</b>	<b>5.1%</b>
<b>Total price</b>	<b>4.57</b>	<b>4.67</b>	<b>4.67</b>	<b>4.67</b>	<b>4.67</b>	<b>2.2%</b>

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

Source: IPART analysis.

## Key drivers of prices changes

Total allocated costs to this water source have decreased by around 3% (or \$0.13 million) since the 2016 price review, which is driven by:

- Lower WAMC's water management costs by around \$0.3 million in total
- Higher MDBA costs. We have allocated a total of around \$1.1 million (up by \$0.2 million) to this water source. While total MDBA costs have declined from the 2016 price review, the increase in costs allocated to this water source reflects the higher user share.

However, forecast entitlements and water take volumes are lower than volumes used in the 2016 price by around 7%, which place upward pressure on prices. As such, the reduction in costs is more than offset by the reduced demand, leading to the price increases.

## 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.