

Bulk Water Prices
for
State Water Corporation and
Water Administration Ministerial Corporation
from 1 October 2006 to 30 June 2010

Water - Determination
September 2006

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Determination No 4, 2006

**Section 11(1)
Independent Pricing and Regulatory Tribunal Act 1992**

State Water Corporation

**Independent Pricing and Regulatory Tribunal
of New South Wales**

Reference No 05/545

1. Background

- (a) Section 11 of the *Independent Pricing and Regulatory Tribunal Act 1992 (IPART Act)* permits the Tribunal to conduct investigations and make reports to the Minister administering the IPART Act on the determination of the pricing for a government monopoly service supplied by a government agency specified in Schedule 1 of the IPART Act.
- (b) State Water Corporation (**Corporation**) (as a statutory State owned corporation established by section 4 of the *State Water Corporation Act 2004 (SWC Act)*) is listed in Schedule 1 of the IPART Act as a "government agency" for which the Tribunal has a standing reference for the purposes of section 11 of the IPART Act.
- (c) The Corporation's functions under the SWC Act (section 6) include:
 - (1) to capture and store water and to release water:
 - (i) to persons entitled to take the water, including release to regional towns;
 - (ii) for the purposes of flood management; and
 - (iii) for any other lawful purpose, including the release of environmental water; and
 - (2) to construct, maintain and operate water management works.
- (d) Under section 29 of the SWC Act, the Corporation may impose fees or charges on any person to whom the Corporation provides a service in the exercise of its functions, including any person to whom the Corporation makes water available.
- (e) Under section 4(7) of the IPART Act, the Corporation is taken to be the supplier of the services for which fees and charges are payable under the SWC Act, and which are declared to be government monopoly services.
- (f) Under clause 3 of the *Independent Pricing and Regulatory Tribunal (Water Services) Order 2004*, services supplied by the Corporation which involve:
 - (1) the making available of water;
 - (2) the making available of the Corporation's water supply facilities; or
 - (3) the supplying of water, whether by means of the Corporation's facilities or otherwise,are "government monopoly services" (**Monopoly Services**) for the purposes of sections 4 and 11(1) of the IPART Act. Accordingly, the Tribunal may conduct investigations and report to the Minister administering the IPART Act on the determination of prices for these Monopoly Services supplied by the Corporation.
- (g) In practice, charges for the Corporation's water delivery activities are made as charges under licences, permits, approvals or authorities granted:

- (1) by the Minister under Chapter 3 of the *Water Management Act 2000* (**Water Management Act**) (in areas of NSW in which proclamations under sections 55A and 88A of the Water Management Act are in force); and
 - (2) by the Water Administration Ministerial Corporation (**WAMC**) under the *Water Act 1912* (**Water Act**) (in other areas of NSW).
- (h) Accordingly, in determining prices for the Corporation's Monopoly Services, the Tribunal has determined prices payable for these services under various licences, permits, approvals or authorities granted under the Water Management Act and the Water Act.
- (i) In investigating and reporting on the pricing of the Corporation's Monopoly Services, the Tribunal has had regard to a broad range of matters, including the criteria set out in section 15(1) of the IPART Act.
- (j) In accordance with section 13A(1) of the IPART Act, the Tribunal has fixed the maximum price for the Corporation's Monopoly Services and/or established a methodology for fixing the maximum price. Schedule 3 sets out the Tribunal's reasons for choosing to make a determination that involves setting the methodology for fixing a maximum price for entitlement charges and usage charges.
- (k) Under section 18(2) of the IPART Act, the Corporation may not fix a price for Monopoly Services below that determined by the Tribunal without the approval of the Treasurer.

2. Application of this determination

- (a) Under section 13A of the IPART Act, this determination fixes the maximum prices (and/or sets a methodology for fixing those maximum prices) that may be charged for the Corporation's Monopoly Services under Water Licences that authorise the extraction of water from regulated rivers.
- (b) For the avoidance of doubt, this determination does not apply to the following services provided by the Corporation:
- (1) management services provided by the Corporation to the Lowbidgee Flood Control and Irrigation District Trust established to manage floodplain, wetlands and irrigation works in the Lowbidgee Flood Control and Irrigation District; and
 - (2) the rights granted by the Corporation to hydropower operators to install their facilities on the Corporation's dams and use water in its storages for power generation, or the maintenance and emergency response services provided by the Corporation to these operators.
- (c) This determination commences on the later of 1 October 2006 and the date that it is published in the NSW Government Gazette (**Commencement Date**).
- (d) The maximum prices in this determination apply from the Commencement Date to 30 June 2010. The maximum prices in this determination prevailing at 30 June 2010 continue to apply beyond 30 June 2010 until this determination is replaced.

3. Replacement of Determination No. 8 of 2005

Determination No. 8 of 2005 (Reference No 04/291), to the extent that it relates to pricing for the Corporation's Monopoly Services, is replaced by this determination from the Commencement Date. The replacement does not affect anything done or omitted to be done, or rights or obligations accrued, under that determination prior to its replacement.

4. Monitoring

The Tribunal may monitor the performance of the Corporation for the purposes of:

- (a) establishing and reporting on the level of compliance by the Corporation with this determination; and
- (b) preparing a periodic review of pricing policies in respect of the Monopoly Services supplied by the Corporation.

5. Schedules

Schedules 1 and 2 and the Tables in those Schedules set out the maximum prices that the Corporation may charge for the Monopoly Services specified in the Schedule. They operate together with Schedule 3.

6. Definitions and Interpretation

Definitions and interpretation provisions used in this determination are set out in Schedule 4.

Schedule 1

Regulated Rivers

1. Application

This Schedule sets the maximum prices that may be charged for the Corporation's Monopoly Services under a Water Licence that authorises the extraction of water from a Regulated River, for the period to which this determination applies.

2. Maximum charges

2.1 Subject to clause 4 of this Schedule, the maximum charges that may be levied for the Corporation's Monopoly Services under a licence referred to in clause 1 of this Schedule is the sum of the following:

- (a) subject to clause 2.3 of this Schedule, an entitlement charge (being a charge expressed in dollars per megalitre of Entitlement or in dollars per unit share) in Table 1 for the relevant river valley and relevant year, multiplied by a licence holder's Entitlement or unit share for that year (and in the case of a WMA Licence holder, further multiplied by the conversion factor in clause 3 of this Schedule); and
- (b) subject to clause 2.2 of this Schedule, a usage charge (being a charge expressed in dollars per megalitre of water actually extracted) in Table 2 for:
 - (1) **in the case of Tagged Water Entitlement:** the relevant river valley as set out in the Licence Register and the relevant year, multiplied by a licence holder's usage for that year; and
 - (2) **in any other case:** the relevant river valley from which the water is extracted and the relevant year, multiplied by a licence holder's usage for that year.

2.2 Despite clause 2.1 of this schedule, only a usage charge may be levied by the Corporation for:

- (a) a High Flow Licence; or
- (b) a Supplementary Water Access Licence.

2.3 If the licence holder is either the Murrumbidgee Irrigation Limited or the Coleambally Irrigation Limited (each an **Irrigation Company**) the entitlement charge payable by an Irrigation Company in clause 2.1(a) is to be reduced by an amount equal to the discount entitlement price in Table 4 multiplied by that Irrigation Company's Entitlement or unit share associated with a Conveyance Licence for the relevant year.

3. Conversion factor

- 3.1 If WA Licences in a river valley are converted to WMA Licences and those WMA Licence are expressed as a specified number of unit shares then the following conversion factor is to be applied to the entitlement charges for that river valley in Table 1:

$$CF = \frac{A}{S}$$

Where:

CF - conversion factor for a river valley

A - the Valley Entitlement Volume of water (expressed in megalitres) at the conversion of the WA Licences to WMA Licences

S - the number of unit shares allocated to licence holders in a river valley immediately after those WMA Licences are issued

- 3.2 A worked example of the application of this clause is set out in Schedule 3.

Note: One of the consequences of the introduction of the Water Management Act is that for some licence holders their entitlement is no longer defined in the licence as a volumetric allowance (in megalitres) but a 'unit share' of the available water for that valley (as defined by the relevant Water Sharing Plan for the valley in question).

For the purposes of setting prices, the Tribunal has assumed that one 'unit share' is equivalent to one megalitre of entitlement. If a "unit share" represents less than 1ML of water, then the conversion factor ensures that the price per ML of water is that determined by the Tribunal. This provides customers with some protection in situations where entitlement volumes have been reduced.

4. Rebate on total bill for entitlement and usage charges

A licence holder in Table 3 will receive the rebate (listed for that licence holder in Table 3) on that licence holder's total bill for entitlement and/or usage charges.

5. Murrumbidgee and Yanco Columbo System

- 5.1 In addition to the charges set out in Tables 1 and 2, a licence holder who is an Irrigator in respect of the Yanco Columbo System may be charged a levy of \$0.90 per megalitre of Entitlement or per unit share.
- 5.2 Clauses 3 and 4 of this Schedule do not apply to these charges.

6. User initiated projects

In addition to the charges set out in Tables 1 and 2, if a group of Irrigators (**Group of Irrigators**) requests the Corporation to undertake a project to improve water use and environmental outcomes, the Corporation may determine the appropriate levy to charge the Group of Irrigators to undertake that project only if all the following conditions are satisfied:

- (a) there is substantial support from the Group of Irrigators for that project;
- (b) there is substantial agreement from the Group of Irrigators that the Corporation is to charge a levy for that project; and
- (c) the Corporation has provided evidence satisfactory to the Tribunal that paragraphs (a) and (b) above have been complied with.

Tables 1, 2, 3 and 4

Table 1 Entitlement Charges for Regulated Rivers

River valley	Commencement Date to 30 June 2007		1 July 2007 to 30 June 2008		1 July 2008 to 30 June 2009		1 July 2009 to 30 June 2010	
	High security (\$/ML of Entitlement or \$/unit share)	General security (\$/ML of Entitlement or \$/unit share)	High security (\$/ML of Entitlement or \$/unit share)	General security (\$/ML of Entitlement or \$/unit share)	High security (\$/ML of Entitlement or \$/unit share)	General security (\$/ML of Entitlement or \$/unit share)	High security (\$/ML of Entitlement or \$/unit share)	General security (\$/ML of Entitlement or \$/unit share)
Border	4.09	2.86	4.05 x (1+ΔCPI ₁)	2.95 x (1+ΔCPI ₁)	4.01 x (1+ΔCPI ₂)	3.03 x (1+ΔCPI ₂)	3.96 x (1+ΔCPI ₃)	3.09 x (1+ΔCPI ₃)
Gwydir	4.71	2.95	5.00 x (1+ΔCPI ₁)	2.99 x (1+ΔCPI ₁)	5.27 x (1+ΔCPI ₂)	3.02 x (1+ΔCPI ₂)	5.51 x (1+ΔCPI ₃)	3.05 x (1+ΔCPI ₃)
Namoi	8.35	5.88	8.39 x (1+ΔCPI ₁)	6.19 x (1+ΔCPI ₁)	8.42 x (1+ΔCPI ₂)	6.48 x (1+ΔCPI ₂)	8.43 x (1+ΔCPI ₃)	6.74 x (1+ΔCPI ₃)
Peel	11.51	4.21	11.13 x (1+ΔCPI ₁)	3.27 x (1+ΔCPI ₁)	10.76 x (1+ΔCPI ₂)	2.38 x (1+ΔCPI ₂)	10.41 x (1+ΔCPI ₃)	1.55 x (1+ΔCPI ₃)
Lachlan	6.10	3.61	6.20 x (1+ΔCPI ₁)	3.25 x (1+ΔCPI ₁)	6.28 x (1+ΔCPI ₂)	2.91 x (1+ΔCPI ₂)	6.36 x (1+ΔCPI ₃)	2.59 x (1+ΔCPI ₃)
Macquarie	4.19	2.87	4.56 x (1+ΔCPI ₁)	2.84 x (1+ΔCPI ₁)	4.91 x (1+ΔCPI ₂)	2.81 x (1+ΔCPI ₂)	5.23 x (1+ΔCPI ₃)	2.78 x (1+ΔCPI ₃)
Murray	4.01	3.56	3.47 x (1+ΔCPI ₁)	3.01 x (1+ΔCPI ₁)	2.97 x (1+ΔCPI ₂)	2.49 x (1+ΔCPI ₂)	2.49 x (1+ΔCPI ₃)	1.99 x (1+ΔCPI ₃)
Murrumbidgee	3.07	2.71	2.78 x (1+ΔCPI ₁)	2.23 x (1+ΔCPI ₁)	2.49 x (1+ΔCPI ₂)	1.79 x (1+ΔCPI ₂)	2.23 x (1+ΔCPI ₃)	1.37 x (1+ΔCPI ₃)
North Coast	9.34	7.22	7.83 x (1+ΔCPI ₁)	6.10 x (1+ΔCPI ₁)	6.41 x (1+ΔCPI ₂)	5.05 x (1+ΔCPI ₂)	5.07 x (1+ΔCPI ₃)	4.06 x (1+ΔCPI ₃)
Hunter	10.00	5.22	12.97 x (1+ΔCPI ₁)	5.54 x (1+ΔCPI ₁)	15.74 x (1+ΔCPI ₂)	5.84 x (1+ΔCPI ₂)	18.31 x (1+ΔCPI ₃)	6.10 x (1+ΔCPI ₃)
South Coast	10.60	7.67	10.26 x (1+ΔCPI ₁)	6.96 x (1+ΔCPI ₁)	9.93 x (1+ΔCPI ₂)	6.29 x (1+ΔCPI ₂)	9.61 x (1+ΔCPI ₃)	5.65 x (1+ΔCPI ₃)

Table 2 Usage Charges for Regulated Rivers

River valley	Commencement Date to 30 June 2007 (\$/ML)	1 July 2007 to 30 June 2008 (\$/ML)	1 July 2008 to 30 June 2009 (\$/ML)	1 July 2009 to 30 June 2010 (\$/ML)
Border	3.96	$4.66 \times (1+\Delta\text{CPI}_1)$	$5.31 \times (1+\Delta\text{CPI}_2)$	$5.92 \times (1+\Delta\text{CPI}_3)$
Gwydir	4.70	$5.92 \times (1+\Delta\text{CPI}_1)$	$7.06 \times (1+\Delta\text{CPI}_2)$	$8.11 \times (1+\Delta\text{CPI}_3)$
Namoi	7.95	$9.18 \times (1+\Delta\text{CPI}_1)$	$10.32 \times (1+\Delta\text{CPI}_2)$	$11.37 \times (1+\Delta\text{CPI}_3)$
Peel	13.31	$16.88 \times (1+\Delta\text{CPI}_1)$	$20.20 \times (1+\Delta\text{CPI}_2)$	$23.29 \times (1+\Delta\text{CPI}_3)$
Lachlan	6.02	$7.37 \times (1+\Delta\text{CPI}_1)$	$8.63 \times (1+\Delta\text{CPI}_2)$	$9.81 \times (1+\Delta\text{CPI}_3)$
Macquarie	4.96	$5.93 \times (1+\Delta\text{CPI}_1)$	$6.83 \times (1+\Delta\text{CPI}_2)$	$7.67 \times (1+\Delta\text{CPI}_3)$
Murray	1.82	$2.46 \times (1+\Delta\text{CPI}_1)$	$3.06 \times (1+\Delta\text{CPI}_2)$	$3.62 \times (1+\Delta\text{CPI}_3)$
Murrumbidgee	1.50	$2.11 \times (1+\Delta\text{CPI}_1)$	$2.68 \times (1+\Delta\text{CPI}_2)$	$3.21 \times (1+\Delta\text{CPI}_3)$
North Coast	11.01	$16.08 \times (1+\Delta\text{CPI}_1)$	$20.80 \times (1+\Delta\text{CPI}_2)$	$25.21 \times (1+\Delta\text{CPI}_3)$
Hunter	6.59	$8.21 \times (1+\Delta\text{CPI}_1)$	$9.72 \times (1+\Delta\text{CPI}_2)$	$11.12 \times (1+\Delta\text{CPI}_3)$
South Coast	10.30	$14.69 \times (1+\Delta\text{CPI}_1)$	$18.78 \times (1+\Delta\text{CPI}_2)$	$22.60 \times (1+\Delta\text{CPI}_3)$

Table 3 Rebate on total bill for entitlement charges and usage charges for Regulated Rivers

Licence holder	Commencement Date to 30 June 2007 (\$thousand)	1 July 2007 to 30 June 2008 (\$thousand)	1 July 2008 to 30 June 2009 (\$thousand)	1 July 2009 to 30 June 2010 (\$thousand)
Murray Irrigation Limited	1,418	$1,418 \times (1+\Delta\text{CPI}_1)$	$1,418 \times (1+\Delta\text{CPI}_2)$	$1,418 \times (1+\Delta\text{CPI}_3)$
Western Murray Irrigation Limited	31	$31 \times (1+\Delta\text{CPI}_1)$	$31 \times (1+\Delta\text{CPI}_2)$	$31 \times (1+\Delta\text{CPI}_3)$
West Cororgan	31	$31 \times (1+\Delta\text{CPI}_1)$	$31 \times (1+\Delta\text{CPI}_2)$	$31 \times (1+\Delta\text{CPI}_3)$
Moirra Irrigation Scheme	14	$14 \times (1+\Delta\text{CPI}_1)$	$14 \times (1+\Delta\text{CPI}_2)$	$14 \times (1+\Delta\text{CPI}_3)$
Eagle Creek Scheme	6	$6 \times (1+\Delta\text{CPI}_1)$	$6 \times (1+\Delta\text{CPI}_2)$	$6 \times (1+\Delta\text{CPI}_3)$
Murrumbidgee Irrigation Limited	901	$901 \times (1+\Delta\text{CPI}_1)$	$901 \times (1+\Delta\text{CPI}_2)$	$901 \times (1+\Delta\text{CPI}_3)$
Coleambally Irrigation Limited	385	$385 \times (1+\Delta\text{CPI}_1)$	$385 \times (1+\Delta\text{CPI}_2)$	$385 \times (1+\Delta\text{CPI}_3)$
Jemalong Irrigation Limited	85	$85 \times (1+\Delta\text{CPI}_1)$	$85 \times (1+\Delta\text{CPI}_2)$	$85 \times (1+\Delta\text{CPI}_3)$

**Table 4 Discount entitlement price for Murrumbidgee Irrigation Limited and
Coleambally Irrigation Limited**

	Commencement Date to 30 June 2007	1 July 2007 to 30 June 2008	1 July 2008 to 30 June 2009	1 July 2009 to 30 June 2010
	General security (\$/ML of Entitlement or \$/unit share)	General security (\$/ML of Entitlement or \$/unit share)	General security (\$/ML of Entitlement or \$/unit share)	General security (\$/ML of Entitlement or \$/unit share)
Discount entitlement price associated with a Conveyance Licence	100% x 2.71	67% x (2.23 x (1+ Δ CPI ₁))	33% x (1.79 x (1+ Δ CPI ₂))	0

Schedule 2

Fish River Water Supply Scheme

1. Application

This Schedule sets the maximum prices that may be charged for the Corporation's Monopoly Services to customers in the Fish River Water Supply Scheme, for the period to which this determination applies.

2. Maximum charges

The maximum charge that may be levied for the Corporation's Monopoly Services under a licence referred to in clause 1 of this Schedule is the sum of the following charges:

(a) for bulk raw water:

(1) **from the Commencement Date to 30 June 2007:**

- (i) a fixed access charge (being a charge expressed in dollars per kilolitre of MAQ) in Table 5 for the relevant customer in that table, multiplied by that customer's MAQ; and
- (ii) a use rate charge (being a charge expressed in dollars per kilolitre of water actually used) calculated as follows:
 - (A) **for each kilolitre of water used up to and including the relevant MAQ for the relevant customer in Table 5** – the first tier use rate charge in Table 5, multiplied by that customer's usage, up to and including the relevant MAQ;
 - (B) **for each kilolitre of water used in excess of the relevant MAQ for the relevant customer in Table 5** – the second tier use rate charge in Table 5, multiplied by that customer's usage which is in excess of the relevant MAQ;

(2) **from 1 July 2007 to 30 June 2008:**

- (i) a fixed access charge (being a charge expressed in dollars per kilolitre of MAQ) in Table 5 for the relevant customer in that table, multiplied by that customer's MAQ and further multiplied by 1.04; and
- (ii) a use rate charge (being a charge expressed in dollars per kilolitre of water actually used) calculated as follows:
 - (A) **for each kilolitre of water used up to and including the relevant MAQ for the relevant customer in Table 5** – the first tier use rate charge in Table 5, multiplied by that customer's usage, up to and including the relevant MAQ and further multiplied by 1.04;
 - (B) **for each kilolitre of water used in excess of the relevant MAQ for the relevant customer in Table 5** – the second tier use rate charge in Table 5, multiplied by that

customer's usage which is in excess of the relevant MAQ and further multiplied by 1.04;

(3) **from 1 July 2008 to 30 June 2009:**

- (i) a fixed access charge (being a charge expressed in dollars per kilolitre of MAQ) in Table 5 for the relevant customer in that table, multiplied by that customer's MAQ and further multiplied by $((1.04 \times 1.04)$ rounded to 2 decimal points); and
- (ii) a use rate charge (being a charge expressed in dollars per kilolitre of water actually used) calculated as follows:
 - (A) **for each kilolitre of water used up to and including the relevant MAQ for the relevant customer in Table 5** – the first tier use rate charge in Table 5, multiplied by that customer's usage, up to and including the relevant MAQ and further multiplied by $((1.04 \times 1.04)$ rounded to 2 decimal points);
 - (B) **for each kilolitre of water used in excess of the relevant MAQ for the relevant customer in Table 5** – the second tier use rate charge in Table 5, multiplied by that customer's usage which is in excess of the relevant MAQ and further multiplied by $((1.04 \times 1.04)$ rounded to 2 decimal points);

(4) **from 1 July 2009 to 30 June 2010:**

- (i) a fixed access charge (being a charge expressed in dollars per kilolitre of MAQ) in Table 5 for the relevant customer in that table, multiplied by that customer's MAQ and further multiplied by $((1.04 \times 1.04 \times 1.04)$ rounded to 2 decimal points); and
- (ii) a use rate charge (being a charge expressed in dollars per kilolitre of water actually used) calculated as follows:
 - (A) **for each kilolitre of water used up to and including the relevant MAQ for the relevant customer in Table 5** – the first tier use rate charge in Table 5, multiplied by that customer's usage, up to and including the relevant MAQ and further multiplied by $((1.04 \times 1.04 \times 1.04)$ rounded to 2 decimal points); and
 - (B) **for each kilolitre of water used in excess of the relevant MAQ for the relevant customer in Table 5** – the second tier use rate charge in Table 5, multiplied by that customer's usage which is in excess of the relevant MAQ and further multiplied by $((1.04 \times 1.04 \times 1.04)$ rounded to 2 decimal points).

(b) for bulk filtered water:

(1) **from the Commencement Date to 30 June 2007:**

- (i) a fixed access charge (being a charge expressed in dollars per kilolitre of MAQ) in Table 6 for the relevant customer in that table, multiplied by that customer's MAQ; and
 - (ii) a use rate charge (being a charge expressed in dollars per kilolitre of water actually used) calculated as follows:
 - (A) **for each kilolitre of water used up to and including the relevant MAQ for the relevant customer in Table 6** – the first tier use rate charge in Table 6, multiplied by that customer's usage, up to and including the relevant MAQ;
 - (B) **for each kilolitre of water used in excess of the relevant MAQ for the relevant customer in Table 6** – the second tier use rate charge in Table 6, multiplied by that customer's usage which is in excess of the relevant MAQ;
- (2) **from 1 July 2007 to 30 June 2008:**
- (i) a fixed access charge (being a charge expressed in dollars per kilolitre of MAQ) in Table 6 for the relevant customer in that table, multiplied by that customer's MAQ and further multiplied by 1.04; and
 - (ii) a use rate charge (being a charge expressed in dollars per kilolitre of water actually used) calculated as follows:
 - (A) **for each kilolitre of water used up to and including the relevant MAQ for the relevant customer in Table 6** – the first tier use rate charge in Table 6, multiplied by that customer's usage, up to and including the relevant MAQ and further multiplied by 1.04;
 - (B) **for each kilolitre of water used in excess of the relevant MAQ for the relevant customer in Table 6** – the second tier use rate charge in Table 6, multiplied by that customer's usage which is in excess of the relevant MAQ and further multiplied by 1.04;
- (3) **from 1 July 2008 to 30 June 2009:**
- (i) a fixed access charge in Table 6 for the relevant customer in that table, multiplied by that customer's MAQ and further multiplied by $((1.04 \times 1.04)$ rounded to 2 decimal points); and
 - (ii) a use rate charge (being a charge expressed in dollars per kilolitre of water actually used) calculated as follows:
 - (A) **for each kilolitre of water used up to and including the relevant MAQ for the relevant customer in Table 6** – the first tier use rate charge in Table 6, multiplied by that customer's usage, up to and including the relevant MAQ and further multiplied by $((1.04 \times 1.04)$ rounded to 2 decimal points);
 - (B) **for each kilolitre of water used in excess of the relevant MAQ for the relevant customer in Table 6** – the second tier use rate charge in Table 6, multiplied by that

customer's usage which is in excess of the relevant MAQ and further multiplied by $((1.04 \times 1.04)$ rounded to 2 decimal points)

(4) **from 1 July 2009 to 30 June 2010:**

- (i) a fixed access charge (being a charge expressed in dollars per kilolitre of MAQ) in Table 6 for the relevant customer in that table, multiplied by that customer's MAQ and further multiplied by $((1.04 \times 1.04 \times 1.04)$ rounded to 2 decimal points); and
- (ii) a use rate charge (being a charge expressed in dollars per kilolitre of water actually used) calculated as follows:
 - (A) **for each kilolitre of water used up to and including the relevant MAQ for the relevant customer in Table 6** – the first tier use rate charge in Table 6, multiplied by that customer's usage, up to and including the relevant MAQ and further multiplied by $((1.04 \times 1.04 \times 1.04)$ rounded to 2 decimal points); and
 - (B) **for each kilolitre of water used in excess of the relevant MAQ for the relevant customer in Table 6** – the second tier use rate charge in Table 6, multiplied by that customer's usage which is in excess of the relevant MAQ and further multiplied by $((1.04 \times 1.04 \times 1.04)$ rounded to 2 decimal points).

Tables 5 and 6

Table 5 Fish River Water Supply Scheme - Bulk Raw Water

Prices from the Commencement Date to 30 June 2007					
	Delta Electricity	Lithgow Council	Sydney Catchment Authority	Oberon Council	Individual Minor Consumers
Minimum Annual Qty (MAQ) (ML)	8184	0	3650	750	0.2
Fixed access charge (\$/kL)	0.213	0.213	0.213	0.213	0.266
First tier use rate charge (\$/kL)	0.239	0.239	0.239	0.239	0.479
Second tier use rate charge (\$/kL)	0.452	0.452	0.452	0.452	0.746

Table 6 Fish River Water Supply Scheme – Bulk Filtered Water

Prices from the Commencement Date to 30 June 2007					
	Delta Electricity	Lithgow Council	Sydney Catchment Authority	Oberon Council	Individual Minor Consumers
Minimum Annual Qty (MAQ) (ML)	0	2092	0	0	0.2
Fixed access charge (\$/kL)	0.319	0.319	0.319	0.319	0.372
First tier use rate charge (\$/kL)	0.346	0.346	0.346	0.346	0.586
Second tier use rate charge (\$/kL)	0.666	0.666	0.666	0.666	0.959

Schedule 3

Worked example

Clause 3 Schedule 1

Assuming that:

- the Valley Entitlement Volume of water (expressed in megalitres) at the conversion of the WA Licences to WMA Licences - 80000ML (A)
- the number of unit shares allocated to licence holders in a river valley immediately after the WMA Licences are issued - 100000 unit shares (S)
- a licence holder's Entitlement (expressed in megalitres) immediately before those WMA Licences are issued - 1000ML
- a licence holder's Entitlement (expressed in megalitres) immediately after those WMA Licences are issued - 800ML
- the number of unit shares allocated to a licence holders in a river valley immediately after the WMA Licences are issued - 1000 unit shares

The following conversion factor is to be applied to the entitlement charge in Table 1:

$$CF = \frac{A}{S}$$

$$CF = \frac{80000}{100000}$$

$$CF = 0.8$$

For example - assuming that the licence holder is a general security licence holder in the Peel Valley, that licence holder will be paying in the relevant year the following entitlement charges:

- Before conversion - \$4210 (being \$4.21/ML of Entitlement x 1000 ML).
- After conversion but before the application of the conversion factor - \$4210 (being \$4.21/unit share X 1000 unit shares).
- After conversion and after the application of the conversion factor - \$3368 (being \$4.21/unit share x 1000 unit shares x 0.8 or \$3.368/unit share x 1000 unit shares).

Explanation of the conversion factor based on the above example:

- The aim of the conversion factor is to provide customers with some protection in situations where Entitlement Volumes under their WMA Licence have been reduced by maintaining the effective price of entitlement to water.
- A licence holder in the Peel Valley whose WA licence was converted into a WMA Licence now has a 1000 unit shares which entitles him to use 800ML of water a year (as opposed to 1000ML under his WA Licence).

- If the conversion factor were not applied to the entitlement charge in Table 1, the entitlement charge payable by the licence holder would be \$4210 for 800ML of Entitlement Volume (this is the same amount payable by the licence holder under his WA Licence which entitled him to use 1000ML of water).
- If the conversion factor were applied to the entitlement charge in Table 1, the entitlement charge payable by the licence holder would be \$3368 for 800ML of Entitlement Volume.
- The effective price of water after conversion would be \$4.21 (\$3368 divided by 800ML). The effective price of \$4.21 per ML of Entitlement to water is therefore maintained.

Schedule 4

Definitions and Interpretation

1. Definitions

1.1 General definitions

In this determination:

Commencement Date is defined in clause (c) of section 2 (**Application of this determination**) of this determination.

Corporation is defined in clause (b) of section 1 (**Background**) of this determination.

Conveyance Licence means a regulated river (conveyance) access licences issued under section 57(1)(c) of the Water Management Act.

Entitlement means the right, conferred by means of a Water Licence, to take and use a specified quantity of water.

Fish River Water Supply Scheme has the meaning given to that term in the SWC Act.

General Security Licence means:

- (a) a WMA Licence of any of the following types (within the meaning of section 57 of the Water Management Act and the regulations made under that Act):
 - (1) supplementary water access licence
 - (2) the following conveyance access licences:
 - (i) regulated river (conveyance) access licence
 - (ii) Murrumbidgee Irrigation (conveyance) access licence
 - (iii) Coleambally Irrigation (conveyance) access licence
 - (3) any other access licence that is not a High Security Licence; or
- (b) a WA Licence issued by WAMC as a Low Security licence.

High Flow Licence means a WA Licence issued by WAMC as a high flow licence.

High Security Licence means:

- (a) a WMA Licence of any of the following types (within the meaning of section 57 of the Water Management Act and the regulations made under that Act):
 - (1) local water utility access licence;
 - (2) major utility access licence;

- (3) domestic and stock access licence;
 - (4) regulated river (high security) access licence; or
- (b) a WA Licence issued by WAMC as a High Security Licence.

IPART Act is defined in clause (a) of section 1 (**Background**) of this determination.

Irrigation Corporation has the meaning given to that term under the Water Management Act.

Irrigator means a person who irrigates pursuant to a relevant approval, and includes an Irrigation Corporation.

Licence Register means the Water Licence register and/or water accounting register maintained by the Corporation.

MAQ means the minimum annual quantity for the relevant customer in the Fish River Water Supply Scheme as set out in Tables 5 and 6 of Schedule 2.

Minister means the Minister administering the Water Management Act (or, where relevant, the Water Act).

Monopoly Services means the services defined as such in clause (f) of section 1 (**Background**) of this determination.

Regulated River has the meaning given to that term under the Water Management Act.

SWC Act means the *State Water Corporation Act 2004*.

Supplementary Water Access Licence means an access licence that falls within s57(1) of the Water Management Act.

Tagged Water Entitlement means the water entitlement which was sold permanently by a licence holder in a river valley or state to another licence holder in another river valley or state.

Tribunal means the Independent Pricing and Regulatory Tribunal of New South Wales, established under the IPART Act.

Valley Entitlement Volume means the volume of water attaching to the sum of the Entitlements in a river valley.

WAMC means the Water Administration Ministerial Corporation, being the corporation established under section 371 of the Water Management Act, and which is a continuation of, and the same legal entity as, the corporation of that name constituted by the *Water Administration Act 1986* (by virtue of clause 17 of Schedule 9 of the Water Management Act).

WMA Licence means an access licence referred to in section 56 of the Water Management Act, of any the following categories (as referred to in section 57 of that Act and the regulations made under that Act):

- (a) regulated river (high security) access licence
- (b) regulated river (general security) access licence
- (c) regulated river (conveyance) access licence
- (d) supplementary water access licence
- (e) major utility access licence
- (f) local water utility access licence
- (g) domestic and stock access licence
- (h) Murrumbidgee Irrigation (conveyance) access licence
- (i) Coleambally Irrigation (conveyance) access licence
- (j) floodplain harvesting access licence
- (k) any other category of access licence that authorises the extraction of water from a regulated river.

Water Act is defined in clause (g)(2) of section 1 (**Background**) of this determination.

WA Licence means any licence, permit or authority under Part 2 or Part 9 of the Water Act, to the extent that it authorises the extraction of water.

Water Licence means:

- (a) a WMA Licence; or
- (b) a WA Licence.

Water Management Act is defined in clause (g)(1) of section 1 (**Background**) of this determination.

Water Sharing Plan means the water sharing provisions of a management plan for a water management area or water source under the Water Management Act.

Yanco Columbo System is a regulated stream of the Murrumbidgee river system.

1.2 Consumer Price Index

- (a) CPI means the consumer price index All Groups index number for the weighted average of eight capital cities, published by the Australian Bureau of Statistics, or if the Australian Bureau of Statistics does not or ceases to publish the index, then CPI will mean an index determined by the Tribunal

$$(b) \Delta CPI_1 = \left(\frac{CPI_{Jun2006} + CPI_{Sep2006} + CPI_{Dec2006} + CPI_{Mar2007}}{CPI_{Jun2005} + CPI_{Sep2005} + CPI_{Dec2005} + CPI_{Mar2006}} \right) - 1$$

$$\Delta CPI_2 = \left(\frac{CPI_{Jun2007} + CPI_{Sep2007} + CPI_{Dec2007} + CPI_{Mar2008}}{CPI_{Jun2005} + CPI_{Sep2005} + CPI_{Dec2005} + CPI_{Mar2006}} \right) - 1$$

$$\Delta CPI_3 = \left(\frac{CPI_{Jun2008} + CPI_{Sep2008} + CPI_{Dec2008} + CPI_{Mar2009}}{CPI_{Jun2005} + CPI_{Sep2005} + CPI_{Dec2005} + CPI_{Mar2006}} \right) - 1$$

each as calculated by the Tribunal and notified in writing by the Tribunal to the Corporation.

- (c) The subtext (for example $_{Jun2005}$) when used in relation to paragraph (b) above means the CPI for the quarter and year indicated (in the example the June quarter for 2005).

2. Interpretation

2.1 General provisions

In this determination:

- (a) headings are for convenience only and do not affect the interpretation of this determination;
- (b) a reference to a schedule, annexure, clause or table is a reference to a schedule, annexure, clause or table to this determination;
- (c) words importing the singular include the plural and vice versa;
- (d) a reference to a law or statute includes all amendments or replacements of that law or statute.

2.2 Explanatory notes, examples and clarification notice

- (a) Explanatory notes and examples do not form part of this determination, but in the case of uncertainty may be relied on for interpretation purposes.
- (b) The Tribunal may publish a clarification notice in the NSW Government Gazette to correct any manifest error in this determination as if that clarification notice, on publication, formed part of this determination.

2.3 Prices exclusive of GST

Prices or charges specified in this determination do not include GST.

2.4 Billing cycle

For the avoidance of doubt nothing in this determination affects when a bill may be issued to a customer for prices or charges under this determination.

2.5 Annual charges

The annual charges in this determination apply to each financial year (1 July to 30 June inclusive).

In respect of:

- (a) the period from the Commencement Date until 30 June 2007 (if that period is less than a full financial year); and
- (b) any period after 30 June 2007 that is less than a full financial year,

the annual charges in this determination (other than those calculated by reference to usage) will be pro-rated for that period, based on the proportion that the number of days in that period bears to the number of days in the financial year.

Note: This clause is not intended to prohibit the Corporation from issuing a bill for any period before the Commencement Date. Please refer to clause 3 (**Replacement of Determination No 8 of 2005**) on page 3 of this determination for further information.

2.6 Billing on behalf of WAMC

Nothing in this determination prevents the Corporation from billing on behalf of WAMC for services provided by WAMC.

2.7 Entitlement charges

- (a) A reference to an entitlement charge is a reference to an entitlement charge specified in a Water Licence without regard to any part of the Entitlement that may be carried over from a previous year.
- (b) A reference to an entitlement charge:
 - (1) expressed in dollars per megalitre of Entitlement is a reference to a charge expressed in dollars per megalitre of water which a WA Licence or a WMA Licence confers on the licence holder in a year; and
 - (2) expressed in dollars per unit share is a reference to a charge so expressed under a WMA Licence whose share component is expressed in unit shares.

2.8 Metering of usage charges for Irrigation Corporations

For the avoidance of doubt, the metering of usage charges for the supply of water to an Irrigation Corporation from a Regulated River is to be determined at the point or points of off -take from the Regulated River or as set out in that Irrigation Corporation's works licence conditions.

2.9 River valleys

- (a) In this determination, a reference to a river valley is a reference to the relevant valley more fully described in the following table:

River Valley	Description
Regulated Rivers	
Border	If a water sharing plan under the Water Management Act is in place, then the water sources as defined in that plan. In any other case: Border Rivers including the Severn, the Macintyre and Dumaresq rivers down to Mungindi
Gwydir	If a water sharing plan under the Water Management Act is in place, then the water sources as defined in that plan. In any other case: Gwydir River and Gwydir Wetlands, Mehi river, Gil Gil Creek and Moomin Creek to the junction with the Barwon River
Namoi	If a water sharing plan under the Water Management Act is in place, then the water sources as defined in that plan. In any other case: Namoi River to Peel River and Pian Creek to Barwon River
Peel	If a water sharing plan under the Water Management Act is in place, then the water sources as defined in that plan. In any other case: Peel River to junction with Namoi River
Lachlan	If a water sharing plan under the Water Management Act is in place, then the water sources as defined in that plan. In any other case: Lachlan and Belubula River to the Murrumbidgee River junction
Macquarie	If a water sharing plan under the Water Management Act is in place, then the water sources as defined in that plan. In any other case: Macquarie River, the Cudgegong and Bogen rivers to junction with Darling River
Murray	If a water sharing plan under the Water Management Act is in place, then the water sources as defined in that plan. In any other case: Murray River including the Darling River below Menindee
Murrumbidgee	If a water sharing plan under the Water Management Act is in place, then the water sources as defined in that plan. In any other case: Murrumbidgee River to junction with Murray River, including Yanco, Colombo and Billabong Creeks and Tumut River
North Coast	If a water sharing plan under the Water Management Act is in place, then the water sources as defined in that plan. In any other case: Regulated flows for Iron Pot and Eden Creeks
Hunter	If a water sharing plan under the Water Management Act is in place, then the water sources as defined in that plan. In any other case: Hunter River, including Patterson River and Glennies Creek
South Coast	If a water sharing plan under the Water Management Act is in place, then the water sources as defined in that plan. In any other case: Brogo and Bega River Catchments

- (b) A reference in this determination to the 'relevant river valley' (other than in the case of the usage component of a licence) is a reference to the river valley for a licence holder as set out in the Licence Register. In the case of the usage component of a licence, the 'relevant river valley' is the river valley from which water is extracted unless the usage component relates to Tagged Water Entitlement.

Determination No 5, 2006

Section 11(1)

Independent Pricing and Regulatory Tribunal Act 1992

The Water Administration Ministerial Corporation

**Independent Pricing and Regulatory Tribunal
of New South Wales**

Reference No 05/545

1. Background

- (a) Section 11 of the *Independent Pricing and Regulatory Tribunal Act 1992* (**IPART Act**) permits the Tribunal to conduct investigations and make reports to the Minister administering the IPART Act on the determination of the pricing for a government monopoly service supplied by a government agency specified in Schedule 1 of the IPART Act.
- (b) The Water Administration Ministerial Corporation (**Corporation**) is listed in Schedule 1 of the IPART Act as a "government agency" for which the Tribunal has a standing reference for the purposes of section 11 of the IPART Act.
- (c) The Corporation's functions under the *Water Management Act 2000* (**Water Management Act**) (sections 372 and 373) include:
 - (1) to construct, maintain and operate water management works;
 - (2) to conduct research, collect information and develop technology in relation to water management;
 - (3) to acquire rights to water, whether within or beyond New South Wales;
 - (4) to do anything for the purpose of enabling the objects of the Water Management Act to be attained; and
 - (5) to enter into commercial operations with respect to (among other things) any services developed in connection with the exercise of its functions (with the approval of the Governor).
- (d) Under clause 3 of the *Independent Pricing and Regulatory Tribunal (Water Services) Order 2004*, services supplied by the Corporation which involve:
 - (1) the making available of water;
 - (2) the making available of the Corporation's water supply facilities; or
 - (3) the supplying of water, whether by means of the Corporation's facilities or otherwise,are "government monopoly services" (**Monopoly Services**) for the purposes of sections 4 and 11(1) of the IPART Act. Accordingly, the Tribunal may conduct investigations and report to the Minister administering the IPART Act on the determination of prices for these Monopoly Services supplied by the Corporation.
- (e) Under section 4(6) of the IPART Act, the Corporation is taken to be the supplier of the services for which fees and charges are payable under Chapter 3 of the Water Management Act, and which are declared to be government monopoly services.

- (f) In practice, charges for the Corporation's water resource management activities are made as charges under licences, permits, approvals or authorities granted:
 - (1) by the Minister under Chapter 3 of the Water Management Act (in areas of NSW in which proclamations under sections 55A and 88A of the Water Management Act are in force); and
 - (2) by the Corporation under the *Water Act 1912* (**Water Act**) (in other areas of NSW).
- (g) Accordingly, in determining prices for the Corporation's Monopoly Services, the Tribunal has determined prices payable for these services under various licences, permits, approvals or authorities granted under the Water Management Act and the Water Act.
- (h) In investigating and reporting on the pricing of the Corporation's Monopoly Services, the Tribunal has had regard to a broad range of matters, including the criteria set out in section 15(1) of the IPART Act.
- (i) In accordance with section 13A(1) of the IPART Act, the Tribunal has fixed the maximum price for the Corporation's Monopoly Services and/or established a methodology for fixing the maximum price.
- (j) Under section 18(2) of the IPART Act, the Corporation may not fix a price for Monopoly Services below that determined by the Tribunal without the approval of the Treasurer.

2. Application of this determination

- (a) Under section 13A of the IPART Act, this determination fixes the maximum prices (and/or sets a methodology for fixing those maximum prices) that may be charged for the Corporation's Monopoly Services under Water Licences that authorise the extraction of water from:
 - (1) Regulated Rivers;
 - (2) Unregulated Rivers; and
 - (3) Ground Water sources.
- (b) No charges may be levied on any person for the Corporation's Monopoly Services other than as provided in this determination.
- (c) This determination commences on the later of 1 October 2006 and the date that it is published in the NSW Government Gazette (**Commencement Date**).
- (d) The maximum prices in this determination apply from the Commencement Date to 30 June 2010. The maximum prices in this determination prevailing at 30 June 2010 continue to apply beyond 30 June 2010 until this determination is replaced.

3. Replacement of Determination No. 9 of 2005

Determination No. 9 of 2005 (Reference No 04/291), to the extent that it relates to pricing for the Corporation's Monopoly Services, is replaced by this determination from the Commencement Date. The replacement does not affect anything done or omitted to be done, or rights or obligations accrued, under that determination prior to its replacement.

4. Monitoring

The Tribunal may monitor the performance of the Corporation for the purposes of:

- (a) establishing and reporting on the level of compliance by the Corporation with this determination; and
- (b) preparing a periodic review of pricing policies in respect of the Monopoly Services supplied by the Corporation.

5. Schedules

Schedules 1 - 4 (inclusive) and the Tables in those Schedules set out the maximum prices that the Corporation may charge for the Monopoly Services specified in the Schedules. They operate together with Schedule 5.

6. Definitions and Interpretation

Definitions and interpretation provisions used in this determination are set out in Schedule 6.

Schedule 1

Regulated Rivers

1. Application

This Schedule sets the maximum prices that may be charged for the Corporation's Monopoly Services under a Water Licence that authorises the extraction of water from a Regulated River, for the period to which this determination applies.

2. Maximum charges

2.1. The maximum annual charge that may be levied for the Corporation's Monopoly Services under a licence referred to in clause 1 of this Schedule is the higher of:

- (a) an annual charge of \$60.00; and
- (b) the sum of the following:
 - (1) subject to clause 2.3 of this Schedule, an entitlement charge (being a charge expressed in dollars per megalitre of Entitlement or in dollars per unit share) in Table 1 for the relevant river valley and relevant year, multiplied by a licence holder's Entitlement or unit share for that year and:
 - (i) **in the case of a WMA Licence holder:** multiplied by the conversion factor in clause 3 of this Schedule; and
 - (ii) **in the case of a licence holder specified in Table 3:** discounted by the percentage specified for that licence holder in that table;
 - (2) subject to clause 2.2 of this Schedule, a usage charge (being a charge expressed in dollars per megalitre of water actually extracted) in Table 2 for:
 - (i) **in the case of Tagged Water Entitlement:** the relevant river valley as set out in the Licence Register and the relevant year, multiplied by a licence holder's usage for that year; and
 - (ii) **in any other case:** the relevant river valley from which the water is extracted and the relevant year, multiplied by a licence holder's usage for that year.

2.2. Despite clause 2.1 of this Schedule, only a usage charge may be levied by the Corporation for:

- (a) a High Flow Licence; and
- (b) a Supplementary Water Access Licence.

- 2.3 If the licence holder is either the Murrumbidgee Irrigation Limited or the Coleambally Irrigation Limited (each an **Irrigation Company**) the entitlement charge payable by an Irrigation Company in clause 2.1(b)(1) (before the application of clause 2.1(b)(1)(i) and (ii)) is to be reduced by an amount equal to the discount entitlement price in Table 4, multiplied by that Irrigation Company's Entitlement or unit share associated with a Conveyance Licence for the relevant year.

3. Conversion factor

- 3.1 If WA Licences in a river valley are converted to WMA Licences and those WMA Licences are expressed as a specified number of unit shares then the following conversion factor is to be applied to the entitlement charges for that river valley in Table 1:

$$CF = \frac{A}{S}$$

Where:

CF - conversion factor for a river valley

A - the Valley Entitlement Volume of water (expressed in megalitres) at the conversion of the WA Licences to WMA Licences

S - the number of unit shares allocated to licence holders in a river valley immediately after the WMA Licences are issued

- 3.2 A worked example of the application of this clause is set out in Part 1, Schedule 5.

Note: One of the consequences of the introduction of the Water Management Act is that for some licence holders their entitlement is no longer defined in the licence as a volumetric allowance (in megalitres) but a 'unit share' of the available water for that valley (as defined by the relevant Water Sharing Plan for the valley in question).

For the purposes of setting prices, the Tribunal has assumed that one 'unit share' is equivalent to one megalitre of entitlement. If a "unit share" represents less than 1ML of water, then the conversion factor ensures that the price per ML of water is that determined by the Tribunal. This provides customers with some protection in situations where entitlement volumes have been reduced.

Tables 1, 2, 3 and 4

Table 1 Entitlement charges for Regulated Rivers

River valley	Commencement Date to 30 June 2007	1 July 2007 to 30 June 2008	1 July 2008 to 30 June 2009	1 July 2009 to 30 June 2010
	(\$/ML of Entitlement or \$/unit share)			
Border	1.27	$1.27 \times (1+\Delta\text{CPI}_1)$	$1.27 \times (1+\Delta\text{CPI}_2)$	$1.27 \times (1+\Delta\text{CPI}_3)$
Gwydir	0.71	$0.71 \times (1+\Delta\text{CPI}_1)$	$0.71 \times (1+\Delta\text{CPI}_2)$	$0.71 \times (1+\Delta\text{CPI}_3)$
Namoi	1.10	$1.10 \times (1+\Delta\text{CPI}_1)$	$1.10 \times (1+\Delta\text{CPI}_2)$	$1.10 \times (1+\Delta\text{CPI}_3)$
Peel	1.06	$1.06 \times (1+\Delta\text{CPI}_1)$	$1.06 \times (1+\Delta\text{CPI}_2)$	$1.06 \times (1+\Delta\text{CPI}_3)$
Lachlan	0.88	$0.88 \times (1+\Delta\text{CPI}_1)$	$0.88 \times (1+\Delta\text{CPI}_2)$	$0.88 \times (1+\Delta\text{CPI}_3)$
Macquarie	0.76	$0.80 \times (1+\Delta\text{CPI}_1)$	$0.84 \times (1+\Delta\text{CPI}_2)$	$0.88 \times (1+\Delta\text{CPI}_3)$
Murray	1.29	$1.28 \times (1+\Delta\text{CPI}_1)$	$1.26 \times (1+\Delta\text{CPI}_2)$	$1.25 \times (1+\Delta\text{CPI}_3)$
Murrumbidgee	0.97	$0.96 \times (1+\Delta\text{CPI}_1)$	$0.95 \times (1+\Delta\text{CPI}_2)$	$0.94 \times (1+\Delta\text{CPI}_3)$
North Coast	1.88	$2.12 \times (1+\Delta\text{CPI}_1)$	$2.40 \times (1+\Delta\text{CPI}_2)$	$2.71 \times (1+\Delta\text{CPI}_3)$
Hunter	1.11	$1.11 \times (1+\Delta\text{CPI}_1)$	$1.11 \times (1+\Delta\text{CPI}_2)$	$1.11 \times (1+\Delta\text{CPI}_3)$
South Coast	1.86	$2.11 \times (1+\Delta\text{CPI}_1)$	$2.38 \times (1+\Delta\text{CPI}_2)$	$2.69 \times (1+\Delta\text{CPI}_3)$

Table 2 Usage charges for Regulated Rivers

River valley	Commencement Date to 30 June 2007	1 July 2007 to 30 June 2008	1 July 2008 to 30 June 2009	1 July 2009 to 30 June 2010
	(\$/ML)	(\$/ML)	(\$/ML)	(\$/ML)
Border	1.48	$1.48 \times (1+\Delta\text{CPI}_1)$	$1.48 \times (1+\Delta\text{CPI}_2)$	$1.48 \times (1+\Delta\text{CPI}_3)$
Gwydir	0.83	$0.83 \times (1+\Delta\text{CPI}_1)$	$0.83 \times (1+\Delta\text{CPI}_2)$	$0.83 \times (1+\Delta\text{CPI}_3)$
Namoi	1.32	$1.32 \times (1+\Delta\text{CPI}_1)$	$1.32 \times (1+\Delta\text{CPI}_2)$	$1.32 \times (1+\Delta\text{CPI}_3)$
Peel	1.92	$1.92 \times (1+\Delta\text{CPI}_1)$	$1.92 \times (1+\Delta\text{CPI}_2)$	$1.92 \times (1+\Delta\text{CPI}_3)$
Lachlan	1.01	$1.01 \times (1+\Delta\text{CPI}_1)$	$1.01 \times (1+\Delta\text{CPI}_2)$	$1.01 \times (1+\Delta\text{CPI}_3)$
Macquarie	1.02	$1.08 \times (1+\Delta\text{CPI}_1)$	$1.13 \times (1+\Delta\text{CPI}_2)$	$1.19 \times (1+\Delta\text{CPI}_3)$
Murray	0.35	$0.34 \times (1+\Delta\text{CPI}_1)$	$0.34 \times (1+\Delta\text{CPI}_2)$	$0.34 \times (1+\Delta\text{CPI}_3)$
Murrumbidgee	0.25	$0.25 \times (1+\Delta\text{CPI}_1)$	$0.25 \times (1+\Delta\text{CPI}_2)$	$0.24 \times (1+\Delta\text{CPI}_3)$
North Coast	1.26	$1.42 \times (1+\Delta\text{CPI}_1)$	$1.61 \times (1+\Delta\text{CPI}_2)$	$1.82 \times (1+\Delta\text{CPI}_3)$
Hunter	1.10	$1.10 \times (1+\Delta\text{CPI}_1)$	$1.10 \times (1+\Delta\text{CPI}_2)$	$1.10 \times (1+\Delta\text{CPI}_3)$
South Coast	1.25	$1.41 \times (1+\Delta\text{CPI}_1)$	$1.59 \times (1+\Delta\text{CPI}_2)$	$1.80 \times (1+\Delta\text{CPI}_3)$

Table 3 Discount on entitlement charges for Regulated Rivers

Licence holder	Commencement Date to 30 June 2007	1 July 2007 to 30 June 2008	1 July 2008 to 30 June 2009	1 July 2009 to 30 June 2010
Murray Irrigation Limited	32%	22%	12%	0%
Western Murray Irrigation Limited	20%	13%	7%	0%
West Corurgan	26%	18%	9%	0%
Moirra Irrigation Scheme	23%	15%	8%	0%
Eagle Creek Scheme	19%	13%	6%	0%
Murrumbidgee Irrigation Limited	22%	14%	7%	0%
Coleambally Irrigation Limited	24%	16%	8%	0%
Jemalong Irrigation Limited	20%	14%	7%	0%

Table 4 Discount entitlement price for Murrumbidgee Irrigation Limited and Coleambally Irrigation Limited

	Commencement Date to 30 June 2007 (\$/ML of Entitlement or \$/unit share)	1 July 2007 to 30 June 2008 (\$/ML of Entitlement or \$/unit share)	1 July 2008 to 30 June 2009 (\$/ML of Entitlement or \$/unit share)	1 July 2009 to 30 June 2010 (\$/ML of Entitlement or \$/unit share)
Discount entitlement price associated with a Conveyance Licence	100% x 0.97	67% x (0.96 x (1+ Δ CPI ₁))	33% x (0.95 x (1+ Δ CPI ₂))	0

Schedule 2

Unregulated Rivers

1. Application

This Schedule sets the maximum prices that may be charged for the Corporation's Monopoly Services under a Water Licence that authorises the extraction of water from an Unregulated River, for the period to which this determination applies.

2. Categories for pricing purposes

The charges for the Corporation's Monopoly Services under a licence referred to in clause 1 of this Schedule depend on whether the licence holder is:

- (a) the holder of a Domestic and Stock Licence¹;
- (b) an Irrigator;
- (c) Sydney Catchment Authority;
- (d) Hunter Water Corporation; or
- (e) none of the above.

3. Maximum charges for Domestic and Stock Licence holders

Subject to clause 9 of this Schedule, the maximum annual charge for the Corporation's Monopoly Services under a licence referred to in clause 1 of this Schedule held by a holder of a Domestic and Stock Licence is:

- (a) **in the case of a licence holder that does not have an Entitlement Volume specified under a WMA Licence or a WA Licence:** the higher of:
 - (1) an annual charge of \$60.00; and
 - (2) an area based charge (being a charge expressed in dollars per hectare of authorised area of irrigation) in Table 5 for the relevant year and relevant river valley, multiplied by a licence holder's authorised area of irrigation for that year;
- (b) **in the case of a licence holder in the Far West River Valley who has an Entitlement Volume under a WA licence and whose Entitlement Volume has not been reduced under the Barwon-Darling Cap Management Strategy:** the higher of:

¹ Note: Determination No 9 of 2005 (clause 2, schedule 2) enables the Corporation to charge holders of a licence that authorises the extraction of water from an unregulated river. This determination makes explicit that the charge extends to the holders of a Domestic and Stock Licence.

- (1) an annual charge of \$60.00; and
 - (2) an area based charge (being a charge expressed in dollars per hectare of authorised area of irrigation) in Table 5 for the relevant year and relevant river valley multiplied by a licence holder's authorised area of irrigation (as set out in that licence holder's WMA Licence or WA Licence) for that year; or
- (c) **other than in the cases in paragraphs (a) and (b) above:** the higher of:
- (1) an annual charge of \$60.00; and
 - (2) volume of entitlement charge (being a charge expressed in dollars per megalitre of Entitlement or in dollars per unit share) in Table 5 for the relevant river valley and relevant year, multiplied by a licence holder's Entitlement or unit share for that year and multiplied by the conversion factor in clause 8 of this Schedule.

4. Maximum charges for Irrigators

4.1 Subject to clause 9 of this Schedule, the maximum annual charge for the Corporation's Monopoly Services under a licence referred to in clause 1 of this Schedule held by an Irrigator is:

- (a) **in the case of an Irrigator who does not have a Meter or in the case of an Irrigator who has a Meter but has not elected to be charged in accordance with clause 4.1(b) below:**
 - (1) **and who does not have an Entitlement Volume specified under a WMA Licence or a WA Licence:** the higher of:
 - (i) an annual charge of \$60.00; and
 - (ii) an area based charge (being a charge expressed in dollars per hectare of authorised area of irrigation) in Table 5 for the relevant year and relevant river valley, multiplied by a licence holder's authorised area of irrigation (as set out in that licence holder's WMA Licence or WA Licence) for that year; or
 - (2) **and who is located in the Far West River Valley, who has an Entitlement Volume under a WA licence and whose Entitlement Volume has not been reduced under the Barwon-Darling Cap Management Strategy:** the higher of:
 - (i) an annual charge of \$60.00; and
 - (ii) an area based charge (being a charge expressed in dollars per hectare of authorised area of irrigation) in Table 5 for the relevant year and relevant river valley, multiplied by a licence holder's authorised area of irrigation (as set out in that licence holder's WMA Licence or WA Licence) for that year; or

- (3) **and who does not fall within paragraphs (a)(1) and (a)(2) above:** the higher of:
- (i) an annual charge of \$60.00; and
 - (ii) volume of entitlement charge (being a charge expressed in dollars per megalitre of Entitlement or in dollars per unit share) in Table 5 for the relevant river valley and relevant year, multiplied by that licence holder's Entitlement or unit share for that year and multiplied by the conversion factor in clause 8 of this Schedule; or
- (b) **in the case of an Irrigator who has a Meter and who elects to be charged in accordance with this clause:** the higher of:
- (1) an annual charge of \$60.00; and
 - (2) the sum of a two part tariff consisting of:
 - (i) an entitlement charge (being a charge expressed in dollars per megalitre of Entitlement or in dollars per unit share) in Table 6 for the relevant river valley and relevant year, multiplied by a licence holder's Entitlement or unit share for that year and multiplied by the conversion factor in clause 8 of this Schedule; and
 - (ii) a usage charge (being a charge expressed in dollars per megalitre of water actually extracted) in Table 6 for the relevant river valley and relevant year, multiplied by a licence holder's usage for that year.

4.2 An Irrigator must advise the Corporation in writing of its election to be charged under clause 4.1(b). If an Irrigator does not advise the Corporation of its election, the Irrigator is deemed to have elected the maximum annual charge to be determined in accordance with clause 4.1(a)(1), 4.1(a)(2) or 4.1(a)(3) (as the case maybe) until that Irrigator advises the Corporation of its election.

4.3 Once an Irrigator has advised the Corporation of its election in accordance with clause 4.2 of this Schedule, that election is to take effect in the immediate subsequent billing period or earlier but only by agreement between that Irrigator and the Corporation.

5. Maximum charges for Sydney Catchment Authority

The maximum annual charge for the Corporation's Monopoly Services under a licence referred to in clause 1 of this Schedule held by Sydney Catchment Authority is:

- (a) **where Sydney Catchment Authority has not been allocated an Entitlement Volume:** the charges specified under Table 9 for the relevant year multiplied by Sydney Catchment Authority's usage for that year; or
- (b) **where Sydney Catchment Authority has been allocated an Entitlement Volume:** the sum of:

- (i) an entitlement charge (being a charge expressed in dollars per megalitre of Entitlement or in dollars per unit share) in Table 6 for the relevant year and relevant river valley, multiplied by Sydney Catchment Authority's Entitlement or unit share for that year; and
- (ii) a usage charge (being a charge expressed in dollars per megalitre of water actually extracted) in Table 6 for the relevant year and relevant river valley, multiplied by Sydney Catchment Authority's usage for that year.

6. Maximum charges for Hunter Water Corporation

The maximum annual charge for the Corporation's Monopoly Services under a licence referred to in clause 1 of this Schedule held by Hunter Water Corporation is a usage charge (being a charge expressed in dollars per megalitre of water actually extracted) in Table 9, multiplied by the Hunter Water Corporation's usage for that year.

7. Maximum charges for licence holders other than Irrigators, Domestic and Stock Licence holders, Sydney Catchment Authority or Hunter Water Corporation

Subject to clause 9 of this Schedule, the maximum annual charge for the Corporation's Monopoly Services under a licence referred to in clause 1 of this Schedule held by a licence holder other than an Irrigator, a holder of a Domestic and Stock Licence, Sydney Catchment Authority or Hunter Water Corporation is:

- (a) **in the case of a WA Licence where the licence holder has not been allocated an Entitlement Volume:** sum of the following:
 - (1) the base charge in Table 8 for the relevant year; and
 - (2) the usage charge (being a charge expressed in dollars per megalitre of water actually extracted) in Table 7 for the relevant year and relevant river valley, multiplied by a licence holder's usage for that year; or
- (b) **other than in the case in paragraph (a) above:** the higher of:
 - (1) an annual charge of \$60.00; and
 - (2) the sum of a two part tariff consisting of:
 - (i) an entitlement charge (being a charge expressed in dollars per megalitre of Entitlement or in dollars per unit share) in Table 6 for the relevant river valley and relevant year, multiplied by a licence holder's Entitlement or unit share for that year and multiplied by the conversion factor in clause 8; and
 - (ii) a usage charge (being a charge expressed in dollars per megalitre of water actually extracted) in Table 6 for the relevant year and relevant river valley, multiplied by a licence holder's usage for that year.

8. Conversion factor

- 8.1 Subject to clause 8.2 below, if WA Licences in a river valley are converted to WMA Licences and those WMA Licences are expressed as a specified number of unit shares then the following conversion factor is to be applied to the entitlement charges for that river valley in Tables 5 and 6:

$$CF = \frac{A}{S}$$

Where:

CF - conversion factor for a river valley

A - the Valley Entitlement Volume of water (expressed in megalitres) at the conversion of the WA Licences to WMA Licences

S - the number of unit shares allocated to licence holders in a river valley immediately after the WMA Licences are issued

Note: One of the consequences of the introduction of the Water Management Act is that for some licence holders their entitlement is no longer defined in the licence as a volumetric allowance (in megalitres) but a 'unit share' of the available water for that valley (as defined by the relevant Water Sharing Plan for the valley in question).

For the purposes of setting prices, the Tribunal has assumed that one 'unit share' is equivalent to one megalitre of entitlement. If a "unit share" represents less than 1ML of water, then the conversion factor ensures that the price per ML of water is that determined by the Tribunal. This provides customers with some protection in situations where entitlement volumes have been reduced.

- 8.2 The conversion factor in clause 8.1 above does not apply to the entitlement charges in Tables 5 and 6 for the Far West River Valley.
- 8.3 A worked example of the application of this clause is set out in Part 2, Schedule 5.

9. Constraint on annual bill increases

9.1 Subject to clauses 9.3 and 9.4 of this Schedule, the Corporation must ensure that the amount specified in an annual bill issued to a customer under this Schedule in a financial year (**Year t**) does not exceed by more than 20% (before adjustment for inflation) of the amount specified in a customer's annual bill for the financial year immediately preceding Year t (**Year t-1**).

Note: the amount of 20% is to be replaced by the amount determined in clause 9.3 below.

9.2 In applying clause 9.1, it is to be assumed that the level of usage in a customer's bill in Year t-1 is the same as the level of usage in Year t.

9.3 The amount of 20% in clause 9.1 of this Schedule must be adjusted for inflation in Year t as follows:

$$(1 + 20\%) \times (1 + \Delta CPI_{Year t}) - 1$$

Where:

$\Delta CPI_{Year t}$ - change in the year on year increase to June, calculated as follows:

$$\Delta CPI_{Year t} = \left(\frac{CPI_{JunYear t-1} + CPI_{SepYear t-1} + CPI_{DecYear t-1} + CPI_{MarYear t}}{CPI_{JunYear t-2} + CPI_{SepYear t-2} + CPI_{DecYear t-2} + CPI_{MarYear t-1}} \right) - 1$$

Note: the amount determined in this clause is to replace the amount of 20% in clause 9.1 above.

9.4 In applying clause 9.1 of this Schedule, any Entitlement (and any usage volumes associated with the Entitlement) acquired by or transferred to the customer after the Commencement Date is to be disregarded. However, clauses 3, 4, 5, 6 or 7 (as the case may be) of this Schedule apply to that Entitlement (and any usage volume associated with that Entitlement) in the same way as they apply to other Entitlements.

Tables 5, 6, 7, 8 and 9

Table 5 Charges for Unregulated Rivers – area based charges and volume of entitlement charges (other than for Sydney Catchment Authority and Hunter Water Corporation)

River valley	Commencement Date to 30 June 2007		1 July 2007 to 30 June 2008		1 July 2008 to 30 June 2009		1 July 2009 to 30 June 2010	
	Area based charge	Volume of entitlement charge	Area based charge	Volume of entitlement charge	Area based charge	Volume of entitlement charge	Area based charge	Volume of entitlement charge
	(\$/ha)	(\$/ML of Entitlement or \$/unit share)	(\$/ha)	(\$/ML of Entitlement or \$/unit share)	(\$/ha)	(\$/ML of Entitlement or \$/unit share)	(\$/ha)	(\$/ML of Entitlement or \$/unit share)
Border	10.31	2.52	10.31 x (1+ Δ CPI ₁)	2.52 x (1+ Δ CPI ₁)	10.31 x (1+ Δ CPI ₂)	2.52 x (1+ Δ CPI ₂)	10.31 x (1+ Δ CPI ₃)	2.52 x (1+ Δ CPI ₃)
Gwydir	10.31	2.52	10.31 x (1+ Δ CPI ₁)	2.52 x (1+ Δ CPI ₁)	10.31 x (1+ Δ CPI ₂)	2.52 x (1+ Δ CPI ₂)	10.31 x (1+ Δ CPI ₃)	2.52 x (1+ Δ CPI ₃)
Namoi	10.31	2.52	10.31 x (1+ Δ CPI ₁)	2.52 x (1+ Δ CPI ₁)	10.31 x (1+ Δ CPI ₂)	2.52 x (1+ Δ CPI ₂)	10.31 x (1+ Δ CPI ₃)	2.52 x (1+ Δ CPI ₃)
Peel	10.31	2.52	10.31 x (1+ Δ CPI ₁)	2.52 x (1+ Δ CPI ₁)	10.31 x (1+ Δ CPI ₂)	2.52 x (1+ Δ CPI ₂)	10.31 x (1+ Δ CPI ₃)	2.52 x (1+ Δ CPI ₃)
Lachlan	14.49	4.06	14.97 x (1+ Δ CPI ₁)	4.20 x (1+ Δ CPI ₁)	15.48 x (1+ Δ CPI ₂)	4.34 x (1+ Δ CPI ₂)	16.00 x (1+ Δ CPI ₃)	4.48 x (1+ Δ CPI ₃)
Macquarie	14.49	4.06	14.97 x (1+ Δ CPI ₁)	4.20 x (1+ Δ CPI ₁)	15.48 x (1+ Δ CPI ₂)	4.34 x (1+ Δ CPI ₂)	16.00 x (1+ Δ CPI ₃)	4.48 x (1+ Δ CPI ₃)
Far West	16.12	3.44	18.53 x (1+ Δ CPI ₁)	3.96 x (1+ Δ CPI ₁)	21.31 x (1+ Δ CPI ₂)	4.55 x (1+ Δ CPI ₂)	24.51x (1+ Δ CPI ₃)	5.23 x (1+ Δ CPI ₃)
Murray	9.17	3.05	10.55 x (1+ Δ CPI ₁)	3.51 x (1+ Δ CPI ₁)	12.13 x (1+ Δ CPI ₂)	4.04 x (1+ Δ CPI ₂)	13.95 x (1+ Δ CPI ₃)	4.64 x (1+ Δ CPI ₃)
Murrumbidgee	11.80	5.60	11.80 x (1+ Δ CPI ₁)	5.60 x (1+ Δ CPI ₁)	11.80 x (1+ Δ CPI ₂)	5.60 x (1+ Δ CPI ₂)	11.80 x (1+ Δ CPI ₃)	5.60 x (1+ Δ CPI ₃)
North Coast	16.12	4.09	18.53 x (1+ Δ CPI ₁)	4.71 x (1+ Δ CPI ₁)	21.31 x (1+ Δ CPI ₂)	5.41 x (1+ Δ CPI ₂)	24.51 x (1+ Δ CPI ₃)	6.22 x (1+ Δ CPI ₃)
Hunter	13.31	3.14	14.61 x (1+ Δ CPI ₁)	3.44 x (1+ Δ CPI ₁)	16.02 x (1+ Δ CPI ₂)	3.78 x (1+ Δ CPI ₂)	17.58 x (1+ Δ CPI ₃)	4.14 x (1+ Δ CPI ₃)
South Coast	14.30	3.06	14.60x (1+ Δ CPI ₁)	3.12 x (1+ Δ CPI ₁)	14.90 x (1+ Δ CPI ₂)	3.19 x (1+ Δ CPI ₂)	15.21 x (1+ \square CPI ₃)	3.25 x (1+ \square CPI ₃)

Table 6 Charges for Unregulated Rivers – two part tariff (other than Hunter Water Corporation)

River valley	Commencement Date to 30 June 2007		1 July 2007 to 30 June 2008		1 July 2008 to 30 June 2009		1 July 2009 to 30 June 2010	
	Entitlement (\$/ML of Entitlement or \$/unit share)	Usage (\$/ML)	Entitlement (\$/ML of Entitlement or \$/unit share)	Usage (\$/ML)	Entitlement (\$/ML of Entitlement or \$/unit share)	Usage (\$/ML)	Entitlement (\$/ML of Entitlement or \$/unit share)	Usage (\$/ML)
Border	1.52	1.00	1.52 x (1+ Δ CPI ₁)	1.00 x (1+ Δ CPI ₁)	1.52 x (1+ Δ CPI ₂)	1.00 x (1+ Δ CPI ₂)	1.52 x (1+ Δ CPI ₃)	1.00 x (1+ Δ CPI ₃)
Gwydir	1.52	1.00	1.52 x (1+ Δ CPI ₁)	1.00 x (1+ Δ CPI ₁)	1.52 x (1+ Δ CPI ₂)	1.00 x (1+ Δ CPI ₂)	1.52 x (1+ Δ CPI ₃)	1.00 x (1+ Δ CPI ₃)
Namoi	1.52	1.00	1.52 x (1+ Δ CPI ₁)	1.00 x (1+ Δ CPI ₁)	1.52 x (1+ Δ CPI ₂)	1.00 x (1+ Δ CPI ₂)	1.52 x (1+ Δ CPI ₃)	1.00 x (1+ Δ CPI ₃)
Peel	1.52	1.00	1.52 x (1+ Δ CPI ₁)	1.00 x (1+ Δ CPI ₁)	1.52 x (1+ Δ CPI ₂)	1.00 x (1+ Δ CPI ₂)	1.52 x (1+ Δ CPI ₃)	1.00 x (1+ Δ CPI ₃)
Lachlan	2.44	1.62	2.53 x (1+ Δ CPI ₁)	1.67 x (1+ Δ CPI ₁)	2.61 x (1+ Δ CPI ₂)	1.73 x (1+ Δ CPI ₂)	2.70 x (1+ Δ CPI ₃)	1.78 x (1+ Δ CPI ₃)
Macquarie	2.44	1.62	2.53 x (1+ Δ CPI ₁)	1.67 x (1+ Δ CPI ₁)	2.61 x (1+ Δ CPI ₂)	1.73 x (1+ Δ CPI ₂)	2.70 x (1+ Δ CPI ₃)	1.78 x (1+ Δ CPI ₃)
Far West	2.09	1.35	2.41 x (1+ Δ CPI ₁)	1.55 x (1+ Δ CPI ₁)	2.77 x (1+ Δ CPI ₂)	1.78 x (1+ Δ CPI ₂)	3.18 x (1+ Δ CPI ₃)	2.05 x (1+ Δ CPI ₃)
Murray	1.83	1.22	2.11 x (1+ Δ CPI ₁)	1.40 x (1+ Δ CPI ₁)	2.42 x (1+ Δ CPI ₂)	1.61 x (1+ Δ CPI ₂)	2.79 x (1+ Δ CPI ₃)	1.86 x (1+ Δ CPI ₃)
Murrumbidgee	3.36	2.24	3.36 x (1+ Δ CPI ₁)	2.24 x (1+ Δ CPI ₁)	3.36 x (1+ Δ CPI ₂)	2.24 x (1+ Δ CPI ₂)	3.36 x (1+ Δ CPI ₃)	2.24 x (1+ Δ CPI ₃)
North Coast	2.47	1.63	2.84 x (1+ Δ CPI ₁)	1.87 x (1+ Δ CPI ₁)	3.26 x (1+ Δ CPI ₂)	2.15 x (1+ Δ CPI ₂)	3.75 x (1+ Δ CPI ₃)	2.47 x (1+ Δ CPI ₃)
Hunter	1.89	1.25	2.07 x (1+ Δ CPI ₁)	1.37 x (1+ Δ CPI ₁)	2.27 x (1+ Δ CPI ₂)	1.50 x (1+ Δ CPI ₂)	2.49 x (1+ Δ CPI ₃)	1.65 x (1+ Δ CPI ₃)
South Coast	1.83	1.23	1.87 x (1+ Δ CPI ₁)	1.25 x (1+ Δ CPI ₁)	1.91 x (1+ Δ CPI ₂)	1.28 x (1+ Δ CPI ₂)	1.95 x (1+ Δ CPI ₃)	1.30 x (1+ Δ CPI ₃)

Table 7 Charges for Unregulated Rivers – usage charge (other than Sydney Catchment Authority and Hunter Water Corporation)

River valley	Commencement Date to 30 June 2007	1 July 2007 to 30 June 2008	1 July 2008 to 30 June 2009	1 July 2009 to 30 June 2010
	(\$/ML)	(\$/ML)	(\$/ML)	(\$/ML)
Border	1.72	$1.72 \times (1+\Delta\text{CPI}_1)$	$1.72 \times (1+\Delta\text{CPI}_2)$	$1.72 \times (1+\Delta\text{CPI}_3)$
Gwydir	1.72	$1.72 \times (1+\Delta\text{CPI}_1)$	$1.72 \times (1+\Delta\text{CPI}_2)$	$1.72 \times (1+\Delta\text{CPI}_3)$
Namoi	1.72	$1.72 \times (1+\Delta\text{CPI}_1)$	$1.72 \times (1+\Delta\text{CPI}_2)$	$1.72 \times (1+\Delta\text{CPI}_3)$
Peel	1.72	$1.72 \times (1+\Delta\text{CPI}_1)$	$1.72 \times (1+\Delta\text{CPI}_2)$	$1.72 \times (1+\Delta\text{CPI}_3)$
Lachlan	2.00	$2.07 \times (1+\Delta\text{CPI}_1)$	$2.14 \times (1+\Delta\text{CPI}_2)$	$2.21 \times (1+\Delta\text{CPI}_3)$
Macquarie	2.00	$2.07 \times (1+\Delta\text{CPI}_1)$	$2.14 \times (1+\Delta\text{CPI}_2)$	$2.21 \times (1+\Delta\text{CPI}_3)$
Far West	2.23	$2.56 \times (1+\Delta\text{CPI}_1)$	$2.95 \times (1+\Delta\text{CPI}_2)$	$3.39 \times (1+\Delta\text{CPI}_3)$
Murray	1.15	$1.32 \times (1+\Delta\text{CPI}_1)$	$1.52 \times (1+\Delta\text{CPI}_2)$	$1.75 \times (1+\Delta\text{CPI}_3)$
Murrumbidgee	1.88	$1.88 \times (1+\Delta\text{CPI}_1)$	$1.88 \times (1+\Delta\text{CPI}_2)$	$1.88 \times (1+\Delta\text{CPI}_3)$
North Coast	2.23	$2.56 \times (1+\Delta\text{CPI}_1)$	$2.95 \times (1+\Delta\text{CPI}_2)$	$3.39 \times (1+\Delta\text{CPI}_3)$
Hunter	1.85	$2.03 \times (1+\Delta\text{CPI}_1)$	$2.22 \times (1+\Delta\text{CPI}_2)$	$2.44 \times (1+\Delta\text{CPI}_3)$
South Coast	1.98	$2.02 \times (1+\Delta\text{CPI}_1)$	$2.06 \times (1+\Delta\text{CPI}_2)$	$2.10 \times (1+\Delta\text{CPI}_3)$

Table 8 Base charges

Charge	Commencement Date to 30 June 2007 (\$)	1 July 2007 to 30 June 2008 (\$)	1 July 2008 to 30 June 2009 (\$)	1 July 2009 to 30 June 2010 (\$)
Base charge per licence	123.18	$123.18 \times (1+\Delta\text{CPI}_1)$	$123.18 \times (1+\Delta\text{CPI}_2)$	$123.18 \times (1+\Delta\text{CPI}_3)$

**Table 9 Charges for Unregulated Rivers
(Sydney Catchment Authority and Hunter Water Corporation)**

Authority	Maximum annual charges (\$/ML of usage)
Sydney Catchment Authority	The charge derived by adding the entitlement and the usage portions of the two-part tariff for the South Coast in Table 6 (as modified by clause 8 of this Schedule, if applicable).
Hunter Water Corporation	The charge derived by adding the entitlement and usage portions of the two-part tariff for the Hunter in Table 6 (as modified by clause 8, if applicable).

Note: For example, under Table 9 the charge derived by adding the entitlement (\$1.83 /ML or unit share) and the usage (\$1.23/ML) components of the two-part tariff for the South Coast in Table 6 is \$3.06/ML

Note: For example, under Table 9 the charge derived by adding the entitlement (1.89/ML or unit share) and the usage (\$1.25/ML) portions of the two-part tariff for the Hunter in Table 6 is \$3.14/ML.

Schedule 3

Ground Water

1. Application

This Schedule sets the maximum prices that may be charged for the Corporation's Monopoly Services under a Water Licence that authorises the extraction of Ground Water, for the period to which this determination applies.

2. Categories for pricing purposes

The charges for the Corporation's Monopoly Services under a licence referred to in clause 1 of this Schedule depend on whether or not:

- (a) the property to which the licence applies is in a Ground Water Management Area monitored by the Corporation; and
- (b) the licence holder is Hunter Water Corporation.

3. Maximum charges for properties in Ground Water Management Areas monitored by the Corporation (other than for Hunter Water Corporation)

Subject to clause 7 of this Schedule, the maximum annual charge that may be levied for the Corporation's Monopoly Services under a licence referred to in clause 1 of this Schedule where the property identified in the licence is in a Ground Water Management Area monitored by the Corporation (other than where the licence holder is the Hunter Water Corporation) is the higher of:

- (a) an annual charge of \$60.00; and
- (b) the sum of the following charges:
 - (1) an entitlement charge (being a charge expressed in dollars per megalitre of Entitlement or in dollars per unit share) in Table 10 for the relevant river valley and relevant year, multiplied by a licence holder's Entitlement or unit share for that year and multiplied by the conversion ratio in clause 6 this Schedule;
 - (2) a usage charge (being a charge expressed in dollars per megalitre of water actually extracted) in Table 11 for the relevant year and relevant river valley, multiplied by a licence holder's usage for that year; and
 - (3) a base charge (being a charge expressed in dollars per property account (as defined by the Corporation) under the Water Act or a charge expressed in dollars per WMA Licence) in Table 12 for the relevant year and the "in Ground Water Management Area" category in the table.

4. Maximum charges for properties not in Ground Water Management Areas monitored by the Corporation (other than for Hunter Water Corporation)

Subject to clause 7 of this Schedule, the maximum annual charge that may be levied for the Corporation's Monopoly Services under a licence referred to in clause 1 of this Schedule where the property identified in the licence is not in a Ground Water Management Area monitored by the Corporation (other than where the licence holder is Hunter Water Corporation), is the higher of:

- (a) an annual charge of \$60.00; and
- (b) the sum of the following charges:
 - (1) an entitlement charge (being a charge expressed in dollars per megalitre of Entitlement or in dollars per unit share) in Table 10 for the relevant river valley and relevant year, multiplied by a licence holder's Entitlement or unit share for that year and multiplied by the conversion ratio in clause 6 of this Schedule; and
 - (2) a base charge (being a charge expressed in dollars per property account (as defined by the Corporation) under the Water Act or a charge expressed in dollars per WMA Licence) in Table 12 for the relevant year and the "not in Ground Water Management Areas" category in the table.

5. Maximum charges for Hunter Water Corporation

The maximum annual charge that may be levied for the Corporation's Monopoly Services under a licence referred to in clause 1 of this Schedule held by Hunter Water Corporation is the usage charge (expressed in dollars per megalitre of water actually extracted) in Table 13 for the relevant river valley and relevant year, multiplied by Hunter Water Corporation's usage for that year.

6. Conversion ratio

6.1 If WA Licences in a river valley are converted to WMA Licences and those WMA Licences are expressed as a specified number of unit shares then the following conversion ratio is to be applied to the entitlement charges for that river valley in Table 10:

$$CR = \frac{(E \times F)}{G}$$

Where:

CR - conversion ratio for a river valley

E - total Entitlement Volume (expressed in megalitres) of all Licence holders in a river valley immediately before the introduction of the Water Sharing Plan

F - megalitre per unit share in a river valley

G - total Entitlement Volume (expressed in megalitres) of all WMA Licence holders in a river valley immediately after the introduction of the Water Sharing Plan (including Entitlement Volumes on any supplementary licences for extraction of Ground Water)

Note: Unlike the conversion factors for surface water, the purpose of the Ground Water conversion ratio is to maintain the Corporation's revenue. The Tribunal understands that introduction of the WSP's is not expected to significantly affect usage volumes and has taken into consideration the low overall level of cost recovery. Please refer to the report accompanying this determination.

6.2 A worked example of the application of this clause is set out in Part 3, Schedule 5.

7. Constraint on annual bill increases

7.1 Subject to clauses 7.3 and 7.4 of this Schedule, the Corporation must ensure that the amount specified in an annual bill issued to a customer under this Schedule in a financial year (**Year t**) does not exceed by more than 20% (before adjustment for inflation) of the amount specified in a customer's annual bill for the financial year immediately preceding Year t (**Year t-1**).

Note: the amount of 20% is to be replaced by the amount determined in clause 7.3 below.

7.2 In applying clause 7.1 of this Schedule it is to be assumed that the level of usage in a customer's bill in Year t-1 is the same as the level of usage in Year t.

7.3 The amount of 20% in clause 7.1 of this Schedule must be adjusted for inflation in Year t as follows:

$$(1 + 20\%) \times (1 + \Delta CPI_{Year t}) - 1$$

Where:

$\Delta CPI_{Year t}$ - change in the year on year increase to June, calculated as follows:

$$\Delta CPI_{Year t} = \left(\frac{CPI_{JunYear t-1} + CPI_{SepYear t-1} + CPI_{DecYear t-1} + CPI_{MarYear t}}{CPI_{JunYear t-2} + CPI_{SepYear t-2} + CPI_{DecYear t-2} + CPI_{MarYear t-1}} \right) - 1.$$

Note: the amount determined in this clause is to replace the amount of 20% in clause 7.1 above.

7.4 In applying clause 7.1 of this Schedule, any Entitlement (and any usage volumes associated with the Entitlement) acquired by or transferred to the customer after the Commencement Date is to be disregarded. However, clauses 3, 4 or 5 (as the case may be) of this Schedule apply to that Entitlement (and any usage volume associated with that Entitlement) in the same way as they apply to other Entitlements.

Tables 10, 12, 12 and 13

**Table 10 Entitlement charges for Ground Water
(other than for Hunter Water Corporation)**

River valley	Commencement Date to 30 June 2007	1 July 2007 to 30 June 2008	1 July 2008 to 30 June 2009	1 July 2009 to 30 June 2010
	(\$/ML of Entitlement or \$/unit share)			
Border	1.13	$1.45 \times (1+\Delta\text{CPI}_1)$	$1.82 \times (1+\Delta\text{CPI}_2)$	$2.24 \times (1+\Delta\text{CPI}_3)$
Gwydir	1.13	$1.45 \times (1+\Delta\text{CPI}_1)$	$1.82 \times (1+\Delta\text{CPI}_2)$	$2.24 \times (1+\Delta\text{CPI}_3)$
Namoi	1.13	$1.45 \times (1+\Delta\text{CPI}_1)$	$1.82 \times (1+\Delta\text{CPI}_2)$	$2.24 \times (1+\Delta\text{CPI}_3)$
Peel	1.13	$1.45 \times (1+\Delta\text{CPI}_1)$	$1.82 \times (1+\Delta\text{CPI}_2)$	$2.24 \times (1+\Delta\text{CPI}_3)$
Lachlan	1.69	$2.03 \times (1+\Delta\text{CPI}_1)$	$2.39 \times (1+\Delta\text{CPI}_2)$	$2.77 \times (1+\Delta\text{CPI}_3)$
Macquarie	1.69	$2.03 \times (1+\Delta\text{CPI}_1)$	$2.39 \times (1+\Delta\text{CPI}_2)$	$2.77 \times (1+\Delta\text{CPI}_3)$
Far West	2.02	$2.61 \times (1+\Delta\text{CPI}_1)$	$3.31 \times (1+\Delta\text{CPI}_2)$	$4.12 \times (1+\Delta\text{CPI}_3)$
Murray	1.62	$1.86 \times (1+\Delta\text{CPI}_1)$	$2.12 \times (1+\Delta\text{CPI}_2)$	$2.38 \times (1+\Delta\text{CPI}_3)$
Murrumbidgee	0.93	$1.00 \times (1+\Delta\text{CPI}_1)$	$1.06 \times (1+\Delta\text{CPI}_2)$	$1.12 \times (1+\Delta\text{CPI}_3)$
North Coast	2.02	$2.61 \times (1+\Delta\text{CPI}_1)$	$3.31 \times (1+\Delta\text{CPI}_2)$	$4.12 \times (1+\Delta\text{CPI}_3)$
Hunter	2.02	$2.61 \times (1+\Delta\text{CPI}_1)$	$3.31 \times (1+\Delta\text{CPI}_2)$	$4.12 \times (1+\Delta\text{CPI}_3)$
South Coast	2.02	$2.61 \times (1+\Delta\text{CPI}_1)$	$3.31 \times (1+\Delta\text{CPI}_2)$	$4.12 \times (1+\Delta\text{CPI}_3)$

Table 11 Usage Charges for Ground Water (other than for Hunter Water Corporation)

River valley	Commencement Date to 30 June 2007	1 July 2007 to 30 June 2008	1 July 2008 to 30 June 2009	1 July 2009 to 30 June 2010
	(\$/ML)	(\$/ML)	(\$/ML)	(\$/ML)
Border	0.57	$0.72 \times (1+\Delta\text{CPI}_1)$	$0.91 \times (1+\Delta\text{CPI}_2)$	$1.12 \times (1+\Delta\text{CPI}_3)$
Gwydir	0.57	$0.72 \times (1+\Delta\text{CPI}_1)$	$0.91 \times (1+\Delta\text{CPI}_2)$	$1.12 \times (1+\Delta\text{CPI}_3)$
Namoi	0.57	$0.72 \times (1+\Delta\text{CPI}_1)$	$0.91 \times (1+\Delta\text{CPI}_2)$	$1.12 \times (1+\Delta\text{CPI}_3)$
Peel	0.57	$0.72 \times (1+\Delta\text{CPI}_1)$	$0.91 \times (1+\Delta\text{CPI}_2)$	$1.12 \times (1+\Delta\text{CPI}_3)$
Lachlan	0.87	$1.05 \times (1+\Delta\text{CPI}_1)$	$1.23 \times (1+\Delta\text{CPI}_2)$	$1.43 \times (1+\Delta\text{CPI}_3)$
Macquarie	0.87	$1.05 \times (1+\Delta\text{CPI}_1)$	$1.23 \times (1+\Delta\text{CPI}_2)$	$1.43 \times (1+\Delta\text{CPI}_3)$
Far West	1.01	$1.31 \times (1+\Delta\text{CPI}_1)$	$1.66 \times (1+\Delta\text{CPI}_2)$	$2.06 \times (1+\Delta\text{CPI}_3)$
Murray	0.82	$0.94 \times (1+\Delta\text{CPI}_1)$	$1.07 \times (1+\Delta\text{CPI}_2)$	$1.20 \times (1+\Delta\text{CPI}_3)$
Murrumbidgee	0.46	$0.49 \times (1+\Delta\text{CPI}_1)$	$0.52 \times (1+\Delta\text{CPI}_2)$	$0.55 \times (1+\Delta\text{CPI}_3)$
North Coast	1.01	$1.31 \times (1+\Delta\text{CPI}_1)$	$1.66 \times (1+\Delta\text{CPI}_2)$	$2.06 \times (1+\Delta\text{CPI}_3)$
Hunter	1.01	$1.31 \times (1+\Delta\text{CPI}_1)$	$1.66 \times (1+\Delta\text{CPI}_2)$	$2.06 \times (1+\Delta\text{CPI}_3)$
South Coast	1.01	$1.31 \times (1+\Delta\text{CPI}_1)$	$1.66 \times (1+\Delta\text{CPI}_2)$	$2.06 \times (1+\Delta\text{CPI}_3)$

Table 12 Base charges

Charge	Commencement Date to 30 June 2007 (\$)	1 July 2007 to 30 June 2008 (\$)	1 July 2008 to 30 June 2009 (\$)	1 July 2009 to 30 June 2010 (\$)
Base charge in Ground Water Management Areas monitored by the Corporation per: (a) property account; or (b) WMA Licence	157.07	114.66 x (1+ Δ CPI ₁)	63.06 x (1+ Δ CPI ₂)	0
Base charge in areas not in Ground Water Management Areas monitored by the Corporation per: (a) property account; or (b) WMA Licence	68.18	49.77 x (1+ Δ CPI ₁)	27.37 x (1+ Δ CPI ₂)	0

Table 13 Ground Water charges for Hunter Water Corporation

**Maximum annual charges
(\$/ML of usage)**

The usage charge derived by adding the entitlement and the usage portions for the Hunter River Valley in Tables 10 and 11 (as modified by clause 6 of this Schedule, if applicable).

Note: For example, the charge derived by adding the entitlement (\$2.02/ML) and the usage (\$1.01/ML) portions for the Hunter River Valley in Tables 10 and 11 is \$3.03/ML.

Schedule 4

Administration fees and charges

1. Application

This Schedule sets the maximum transaction fees and charges that may be charged with respect to the administration of applications, renewals, permanent transfers and temporary transfers of Water Licences administered by the Corporation under the Water Management Act for the period to which this determination applies.

Note: although the Corporation contracts to State Water Corporation the function of processing temporary licence transfer transactions on behalf of the Corporation, this determination sets the maximum fees for those services.

2. Maximum fees and charges

The maximum fees and charges for the licence transactions described in clause 1 of this Schedule are:

- (a) **from the Commencement Date to 30 June 2007** - set out in Table 14 of this determination;
- (b) **from 1 July 2007 to 30 June 2008** - set out in Table 14 of this determination, multiplied by $(1+\Delta\text{CPI}_1)$;
- (c) **from 1 July 2008 to 30 June 2009** -set out in Table 14 of this determination, multiplied by $(1+\Delta\text{CPI}_2)$;
- (d) **from 1 July 2009 to 30 June 2010** -set out in Table 14 of this determination, multiplied by $(1+\Delta\text{CPI}_3)$.

3. Temporary transfer fee

The maximum fee that may be levied by the Corporation for a temporary transfer of water is \$50 plus \$0.50 for each megalitre of water transferred, but in no case is the total to exceed \$150.

Table 14 Administration fees and charges

	Commence- ment Date to 30 June 2007 Administration Labour (\$)	Commence- ment Date to 30 June 2007 Advertising Costs (\$)	Commence- ment Date to 30 June 2007 Basic Assessment (\$)	Commence- ment Date to 30 June 2007 Special Assessment \$ per unit Entitlement > 20 Unit Entitlements	Commence- ment Date to 30 June 2007 Special Assessment \$/s for pumps > 50 L/s capacity	Commence- ment Date to 30 June 2007 Special Assessment \$ per Ha > 10 Hectares	Commence- ment Date to 30 June 2007 Special Assessment Dams (\$)	Commence- ment Date to 30 June 2007 Special Assessment Approval Extensions (\$)
New water access licences								
Zero Share	105.69							
Specific Purpose	105.69		335.77					
Water access licence dealings								
Dealings - regulated rivers	105.69							
Dealings - unregulated rivers and groundwater	105.69		335.77	15.45				
New or amended approvals								
Works only (No Dam , Pump ≤ 50 Litres/sec)	105.69	480.76	335.77					
Works only (No Dam , Pump > 50 Litres/sec)	105.69	480.76	335.77		2.63			
Works only (Dam)	105.69	480.76	335.77			8.00		
Works only Dam & Pump > 50 Litres/sec	105.69	480.76	335.77				409.53	
Use Only ≤ 10 ha	105.69	480.76	335.77					
Use Only > 10 ha	105.69	480.76	335.77			8.00		
Works and use	105.69	480.76	335.77		2.63	8.00	409.53	
Approval extensions								
admin only	105.69							
Assessment	105.69		335.77					409.53
Basic rights work approval	105.69		-					

Schedule 5

Worked examples

Part 1 – clause 3 Schedule 1

Assuming that:

- the Valley Entitlement Volume of water (expressed in megalitres) at the conversion of the WA Licences to WMA Licences – 80000ML (A)
- the number of unit shares allocated to licence holders in a river valley immediately after the WMA Licences are issued – 100000 unit shares (S)
- a licence holder's Entitlement (expressed in megalitres) immediately before those WMA Licences are issued – 1000ML
- a licence holder's Entitlement (expressed in megalitres) immediately after those WMA Licences are issued – 800ML
- the number of unit shares allocated to a licence holders in a river valley immediately after the WMA Licences are issued – 1000 unit shares

The following conversion factor is to be applied to the entitlement charge in Table 1:

$$CF = \frac{A}{S}$$

$$CF = \frac{80000}{100000}$$

$$CF = 0.8$$

For example – assuming that the licence holder is in the Peel Valley, that licence holder will be paying in the relevant year the following entitlement charges:

- Before conversion - \$1060 (being \$1.06/ML of Entitlement x 1000 ML)
- After conversion but before the application of the conversion factor - \$1060 (being \$1.06/unit share X 1000 unit shares)
- After conversion and after the application of the conversion factor - \$848 (being \$1.06/unit share x 1000 unit shares x 0.8 or \$0.848/unit share x 1000 unit shares)

Explanation of the conversion factor based on the above example:

- The aim of the conversion factor is to provide customers with some protection in situations where Entitlement Volumes under their WMA Licence have been reduced by maintaining the effective price of entitlement to water.
- A licence holder in the Peel Valley whose WA licence was converted into a WMA Licence now has a 1000 unit shares which entitles him to use 800ML of water a year (as opposed to 1000ML under his WA Licence).

- If the conversion factor were not applied to the entitlement charge in Table 1, the entitlement charge payable by the licence holder would be \$1060 for 800ML of Entitlement Volume (this is the same amount payable by the licence holder under his WA Licence which entitled him to use 1000ML of water).
- If the conversion factor were applied to the entitlement charge in Table 1, the entitlement charge payable by the licence holder would be \$848 for 800ML of Entitlement Volume.
- The effective price of water after conversion would be \$1.06 (\$848 divided by 800ML). The effective price of \$1.06 per ML of entitlement to water is therefore maintained.

Part 2 – clause 8 Schedule 2

Assuming that:

- the Valley Entitlement Volume of water (expressed in megalitres) at the conversion of the WA Licences to WMA Licences – 90000ML (A)
- the number of unit shares allocated to licence holders in a river valley immediately after the WMA Licences are issued – 100000 unit shares (S)
- a licence holder’s Entitlement (expressed in megalitres) immediately before those WMA Licences are issued – 1000ML
- a licence holder’s Entitlement (expressed in megalitres) immediately after those WMA Licences are issued – 900ML
- the number of unit shares allocated to a licence holders in a river valley immediately after the WMA Licences are issued – 1000 unit shares

The following conversion ratio is to be applied to the entitlement charge in Tables 5 and 6:

$$CF = \frac{A}{S}$$

$$CF = \frac{90000}{100000}$$

$$CF = 0.9$$

For example – assuming that the licence holder is in the Peel Valley, that licence holder will be paying in the relevant year the following entitlement charges:

- Before conversion - \$2520 (being \$2.52/ML of Entitlement x 1000 ML).
- After conversion but before the application of the conversion factor - \$2520 (being \$2.52/unit share X 1000 unit shares).
- After conversion and after the application of the conversion factor - \$2268 (being \$2.52/unit share x 1000 unit shares x 0.90 or \$2.268/unit share x 1000 unit shares).

Explanation of the conversion ratio based on the above example:

- The aim of the conversion factor is to provide customers with some protection in situations where Entitlement Volumes under their WMA Licence have been reduced by maintaining the effective price of entitlement to water.
- A licence holder in the Peel Valley whose WA licence was converted into a WMA Licence now has a 1000 unit shares which entitles him to use 900ML of water a year (as opposed to 1000ML under his WA Licence).
- If the conversion factor were not applied to the entitlement charge in Table 5, the entitlement charge payable by the licence holder would be \$2520 for 900ML of Entitlement Volume (this is the same amount payable by the licence holder under his WA Licence which entitled him to use 1000ML of water).
- If the conversion factor were applied to the entitlement charge in Table 5, the entitlement charge payable by the licence holder would be \$2268 for 900ML of Entitlement Volume.
- The effective price of water after conversion would be \$2.52 (\$2268 divided by 900ML). The effective price of \$2.52 per ML of entitlement to water is therefore maintained.

Part 3 – clause 6 Schedule 3

Assuming that:

- total Entitlement Volume (expressed in megalitres) of all Licence holders in a river valley immediately before the introduction of the Water Sharing Plan - 100,000ML (E)
- megalitre per unit share in a river valley- 1ML/unit (F)
- total Entitlement Volume (expressed in megalitres) of all WMA Licence holders in a river valley immediately after the introduction of the Water Sharing Plan (including Entitlement Volumes on any supplementary licences for extraction of Ground Water) - 50,000ML (G)
- a licence holder's Entitlement (expressed in megalitres) immediately before the conversion of his WA Licence to a WMA Licences - 1000ML
- the number of unit shares allocated to a licence holder - 500 unit shares
- each unit share represents 1 ML of entitlement to water

The following conversion ratio is to be applied to the entitlement charge in Table 10:

$$CR = \frac{(E \times F)}{G}$$

$$CR = \frac{(100,000 \text{ ML} \times 1 \text{ ML/unit})}{50,000 \text{ ML}}$$

$$CR = 2$$

For example - assuming that the licence holder is in the Peel Valley, that licence holder will be paying in a relevant year the following entitlement charges:

- Before conversion - \$1130 (being \$1.13/ML of Entitlement x 1000 ML).
- After conversion but before the application of the conversion ratio - \$565 (being \$1.13/unit share X 500 unit shares).
- After conversion and after the application of the conversion ratio - \$1130 (being \$1.13/unit share x 500 unit shares x 2 or \$2.26/unit share x 500 unit shares).

Explanation of the conversion ratio based on the above example:

- The aim of the Ground Water conversion ratio is to maintain the Corporation's revenue.
- A licence holder in the Peel Valley whose WA licence was converted into a WMA Licence now has 500 unit shares which entitles him to use 500ML of water a year (as opposed to 1,000ML under his WA Licence).
- If the conversion ratio were not applied to the entitlement charge in Table 10, the entitlement charge payable by the licence holder would be \$565 for 500ML of entitlement to water (as opposed to \$1,130 under his WA Licence which entitled him to use 1000ML of water - the loss to the Corporation of \$565).
- If the conversion ratio were applied to the entitlement charge in Table 10, the entitlement charge payable by the licence holder would be \$1,130 for 500ML of entitlement to water. The consequence of applying the conversion ratio was that the licence holder's bill and the Corporation's revenue remained unchanged.

Schedule 6

Definitions and Interpretation

1. Definitions

In this determination:

Barwon-Darling Cap Management Strategy means the Barwon-Darling Cap Management Strategy of the NSW Government which was implemented on 1 July 2006.

Commencement Date is defined in clause (c) of section 2 (**Application of this determination**) of this determination.

Corporation means the Water Administration Ministerial Corporation, being the corporation established under section 371 of the Water Management Act, and which is a continuation of, and the same legal entity as, the corporation of that name constituted by the *Water Administration Act 1986* (by virtue of clause 17 of Schedule 9 of the Water Management Act).

Conveyance Licence means a regulated river (conveyance) access licence issued under section 57(1)(c) of the Water Management Act.

Domestic and Stock Licence means an access licence that falls within s57(1)(k) of the Water Management Act or an access licence expressly issued under the Water Act for a “domestic” or “stock” purpose.

Entitlement means the right, conferred by means of a Water Licence, to take and use a specified quantity of water.

Entitlement Volume means the volume of water attaching to an Entitlement in a WMA Licence or WA Licence.

Ground Water means water accessed from an aquifer or other below-ground water source.

Ground Water Management Area means an area which the Minister has designated as a ground water management area, and for which the Minister has a current management plan in place.

High Flow Licence means a WMA Licence issued by the Corporation as a high flow licence.

IPART Act is defined in clause (a) of section 1 (**Background**) of this determination.

Irrigation Corporation has the meaning given to that term under the Water Management Act.

Irrigator means a person who irrigates under a relevant approval, and includes an Irrigation Corporation.

Licence Register means the Water Licence register and/or water accounting register maintained by the Corporation.

Minister means the Minister administering the Water Management Act (or, where relevant, the Water Act).

Meter means:

- (a) an apparatus (approved by the Corporation) for the measurement of water extracted from Unregulated Rivers and installed (with the approval of the Corporation) on or near the licence holder's off-take point or points; or
- (b) a methodology (approved by the Corporation) for the measurement of water extracted from Unregulated Rivers.

Monopoly Services means the services defined as such in clause (d) of section 1 (**Background**) of this determination.

Regulated River has the meaning given to that term under the Water Management Act.

Supplementary Water Access Licence means an access licence that falls within s57(1) (h) of the Water Management Act.

Tagged Water Entitlement means the water entitlement which was sold permanently by a licence holder in a river valley or state to another licence holder in another river valley or state.

Tribunal means the Independent Pricing and Regulatory Tribunal of New South Wales, established under the IPART Act.

Unregulated River has the meaning given to that term under the Water Management Act.

Valley Entitlement Volume means the volume of water attaching to the sum of the Entitlements in a river valley.

WA Licence means any licence, permit or authority under Part 2 or Part 9 of the Water Act, to the extent that it authorises the extraction of water.

WMA Licence means an access licence referred to in section 57 of the Water Management Act.

Water Act is defined in clause (f)(2) of section 1 (**Background**) of this determination.

Water Licence means:

- (a) a WMA Licence; or
- (b) a WA Licence.

Water Management Act is defined in clause (c) of section 1 (**Background**) of this determination.

Water Sharing Plan means the water sharing provisions of a management plan for a water management area or water source under the Water Management Act.

1.2 Consumer Price Index

- (a) **CPI** means the consumer price index All Groups index number for the weighted average of eight capital cities, published by the Australian Bureau of Statistics, or if the Australian Bureau of Statistics does not or ceases to publish the index, then CPI will mean an index determined by the Tribunal

$$(b) \Delta CPI_1 = \left(\frac{CPI_{Jun2006} + CPI_{Sep2006} + CPI_{Dec2006} + CPI_{Mar2007}}{CPI_{Jun2005} + CPI_{Sep2005} + CPI_{Dec2005} + CPI_{Mar2006}} \right) - 1$$

$$\Delta CPI_2 = \left(\frac{CPI_{Jun2007} + CPI_{Sep2007} + CPI_{Dec2007} + CPI_{Mar2008}}{CPI_{Jun2005} + CPI_{Sep2005} + CPI_{Dec2005} + CPI_{Mar2006}} \right) - 1$$

$$\Delta CPI_3 = \left(\frac{CPI_{Jun2008} + CPI_{Sep2008} + CPI_{Dec2008} + CPI_{Mar2009}}{CPI_{Jun2005} + CPI_{Sep2005} + CPI_{Dec2005} + CPI_{Mar2006}} \right) - 1$$

each as calculated by the Tribunal and notified in writing by the Tribunal to the Corporation.

- (c) The subtext (for example $_{Jun\ 2005}$) when used in relation to paragraph (b) above means the CPI for the quarter and year indicated (in the example the June quarter for 2005).

2. Interpretation

2.1 General provisions

In this determination:

- (a) headings are for convenience only and do not affect the interpretation of this determination;
- (b) a reference to a schedule, annexure, clause or table is a reference to a schedule, annexure, clause or table to this determination;
- (c) words importing the singular include the plural and vice versa;
- (d) a reference to a law or statute includes all amendments or replacements of that law or statute.

2.2 Explanatory notes, examples and clarification notice

- (a) Explanatory notes and examples do not form part of this determination, but in the case of uncertainty may be relied on for interpretation purposes.
- (b) The Tribunal may publish a clarification notice in the NSW Government Gazette to correct any manifest error in this determination as if that clarification notice, on publication, formed part of this determination.

2.3 Prices exclusive of GST

Prices or charges specified in this determination do not include GST.

2.4 Billing cycle

For the avoidance of doubt nothing in this determination affects when a bill may be issued to a customer for prices or charges under this determination.

2.5 Annual charges

- (a) The annual charges in this determination apply to each financial year (1 July to 30 June inclusive) or part of a financial year from the Commencement Date and to 30 June 2010 or the date that this determination is replaced (if this determination applies beyond 30 June 2010).
- (b) In respect of:
 - (1) the period from the Commencement Date until 30 June 2007 (if that period is less than a full financial year); and
 - (2) any period after 30 June 2007 that is less than a full financial year,

the annual charges in this determination (other than those calculated by reference to usage) will be pro-rated for that period, based on the proportion that the number of days in that period bears to the number of days in the financial year.

Note: This clause is not intended to prohibit the Corporation from issuing a bill for any period before the Commencement Date. Please refer to clause 3 (**Replacement of Determination No 9 of 2005**) on page 3 of this determination for further information.

2.6 Entitlement charges

- (a) A reference to an entitlement charge is a reference to an entitlement charge specified in a Water Licence without regard to any part of the Entitlement that may be carried over from a previous year.
- (b) A reference to an entitlement charge:
 - (1) expressed in dollars per megalitre of Entitlement is a reference to a charge expressed in dollars per megalitre for which a WA Licence or a WMA Licence confers on the licence holder in a year; and
 - (2) expressed in dollars per unit share is a reference to a charge so expressed under a WMA Licence whose share component is expressed in unit shares.

2.7 Metering of usage charges for Irrigation Corporations

For the avoidance of doubt, the metering of usage charges for the supply of water to an Irrigation Corporation from a Regulated River is to be determined at the point or points of off -take from the Regulated River or as set out in that Irrigation Corporation’s works licence conditions.

2.8 River valleys

- (a) In this determination, a reference to a river valley is a reference to the relevant valley more fully described in the following table:

River Valley	Description
Regulated Rivers	
Border	If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan. In any other case: Border Rivers including the Severn, the Macintyre and Dumaresq rivers down to Mungindi
Gwydir	If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan. In any other case: Gwydir River and Gwydir Wetlands, Mehi river, Gil Gil Creek and Moomin Creek to the junction with the Barwon River
Namoi	If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan. In any other case: Namoi River to Peel River and Pian Creek to Barwon River
Peel	If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan. In any other case: Peel River to junction with Namoi River
Lachlan	If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan. In any other case: Lachlan and Belubula River to the Murrumbidgee River junction
Macquarie	If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan. In any other case: Macquarie River, the Cudgegong and Bogen rivers to junction with Darling River
Murray	If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan. In any other case: Murray River including the Darling River below Menindee
Murrumbidgee	If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan. In any other case: Murrumbidgee River to junction with Murray River, including Yanco, Colombo and Billabong Creeks and Tumut River
North Coast	If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan. In any other case: Regulated flows for Iron Pot and Eden Creeks
Hunter	If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan. In any other case: Hunter River, including Patterson River and Glennies Creek

South Coast	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: Brogo and Bega River Catchments</p>
Unregulated Rivers	
Border	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: Unregulated rivers in the Border Rivers Catchment</p>
Gwydir	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: Unregulated rivers in the Gwydir River Catchment</p>
Namoi	Unregulated rivers in the Namoi River Catchment
Peel	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: Unregulated rivers in the Peel River Catchment</p>
Lachlan	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: Unregulated rivers in the Lachlan River Catchment</p>
Macquarie	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: Unregulated rivers in the Macquarie, Castlereagh and Bogan River Catchments</p>
Far West	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: Barwon-Darling from Mungindi to Menindee including Bogan River below Murrawombie Road, and those rivers west of Barwon-Darling River which originate in Queensland and minor unregulated rivers in the Western Division not in other valleys</p>
Murray	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: Unregulated rivers in the Murray River Catchment, including Billabong Creek</p>
Murrumbidgee	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: Unregulated rivers in the Murrumbidgee River Catchment</p>
North Coast	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: Unregulated rivers east of the Great Dividing Range from Queensland to the Hastings River Catchment</p>
Hunter	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: Unregulated rivers in the Hunter Region, including the Manning, Karuah and Williams Rivers</p>
South Coast	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: Shoalhaven, Woronora, Warragamba and Hawkesbury/Nepean River Catchments, River Lake Illawarra, Sydney City including Georges River and Port Jackson, Clyde, Moruya, Tuross, Towamba and Bega River Catchments, NSW portions of Genoa and Snowy River Catchments</p>

Ground water	
Border	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: Largely riverine aquifers in the Border Rivers Catchments including the Border Rivers Alluvium, the Inverell Basalt and the Great Artesian Basin</p>
Gwydir	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: Largely riverine aquifers in the Gwydir River Catchment including the Lower Gwydir Alluvium and the Great Artesian Basin</p>
Namoi	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: Largely riverine aquifers in the Namoi River Catchment including the Upper and Lower Namoi Alluvium, the Great Artesian Basin and the Gunnedah Basin</p>
Peel	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: Largely riverine aquifers in the Peel River Catchment including the Peel Valley Alluvium and Fractured Rock</p>
Lachlan	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: Largely riverine aquifers in the Lachlan River Catchment including the Upper and Lower Lachlan Alluvium, Belubula Valley Alluvium, the Great Artesian Basin, Young Granite, Orange Basalt and the Central West Fractured Rocks</p>
Macquarie	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: Largely riverine aquifers in the Macquarie, Castlereagh and Bogan River Catchments including the Upper and Lower Macquarie Alluvium, the Cudgegon Valley Alluvium, the Collaburrangundry Talbragar Valley, the Great Artesian Basin, Mudgee and Molong Limestone</p>
Far West	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: The Great Artesian Basin Aquifer and minor aquifers in the Western Division</p>
Murray	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: Aquifers in the Murray River Catchment</p>
Murrumbidgee	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: Aquifers in the Murrumbidgee River Catchment including the Lower Murrumbidgee Alluvium, Mid Murrumbidgee Alluvium and the Billabong Creek Alluvium</p>
North Coast	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: Aquifers east of the Great Dividing Range from Queensland to the Hastings River Catchment including the Richmond River Alluvium, Richmond Coastal Sandbeds, Coffs Harbour Coastal Sands and Alluvium, Alstonville Basalt, Dorrigo Basalt, Clarence Moreton Basin, Hastings Coastal Sands, Hastings River Alluvium, Macleay River Alluvium, Bellinger Coastal Sandbeds and Viney Creek Alluvium</p>
Hunter	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: Aquifers in the Hunter Region, including the Manning and Karuah River Catchments including Tomago-Tomaree Sandbeds, Stuarts Points and Tributaries Alluvium, the Pages River Alluvium, Golburn River Alluvium, Mangrove Mountain</p>

	Sandstone and Wollombi Brook Alluvium
South Coast	<p>If a Water Sharing Plan under the Water Management Act is in place, then the water sources as defined in that plan.</p> <p>In any other case: Aquifers east of the Great Dividing Range from the NSW central coast to Victoria including Botany Sandbeds, Bega River Alluvium, Sydney Basin, Cocks River Sandstone and Fractured Rock, Blue Mountains Richmond Sandstone, Araluen Alluvium and Maroota Tertiary Sands</p>

- (b) A reference in this determination to the 'relevant river valley' (other than in the case of the usage component of a licence) is a reference to the river valley for a licence holder as set out in the Licence Register. In the case of the usage component of a licence, the 'relevant river valley' is the river valley from which water is extracted unless the usage component relates to Tagged Water Entitlement.

