



Independent Pricing and Regulatory Tribunal
New South Wales

WaterNSW

Prices for rural bulk water services from 1 July 2017

Draft determination

Water Charge (Infrastructure) Rules 2010 (Cth)

Independent Pricing and Regulatory Tribunal Act 1992 (NSW)

Draft Determination
Water

March 2017

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ISBN 978-1-76049-048-5 Draft Deter 17-01

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Preliminary

1 Summary

This determination regulates pricing for rural bulk water services supplied by WaterNSW. IPART has made this determination under two regulatory regimes:

- (a) The regulated charges for certain rural bulk water services supplied by WaterNSW are set under the *Water Charge (Infrastructure) Rules 2010* (Cth) (WCIR).¹
- (b) The maximum prices for the remaining rural bulk water services supplied by WaterNSW are set under the *Independent Pricing and Regulatory Tribunal Act 1992* (IPART Act).

2 Outline

This determination is divided into the following sections:

- (a) The **Preliminary** section provides information about the two regimes under which IPART has made this determination. It explains the application of the determination, as well as the factors IPART has taken into account in performing its functions under both the IPART Act and the WCIR.
- (b) **Schedule 1** sets out the regulated charges that WaterNSW may levy for supplying rural bulk water services in MDB Valleys.
- (c) **Schedule 2** sets out the maximum prices that WaterNSW may levy for supplying rural bulk water services in Coastal Valleys.
- (d) **Schedule 3** sets out the regulated charges and maximum prices that WaterNSW may levy for supplying bulk water services to customers in the Fish River Water Supply Scheme.
- (e) **Schedule 4** sets out the Miscellaneous Charges that WaterNSW may levy for supplying various miscellaneous services across MDB Valleys, Coastal Valleys and to customers in the Fish River Water Supply Scheme.
- (f) **Schedule 5** sets out definitions and interpretation provisions.
- (g) **Schedule 6** outlines the requirements under the WCIR and IPART Act for IPART's determination of regulated charges and maximum prices.

¹ IPART has determined the regulated charges set out in this determination under accreditation arrangements in Part 9 of the WCIR. The ACCC approved IPART's accreditation under rule 63 of the WCIR, with effect from 1 June 2016.

3 Determination under the WCIR

3.1 Coverage of determination

- (a) IPART has determined the regulated charges set out in Schedules 1, 3 and 4 under the WCIR. These regulated charges are the maximum amounts that WaterNSW may charge.
- (b) The regulated charges set out in Schedule 1 cover MDB Bulk Water Services that WaterNSW supplies in Regulated Rivers in the following MDB Valleys:
 - (1) Border;
 - (2) Gwydir;
 - (3) Namoi;
 - (4) Peel;
 - (5) Lachlan;
 - (6) Macquarie;
 - (7) Murray;
 - (8) Murrumbidgee; and
 - (9) Lowbidgee.
- (c) The regulated charges set out in Schedule 3 cover rural bulk water services that WaterNSW supplies to Rural Water Supply Customers in the Fish River Water Supply Scheme.
- (d) The regulated charges set out in Schedule 4 cover miscellaneous rural bulk water services that WaterNSW supplies in the MDB Valleys listed in clause 3.1(b) and to Rural Water Supply Customers in the Fish River Water Supply Scheme.

[Note: In addition to the regulated charges described above at clauses 3.1(c) and 3.1(d) above, Schedules 3 and 4 also contain maximum prices determined in accordance with the IPART Act. Refer to clauses 4.1(c) and 4.1(d) below.]

3.2 Application and commencement

Subject to the annual review process in Division 3 of Part 6 of the WCIR, the regulated charges set under this determination apply from 1 July 2017 to 30 June 2021. The regulated charges set under this determination prevailing at 30 June 2021 may apply beyond 30 June 2021 in accordance with rule 33 of the WCIR.

3.3 Replacement of ACCC decision

From 1 July 2017, IPART's determination of regulated charges under the WCIR replaces the ACCC State Water Decision. The replacement does not affect anything done or omitted to be done, or rights or obligations accrued, under the ACCC State Water Decision before 1 July 2017.

4 Determination under the IPART Act

4.1 Coverage of determination

- (a) IPART has determined the maximum prices set out in Schedules 2, 3 and 4 under the IPART Act.
- (b) The maximum prices set out in Schedule 2 of this determination cover Coastal Bulk Water Services that WaterNSW supplies in Regulated Rivers in the following Coastal Valleys:
 - (1) North Coast;
 - (2) Hunter; and
 - (3) South Coast.
- (c) The maximum prices set out in Schedule 3 cover IPART Act Services that WaterNSW supplies to Urban Water Supply Customers in the Fish River Water Supply Scheme.
- (d) The maximum prices set out in Schedule 4 cover miscellaneous rural bulk water services that WaterNSW supplies in the Coastal Valleys listed in clause 4.1(b) and to Urban Water Supply Customers in the Fish River Water Supply Scheme.

[Note: In addition to the regulated charges described above at clauses 4.1(c) and 4.1(d) above, Schedules 3 and 4 also contain maximum prices determined in accordance with the IPART Act. Refer to clauses 3.1(c) and 3.1(d) above.]

4.2 Application and commencement

- (a) The maximum prices for IPART Act Services set under this determination apply from the later of:
 - (1) 1 July 2017; or
 - (2) the date that this determination is published in the NSW Government Gazette,
(Commencement Date).
- (b) The maximum prices for IPART Act Services set out in this determination apply from the Commencement Date to 30 June 2021. The maximum prices for IPART Act Services set out in this determination prevailing at 30 June 2021 continue to apply beyond 30 June 2021 until this determination is replaced.

4.3 Replacement of Determination No. 2 of 2010

- (a) IPART's determination of maximum prices under the IPART Act replaces Determination No. 2 of 2010 from the Commencement Date, and Determination No. 2 of 2010 ceases to have any effect whatsoever on and from the Commencement Date, despite anything to the contrary in Determination No. 2 of 2010.

-
- (b) The replacement does not affect anything done or omitted to be done, or rights or obligations accrued, under Determination No.2 of 2010 before the Commencement Date.

Schedule 1 Regulated Rivers in MDB Valleys

1 Application

- (a) This schedule sets out the regulated charges that WaterNSW may levy for supplying rural bulk water services in relation to a Water Licence that authorises the extraction of water from a Regulated River in an MDB Valley (**MDB Bulk Water Services**), other than Miscellaneous Charges.
- (b) The regulated charges that WaterNSW may levy (subject to clause 1(c)) consist of the following:
- (1) an **entitlement charge** calculated in accordance with clause 2;
 - (2) a **usage charge** calculated in accordance with clause 3;
 - (3) for the Border, Murray and Murrumbidgee Valleys:
 - (A) an **MDBA/BRC entitlement charge** calculated in accordance with clause 4; and
 - (B) an **MDBA/BRC usage charge** calculated in accordance with clause 5;
 - (4) for a licence holder who is an Irrigator in the Yanco Creek System, a **Yanco Creek and Tributaries Advisory Council charge** calculated in accordance with clause 7; and
 - (5) any **Miscellaneous Charges** calculated in accordance with Schedule 4.
- (c) In levying regulated charges on a licence holder listed in Table 5, WaterNSW must apply the **discount** calculated in accordance with clause 6.

2 Entitlement charge

For MDB Bulk Water Services, WaterNSW may levy an entitlement charge calculated as follows:

$$EC \times E$$

where:

- (a) **EC** is the entitlement charge expressed in dollars per megalitre of Entitlement or in dollars per unit share for the relevant MDB Valley, relevant year and relevant licence holder in Table 1; and
- (b) **E** is a licence holder's Entitlement for that year.

[Note: Refer to Schedule 5, clause 2.7 for the calculation of the entitlement charge, and Schedule 5, clause 2.9(c) for the meaning of 'relevant MDB Valley'.]

3 Usage charge

- (a) For MDB Bulk Water Services, WaterNSW may levy a usage charge for the relevant MDB Valley calculated as follows:

$$UC \times U$$

where:

- (1) **UC** is the usage charge expressed in dollars per megalitre of water for the relevant MDB Valley and relevant year in Table 2; and
 - (2) **U** is a licence holder's usage for that year.
- (b) WaterNSW must not recover more than one usage charge in respect of any water used.

[Note: Refer to Schedule 5, clause 2.1(i) for the calculation of a licence holder's usage, and Schedule 5, clause 2.9(c) for the meaning of 'relevant MDB Valley'.]

4 MDBA/BRC entitlement charge

For MDB Bulk Water Services supplied in the Border, Murray and Murrumbidgee Valleys, WaterNSW may levy an MDBA/BRC entitlement charge calculated as follows:

$$MDBAEC \times E$$

where:

- (a) **MDBAEC** is the MDBA/BRC entitlement charge expressed in dollars per megalitre of Entitlement or in dollars per unit share for the relevant MDB Valley, relevant year and relevant licence holder in Table 3; and
- (b) **E** is a licence holder's Entitlement for that year.

[Note: For the avoidance of doubt, the MDBA/BRC entitlement charge may be levied in addition to the entitlement charge in clause 2. Refer to Schedule 5, clause 2.7 for the calculation of the entitlement charge, and Schedule 5, clause 2.9(c) for the meaning of 'relevant MDB Valley'.]

5 MDBA/BRC usage charge

- (a) For MDB Bulk Water Services supplied in the Border, Murray and Murrumbidgee valleys, WaterNSW may levy an MDBA/BRC usage charge for the relevant MDB Valley calculated as follows:

$$MDBAUC \times U$$

where:

- (1) **MDBAUC** is the MDBA/BRC usage charge expressed in dollars per megalitre of water for the relevant MDB Valley and relevant year in Table 4; and
- (2) **U** is a licence holder's usage for that year.

- (b) WaterNSW must not recover more than one MDBA/BRC usage charge in respect of any water used.

[Note: For the avoidance of doubt, the MDBA/BRC usage charge may be levied in addition to the usage charge in clause 3. Refer to Schedule 5, clause 2.1(i) for the calculation of a licence holder's usage, and Schedule 5, clause 2.9(c) for the meaning of 'relevant MDB Valley'.]

6 Irrigation Corporations and districts discount

For a licence holder listed in Table 5, WaterNSW must apply the discount (listed for that licence holder in Table 5) on that licence holder's total annual bill for entitlement and/or usage charges.

7 Yanco Creek and Tributaries Advisory Council charge

For a licence holder who is an Irrigator in the Yanco Creek System, WaterNSW may also levy an entitlement charge of \$0.90 per megalitre of Entitlement or per unit share.

[Note: For the avoidance of doubt, the Yanco Creek and Tributaries Advisory Council charge may be levied in addition to any other charges provided for in this Schedule 1 and Schedule 4. Refer to Schedule 5, clause 2.7 for the calculation of the entitlement charge.]

Tables 1 – 5

Table 1 Entitlement charges for MDB Valleys

MDB Valley	Commencement Date to 30 June 2018	1 July 2018 to 30 June 2019	1 July 2019 to 30 June 2020	1 July 2020 to 30 June 2021
High Security Licence (\$/ML of Entitlement or \$/unit share)				
Border	5.27	5.27 x (1+CPI ₁)	5.27 x (1+CPI ₂)	5.27 x (1+CPI ₃)
Gwydir	10.45	10.45 x (1+CPI ₁)	10.45 x (1+CPI ₂)	10.45 x (1+CPI ₃)
Namoi	15.83	15.83 x (1+CPI ₁)	15.83 x (1+CPI ₂)	15.83 x (1+CPI ₃)
Peel	21.19	21.19 x (1+CPI ₁)	21.19 x (1+CPI ₂)	21.19 x (1+CPI ₃)
Lachlan	15.56	15.56 x (1+CPI ₁)	15.56 x (1+CPI ₂)	15.56 x (1+CPI ₃)
Macquarie	11.99	11.99 x (1+CPI ₁)	11.99 x (1+CPI ₂)	11.99 x (1+CPI ₃)
Murray	1.96	1.96 x (1+CPI ₁)	1.96 x (1+CPI ₂)	1.96 x (1+CPI ₃)
Murrumbidgee	3.01	3.01 x (1+CPI ₁)	3.01 x (1+CPI ₂)	3.02 x (1+CPI ₃)
General Security Licence (\$/ML of Entitlement or \$/unit share)				
Border	2.56	2.57 x (1+CPI ₁)	2.58 x (1+CPI ₂)	2.60 x (1+CPI ₃)
Gwydir	4.46	4.48 x (1+CPI ₁)	4.51 x (1+CPI ₂)	4.53 x (1+CPI ₃)
Namoi	9.98	10.03 x (1+CPI ₁)	10.09 x (1+CPI ₂)	10.14 x (1+CPI ₃)
Peel	2.79	2.79 x (1+CPI ₁)	2.79 x (1+CPI ₂)	2.79 x (1+CPI ₃)
Lachlan	3.62	3.64 x (1+CPI ₁)	3.66 x (1+CPI ₂)	3.68 x (1+CPI ₃)
Macquarie	3.41	3.42 x (1+CPI ₁)	3.44 x (1+CPI ₂)	3.46 x (1+CPI ₃)
Murray	0.90	0.90 x (1+CPI ₁)	0.90 x (1+CPI ₂)	0.90 x (1+CPI ₃)
Murrumbidgee	1.24	1.24 x (1+CPI ₁)	1.25 x (1+CPI ₂)	1.25 x (1+CPI ₃)
Lowbidgee ^a	0.65	0.65 x (1+CPI ₁)	0.65 x (1+CPI ₂)	0.65 x (1+CPI ₃)

^a This only applies to holders of Supplementary Water Access Licences in Lowbidgee valley.

Table 2 Usage charges for MDB Valleys

MDB Valley	Commencement Date to 30 June 2018 (\$/ML)	1 July 2018 to 30 June 2019 (\$/ML)	1 July 2019 to 30 June 2020 (\$/ML)	1 July 2020 to 30 June 2021 (\$/ML)
Border	5.39	5.39 x (1+CPI ₁)	5.39 x (1+CPI ₂)	5.39 x (1+CPI ₃)
Gwydir	11.22	11.22 x (1+CPI ₁)	11.22 x (1+CPI ₂)	11.22 x (1+CPI ₃)
Namoi	18.48	18.48 x (1+CPI ₁)	18.48 x (1+CPI ₂)	18.48 x (1+CPI ₃)
Peel	56.07	56.07 x (1+CPI ₁)	56.07 x (1+CPI ₂)	56.07 x (1+CPI ₃)
Lachlan	18.57	18.57 x (1+CPI ₁)	18.57 x (1+CPI ₂)	18.57 x (1+CPI ₃)
Macquarie	12.22	12.22 x (1+CPI ₁)	12.22 x (1+CPI ₂)	12.22 x (1+CPI ₃)
Murray	2.04	2.04 x (1+CPI ₁)	2.04 x (1+CPI ₂)	2.04 x (1+CPI ₃)
Murrumbidgee	3.31	3.31 x (1+CPI ₁)	3.31 x (1+CPI ₂)	3.31 x (1+CPI ₃)
Lowbidgee	2.13	2.13 x (1+CPI ₁)	2.13 x (1+CPI ₂)	2.13 x (1+CPI ₃)

Table 3 MDBA/BRC entitlement charges

MDB Valley	Commencement Date to 30 June 2018	1 July 2018 to 30 June 2019	1 July 2019 to 30 June 2020	1 July 2020 to 30 June 2021
High Security Licence (\$/ML of Entitlement or \$/unit share)				
Border	6.08	6.08 x (1+CPI ₁)	6.08 x (1+CPI ₂)	6.08 x (1+CPI ₃)
Murray	8.86	8.86 x (1+CPI ₁)	8.86 x (1+CPI ₂)	8.86 x (1+CPI ₃)
Murrumbidgee	1.68	1.68 x (1+CPI ₁)	1.68 x (1+CPI ₂)	1.68 x (1+CPI ₃)
General Security Licence (\$/ML of Entitlement or \$/unit share)				
Border	2.26	2.26 x (1+CPI ₁)	2.26 x (1+CPI ₂)	2.26 x (1+CPI ₃)
Murray	3.61	3.61 x (1+CPI ₁)	3.61 x (1+CPI ₂)	3.61 x (1+CPI ₃)
Murrumbidgee	0.63	0.63 x (1+CPI ₁)	0.63 x (1+CPI ₂)	0.63 x (1+CPI ₃)

Table 4 MDBA/BRC usage charges

MDB Valley	Commencement Date to 30 June 2018 (\$/ML)	1 July 2018 to 30 June 2019 (\$/ML)	1 July 2019 to 30 June 2020 (\$/ML)	1 July 2020 to 30 June 2021 (\$/ML)
Border	1.03	1.03 x (1+CPI ₁)	1.03 x (1+CPI ₂)	1.03 x (1+CPI ₃)
Murray	1.59	1.59 x (1+CPI ₁)	1.59 x (1+CPI ₂)	1.59 x (1+CPI ₃)
Murrumbidgee	0.31	0.31 x (1+CPI ₁)	0.31 x (1+CPI ₂)	0.31 x (1+CPI ₃)

Table 5 Irrigation Corporations and districts discount

Licence holder	Commencement Date to 30 June 2018 (\$)	1 July 2018 to 30 June 2019 (\$)	1 July 2019 to 30 June 2020 (\$)	1 July 2020 to 30 June 2021 (\$)
Murray Irrigation Limited	843,394	825,193 x (1+CPI ₁)	825,004 x (1+CPI ₂)	818,096 x (1+CPI ₃)
Western Murray Irrigation Limited	26,038	25,476 x (1+CPI ₁)	25,471 x (1+CPI ₂)	25,257 x (1+CPI ₃)
West Cororgan	46,457	45,455 x (1+CPI ₁)	45,444 x (1+CPI ₂)	45,064 x (1+CPI ₃)
Moira Irrigation Scheme	21,653	21,186 x (1+CPI ₁)	21,181 x (1+CPI ₂)	21,004 x (1+CPI ₃)
Eagle Creek Scheme	35	34 x (1+CPI ₁)	34 x (1+CPI ₂)	34 x (1+CPI ₃)
Murrumbidgee Irrigation Limited	497,213	487,287 x (1+CPI ₁)	487,183 x (1+CPI ₂)	483,421 x (1+CPI ₃)
Coleambally Irrigation Limited	219,781	215,393 x (1+CPI ₁)	215,347 x (1+CPI ₂)	213,684 x (1+CPI ₃)
Jemalong Irrigation Limited	45,812	43,635 x (1+CPI ₁)	43,602 x (1+CPI ₂)	42,854 x (1+CPI ₃)

Schedule 2 Regulated Rivers in Coastal Valleys

1 Application

- (a) This schedule sets out the maximum prices that WaterNSW may levy for supplying IPART Act Services under a Water Licence that authorises the extraction of water from a Regulated River in a Coastal Valley (**Coastal Bulk Water Services**), other than Miscellaneous Charges.
- (b) The maximum charges that WaterNSW may levy consist of the following:
- (1) an **entitlement charge** calculated in accordance with clause 2;
 - (2) a **usage charge** calculated in accordance with clause 3; and
 - (3) any **Miscellaneous Charges** calculated in accordance with Schedule 4.

2 Entitlement charge

For Coastal Bulk Water Services, the entitlement charge that WaterNSW may levy is calculated as follows:

$$EC \times E$$

where:

- (a) **EC** is the entitlement charge expressed in dollars per megalitre of Entitlement or in dollars per unit share for the relevant Coastal Valley, relevant year and relevant licence holder in Table 6; and
- (b) **E** is a licence holder's Entitlement for that year.

[Note: Refer to Schedule 5, clause 2.7 for the calculation of the entitlement charge, and Schedule 5, clause 2.9(c) for the meaning of 'relevant Coastal Valley'.]

3 Usage charge

- (a) For Coastal Bulk Water Services, WaterNSW may levy a usage charge for the relevant Coastal Valley calculated as follows:

$$UC \times U$$

where:

- (1) **UC** is the usage charge expressed in dollars per megalitre of water for the relevant Coastal Valley and relevant year in Table 7; and
- (2) **U** is a licence holder's usage for that year.

-
- (b) WaterNSW must not recover more than one usage charge in respect of any water used.

[Note: Refer to Schedule 5, clause 2.1(i) for the calculation of a licence holder's usage, and Schedule 5, clause 2.9(c) for the meaning of 'relevant Coastal Valley'.]

Tables 6 – 7

Table 6 Entitlement charges for Coastal Valleys

Coastal Valley	Commencement Date to 30 June 2018	1 July 2018 to 30 June 2019	1 July 2019 to 30 June 2020	1 July 2020 to 30 June 2021
High Security Licence (\$/ML of Entitlement or \$/unit share)				
North Coast	9.74	$9.74 \times (1+CPI_1)$	$9.74 \times (1+CPI_2)$	$9.74 \times (1+CPI_3)$
Hunter	13.28	$13.28 \times (1+CPI_1)$	$13.28 \times (1+CPI_2)$	$13.28 \times (1+CPI_3)$
South Coast	18.62	$18.62 \times (1+CPI_1)$	$18.62 \times (1+CPI_2)$	$18.62 \times (1+CPI_3)$
General Security Licence (\$/ML of Entitlement or \$/unit share)				
North Coast	7.40	$7.40 \times (1+CPI_1)$	$7.40 \times (1+CPI_2)$	$7.40 \times (1+CPI_3)$
Hunter	10.35	$10.35 \times (1+CPI_1)$	$10.35 \times (1+CPI_2)$	$10.35 \times (1+CPI_3)$
South Coast	10.82	$10.82 \times (1+CPI_1)$	$10.82 \times (1+CPI_2)$	$10.82 \times (1+CPI_3)$

Table 7 Usage charges for Coastal Valleys

Coastal Valley	Commencement Date to 30 June 2018 (\$/ML)	1 July 2018 to 30 June 2019 (\$/ML)	1 July 2019 to 30 June 2020 (\$/ML)	1 July 2020 to 30 June 2021 (\$/ML)
North Coast	45.94	$45.94 \times (1+CPI_1)$	$45.94 \times (1+CPI_2)$	$45.94 \times (1+CPI_3)$
Hunter	12.74	$12.74 \times (1+CPI_1)$	$12.74 \times (1+CPI_2)$	$12.74 \times (1+CPI_3)$
South Coast	42.92	$42.92 \times (1+CPI_1)$	$42.92 \times (1+CPI_2)$	$42.92 \times (1+CPI_3)$

Schedule 3 Fish River Water Supply Scheme

1 Application

- (a) This schedule sets out the:
- (1) regulated charges that WaterNSW may levy for supplying rural bulk water services to Rural Water Supply Customers in the Fish River Water Supply Scheme; and
 - (2) maximum prices that WaterNSW may levy for supplying IPART Act Services to Urban Water Supply Customers in the Fish River Water Supply Scheme,
other than Miscellaneous Charges.
- (b) The regulated charges and maximum prices that WaterNSW may levy on Rural Water Supply Customers and Urban Water Supply Customers in the Fish River Water Supply Scheme consist of the following:
- (1) an **access charge** and a **usage charge** for each of bulk raw water and bulk filtered water, calculated in accordance with clause 2; and
 - (2) any **Miscellaneous Charges** calculated in accordance with Schedule 4.
- (c) The minimum annual quantity (**MAQ**):
- (1) for a Rural Water Supply Customer or Urban Water Supply Customer is the MAQ for that customer set out in Table 8; and
 - (2) is deemed to be zero for any other customer in the Fish River Water Supply Scheme who is not referred to in Table 8.

2 Fish River Water Supply Customers

WaterNSW may levy the following charges on Rural Water Supply Customers and Urban Water Supply Customers in the Fish River Water Supply Scheme:

- (a) an access charge, expressed in dollars per kilolitre of MAQ, in:
- (1) Table 9 for bulk raw water; and
 - (2) Table 10 for bulk filtered water,
for the relevant customer and relevant year in that table, multiplied by that customer's MAQ; and
- (b) a usage charge, expressed in dollars per kilolitre of water used, calculated as follows:
- (1) for each kilolitre of water used up to and including the MAQ for the relevant customer – the first tier usage charge in:
 - (A) Table 9 for bulk raw water; and
 - (B) Table 10 for bulk filtered water,

for the relevant year in that table, multiplied by that customer's usage, up to and including the relevant MAQ; and

- (2) for each kilolitre of water used in excess of the MAQ for the relevant customer - the second tier usage charge in:
- (A) Table 9 for bulk raw water; and
 - (B) Table 10 for bulk filtered water,
- for the relevant year in that table, multiplied by that part of the customer's usage which is in excess of the relevant MAQ.

[Note: WaterNSW may levy the second tier usage charge in Tables 9 or 10 on a customer in the Fish River Supply Scheme who is not referred to in Table 8.]

Tables 8 – 10

Table 8 Fish River Water Supply Scheme customers – minimum annual quantity (MAQ)

	Bulk Raw Water	Bulk Filtered Water
Rural Water Supply Customers		
EnergyAustralia (ML/year)	8,184	
Minor customers (kL/year)	200	200
Urban Water Supply Customers		
Oberon Council (ML/year)	1,064	
Lithgow City Council (ML/year)		1,778
WaterNSW (Greater Sydney) (ML/year)	3,650	

Table 9 Fish River Water Supply Scheme customers – bulk raw water

	Commencement Date to 30 June 2018 (\$/kL)	1 July 2018 to 30 June 2019 (\$/kL)	1 July 2019 to 30 June 2020 (\$/kL)	1 July 2020 to 30 June 2021 (\$/kL)
Access charge				
Major customers	0.42	$0.42 \times (1+CPI_1)$	$0.42 \times (1+CPI_2)$	$0.42 \times (1+CPI_3)$
Minor customers	0.42	$0.42 \times (1+CPI_1)$	$0.42 \times (1+CPI_2)$	$0.42 \times (1+CPI_3)$
First tier usage charge				
Major customers	0.27	$0.27 \times (1+CPI_1)$	$0.27 \times (1+CPI_2)$	$0.27 \times (1+CPI_3)$
Minor customers	0.27	$0.27 \times (1+CPI_1)$	$0.27 \times (1+CPI_2)$	$0.27 \times (1+CPI_3)$
Second tier usage charge				
Major customers	0.69	$0.69 \times (1+CPI_1)$	$0.69 \times (1+CPI_2)$	$0.69 \times (1+CPI_3)$
Minor customers	0.69	$0.69 \times (1+CPI_1)$	$0.69 \times (1+CPI_2)$	$0.69 \times (1+CPI_3)$

Note: Currently: (i) the major customers are: EnergyAustralia, Oberon Council, Lithgow City Council, and WaterNSW (Greater Sydney); (ii) Oberon Council, Lithgow City Council, and WaterNSW (Greater Sydney) are Urban Water Supply Customers; (iii) all other customers in the table are Rural Water Supply Customers.

Table 10 Fish River Water Supply Scheme customers – bulk filtered water

	Commencement Date to 30 June 2018 (\$/kL)	1 July 2018 to 30 June 2019 (\$/kL)	1 July 2019 to 30 June 2020 (\$/kL)	1 July 2020 to 30 June 2021 (\$/kL)
Access charge				
Major customers	0.69	$0.69 \times (1+CPI_1)$	$0.69 \times (1+CPI_2)$	$0.69 \times (1+CPI_3)$
Minor customers	0.83	$0.83 \times (1+CPI_1)$	$0.83 \times (1+CPI_2)$	$0.84 \times (1+CPI_3)$
First tier usage charge				
Major customers	0.39	$0.39 \times (1+CPI_1)$	$0.39 \times (1+CPI_2)$	$0.39 \times (1+CPI_3)$
Minor customers	0.49	$0.49 \times (1+CPI_1)$	$0.49 \times (1+CPI_2)$	$0.49 \times (1+CPI_3)$
Second tier usage charge				
Major customers	1.08	$1.08 \times (1+CPI_1)$	$1.08 \times (1+CPI_2)$	$1.08 \times (1+CPI_3)$
Minor customers	1.32	$1.32 \times (1+CPI_1)$	$1.32 \times (1+CPI_2)$	$1.33 \times (1+CPI_3)$

Note: Currently: (i) the major customers are: EnergyAustralia, Oberon Council, Lithgow City Council, and WaterNSW (Greater Sydney); (ii) Oberon Council, Lithgow City Council, and WaterNSW (Greater Sydney) are Urban Water Supply Customers; (iii) all other customers in the table are Rural Water Supply Customers.

Schedule 4 Miscellaneous Charges

1 Application

This schedule sets out the regulated charges and maximum prices that WaterNSW may levy for supplying various miscellaneous rural bulk water services across MDB Valleys and Coastal Valleys, as well as to customers in the Fish River Water Supply Scheme.

2 Meter service charge

WaterNSW may levy the relevant **meter service charge** set out in Table 11 on the holder of a Water Supply Work Approval for a Water Supply Work with a WaterNSW Meter installed. This charge is expressed in dollars per WaterNSW Meter per annum, and is determined according to the size of the WaterNSW Meter.

3 Meter accuracy testing charge

- (a) Where a customer requests that WaterNSW conduct a test of their WaterNSW Meter to determine if the WaterNSW Meter meets relevant accuracy standards, WaterNSW may levy the **meter accuracy testing charge** set out in Table 12.
- (b) The meter accuracy testing charge consists of:
 - (1) a deposit, which WaterNSW must return to the customer if the WaterNSW Meter is not found to be within accuracy standards; and
 - (2) an additional charge, where the WaterNSW Meter is found to be within accuracy standards.

[Note: National Water Meter Standards (NWMS) are being developed under the National Water Initiative (NWI). To enable the NWI requirements to be progressed, NSW Interim Water Meter Standards have been developed until the NWMS are fully operational.]

4 Other Miscellaneous Charges

WaterNSW may levy the other Miscellaneous Charges set out in Table 13.

Tables 11 – 13

Table 11 Meter service charges

Size of WaterNSW Meter	Commencement Date to 30 June 2018 (\$/year)	1 July 2018 to 30 June 2019 (\$/year)	1 July 2019 to 30 June 2020 (\$/year)	1 July 2020 to 30 June 2021 (\$/year)
50mm	440.98	440.98 x (1+CPI ₁)	440.98 x (1+CPI ₂)	440.98 x (1+CPI ₃)
80mm	443.02	443.02 x (1+CPI ₁)	443.02 x (1+CPI ₂)	443.02 x (1+CPI ₃)
100mm	443.01	443.01 x (1+CPI ₁)	443.01 x (1+CPI ₂)	443.01 x (1+CPI ₃)
150mm	448.22	448.22 x (1+CPI ₁)	448.22 x (1+CPI ₂)	448.22 x (1+CPI ₃)
200mm	450.79	450.79 x (1+CPI ₁)	450.79 x (1+CPI ₂)	450.79 x (1+CPI ₃)
250mm	453.18	453.18 x (1+CPI ₁)	453.18 x (1+CPI ₂)	453.18 x (1+CPI ₃)
300mm	459.34	459.34 x (1+CPI ₁)	459.34 x (1+CPI ₂)	459.34 x (1+CPI ₃)
350mm	487.01	487.01 x (1+CPI ₁)	487.01 x (1+CPI ₂)	487.01 x (1+CPI ₃)
400mm	503.48	503.48 x (1+CPI ₁)	503.48 x (1+CPI ₂)	503.48 x (1+CPI ₃)
450mm	506.65	506.65 x (1+CPI ₁)	506.65 x (1+CPI ₂)	506.65 x (1+CPI ₃)
500mm	520.15	520.15 x (1+CPI ₁)	520.15 x (1+CPI ₂)	520.15 x (1+CPI ₃)
600mm	537.44	537.44 x (1+CPI ₁)	537.44 x (1+CPI ₂)	537.44 x (1+CPI ₃)
700mm	557.99	557.99 x (1+CPI ₁)	557.99 x (1+CPI ₂)	557.99 x (1+CPI ₃)
750mm	586.77	586.77 x (1+CPI ₁)	586.77 x (1+CPI ₂)	586.77 x (1+CPI ₃)
800mm	606.22	606.22 x (1+CPI ₁)	606.22 x (1+CPI ₂)	606.22 x (1+CPI ₃)
900mm	612.37	612.37 x (1+CPI ₁)	612.37 x (1+CPI ₂)	612.37 x (1+CPI ₃)
1,000mm	623.76	623.76 x (1+CPI ₁)	623.76 x (1+CPI ₂)	623.76 x (1+CPI ₃)
Channel	5,779.32	5,779.32 x (1+CPI ₁)	5,779.32 x (1+CPI ₂)	5,779.32 x (1+CPI ₃)

Table 12 Meter accuracy testing charges

Meter accuracy testing charges	Commencement Date to 30 June 2018 (\$)	1 July 2018 to 30 June 2019 (\$)	1 July 2019 to 30 June 2020 (\$)	1 July 2020 to 30 June 2021 (\$)
Refundable meter accuracy deposit	1,750	1,750	1,750	1,750
Additional meter accuracy testing charge where meter is found to be within accuracy standards				
Verification and testing in situ	6,165.90	6,165.90 x (1+CPI ₁)	6,165.90 x (1+CPI ₂)	6,165.90 x (1+CPI ₃)
Lab verification and testing	8,340.54	8,340.54 x (1+CPI ₁)	8,340.54 x (1+CPI ₂)	8,340.54 x (1+CPI ₃)
Total charge (if meter is found to be within accuracy standards)				
Verification and testing in situ	7,915.90	1,750 + 6,165.90 x (1+CPI ₁)	1,750 + 6,165.90 x (1+CPI ₂)	1,750 + 6,165.90 x (1+CPI ₃)
Lab verification and testing	10,090.54	1,750 + 8,340.54 x (1+CPI ₁)	1,750 + 8,340.54 x (1+CPI ₂)	1,750 + 8,340.54 x (1+CPI ₃)

Table 13 Other Miscellaneous Charges

Charge	Commencement Date to 30 June 2018 (\$)	1 July 2018 to 30 June 2019 (\$)	1 July 2019 to 30 June 2020 (\$)	1 July 2020 to 30 June 2021 (\$)
Trade processing charge per application	51.37	48.53 x (1+CPI ₁)	48.30 x (1+CPI ₂)	46.76 x (1+CPI ₃)
Environmental gauging station charge per annum	11,969.70	11,969.70 x (1+CPI ₁)	11,969.70 x (1+CPI ₂)	11,969.70 x (1+CPI ₃)
Fish River Connection Charge				
Low complexity connection ^a	867.68	867.68 x (1+CPI ₁)	867.68 x (1+CPI ₂)	867.68 x (1+CPI ₃)
Medium complexity connection ^b	3,289.84	3,289.84 x (1+CPI ₁)	3,289.84 x (1+CPI ₂)	3,289.84 x (1+CPI ₃)
High complexity connection ^c	6,726.29	6,726.29 x (1+CPI ₁)	6,726.29 x (1+CPI ₂)	6,726.29 x (1+CPI ₃)
Fish River Disconnection Charge	268.32	253.52 x (1+CPI ₁)	252.30 x (1+CPI ₂)	244.27 x (1+CPI ₃)

^a Where no tapping band or pressure reducing valve is required.

^b Where a tapping band is required.

^c Where a pressure reducing valve is required.

Schedule 5 Definitions and interpretation

1 Definitions

1.1 General definitions

In this determination:

ACCC means the Australian Competition and Consumer Commission.

ACCC State Water Decision means the *ACCC Final Decision on State Water Pricing Application (June 2014)*.

Coastal Bulk Water Service has the meaning given in clause 1(a) of Schedule 2.

Coastal Valley has the meaning given in clause 2.9(b) of Schedule 5 of this determination.

Commencement Date means:

- (a) in the case of regulated charges that WaterNSW may levy under this determination, 1 July 2017; and
- (b) in the case of maximum prices WaterNSW may charge for Monopoly Services under this determination, the later of:
 - (1) 1 July 2017; or
 - (2) the date that it is published in the NSW Government Gazette.

Determination No. 2 of 2010 means IPART's determination for the State Water Corporation titled 'Review of bulk water charges for State Water Corporation' made in June 2010 for the regulatory period from 1 July 2010 to 30 June 2014.

Entitlement means the right, conferred by means of a Water Licence, to take a specified quantity of water from a Regulated River in a Valley.

[Note: Clause 2.7 of this Schedule 5 sets out how entitlement charges are calculated.]

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

[Note: Schedule 3 sets out: (i) regulated charges in relation to the Fish River Water Supply Scheme, which are determined under the WCIR and (ii) maximum prices for IPART Act Services supplied by WaterNSW in the Fish River Water Supply Scheme, which are determined under the IPART Act.]

General Security Licence means a Water 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):

- (a) a Supplementary Water Access Licence;
- (b) the following conveyance access licences:
 - (1) regulated river (conveyance) access licence;
 - (2) regulated river (general security) licence;
 - (3) Murrumbidgee Irrigation (conveyance) access licence;
 - (4) Coleambally Irrigation (conveyance) access licence;
 - (5) floodplain harvesting access licence; or
- (c) any other access licence that is not a High Security Licence.

High Security Licence means a Water 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):

- (a) local water utility access licence;
- (b) major utility access licence;
- (c) domestic and stock access licence; or
- (d) regulated river (high security) access licence.

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

IPART Act means the *Independent Pricing and Regulatory Tribunal Act 1992* (NSW).

IPART Act Services has the meaning given to that term in clause 2.1(e) of Schedule 6 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 Access Licence Register kept under Division 3A of Chapter 3, Part 2 of the Water Management Act.

MAQ refers to minimum annual quantity and has the meaning given in clause 1(c) in Schedule 3 of this determination.

MDB has the meaning given to the term 'Murray-Darling Basin' in section 18A of the Water Act (Cth).

[Note: An indicative map of the MDB is set out in Schedule 1A of the Water Act (Cth).]

MDB Bulk Water Services has the meaning given in clause 1(a) of Schedule 1 of this determination.

MDB Valley has the meaning given in clause 2.9(a) of Schedule 5 of this determination.

Miscellaneous Charge means any charge included in Schedule 4 of this determination.

Monopoly Service has the meaning given to that term in clause 2.1(d) of Schedule 6 of this determination.

Pricing Principles means the *Pricing Principles for price approvals and determinations under the Water Charge (Infrastructure) Rules 2010 (July 2011)*.

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

Rural Water Supply Customer means a customer in the Fish River Supply Scheme who is not an Urban Water Supply Customer.

Supplementary Water Access Licence means an access licence that falls within section 57(1)(h) of the Water Management Act.

Tagged Water Entitlement means a water Entitlement held by a licence holder that has been 'tagged' to an extraction point under section 71W of the Water Management Act.

Urban Water Supply Customer means, in relation to the Fish River Water Supply Scheme, a customer who receives IPART Act Services from WaterNSW.

Valley means an MDB Valley or a Coastal Valley, as the case may be.

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 (NSW)* (by virtue of clause 17 of Schedule 9 of the Water Management Act).

Water Act (Cth) means the *Water Act 2007 (Cth)*.

Water Act (NSW) means the *Water Act 1912 (NSW)*.

Water 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; or
- (k) any other category of access licence that authorises the extraction of water from a Regulated River.

Water Management Act means the *Water Management Act 2000* (NSW).

Water NSW Act means the *Water NSW Act 2014* (NSW).

Water Services Order means the *Independent Pricing and Regulatory Tribunal (Water Services) Order 2004*.

Water Supply Work has the meaning given to that term in the Dictionary to the Water Management Act.

Water Supply Work Approval has the meaning given to that term in the Water Management Act.

WaterNSW means the statutory corporation constituted under the Water NSW Act.

WaterNSW Meter means an electromagnetic meter or channel meter that is owned by WaterNSW or the WAMC.

WCIR means the *Water Charge (Infrastructure) Rules 2010* (Cth).

Yanco Creek System has the meaning given to the term 'Yanco System' in the Water Sharing Plan for the *Murrumbidgee Regulated River Water Source 2016*.

1.2 Consumer Price Index

$$(a) \text{ CPI}_1 = \left(\frac{\text{CPI}_{\text{March2018}}}{\text{CPI}_{\text{March2017}}} \right) - 1$$

$$\text{CPI}_2 = \left(\frac{\text{CPI}_{\text{March2019}}}{\text{CPI}_{\text{March2017}}} \right) - 1$$

$$\text{CPI}_3 = \left(\frac{\text{CPI}_{\text{March2020}}}{\text{CPI}_{\text{March2017}}} \right) - 1$$

each as calculated and notified by IPART, where CPI means:

- (1) the consumer price index, All Groups index number for the weighted average of eight capital cities as published by the Australian Bureau of Statistics; or
 - (2) if the Australian Bureau of Statistics does not or ceases to publish the index, then CPI will mean an index determined by IPART.
- (b) The subtext (for example ^{March2018}) when used in relation to the CPI in paragraph (a) above refers to the CPI for the quarter and year indicated (in the example, the March quarter for 2018).

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, clause or table is a reference to a schedule to, clause of, or table in, this determination unless otherwise indicated;
- (c) for a regulated charge determined under the WCIR, a construction that would promote the purpose or object expressly or impliedly underlying the WCIR and the Pricing Principles is to be preferred to a construction that would not promote that purpose or object;
- (d) for a maximum price determined under the IPART Act, a construction that would promote the purpose or object expressly or impliedly underlying the IPART Act is to be preferred to a construction that would not promote that purpose or object;
- (e) words importing the singular include the plural and vice versa;
- (f) a reference to a law or statute includes regulations, rules, codes and other instruments under it and consolidations, amendments, re-enactments or replacements of them;
- (g) where a word is defined, other grammatical forms of that word have a corresponding meaning;
- (h) a reference to a day is to a calendar day;
- (i) a reference to a licence holder's usage for the purposes of calculating a usage charge as that term is used in Schedules 1 and 2 (including an MDBA/BRC usage charge as that term is used in Schedule 1) means:
 - (1) where the licence holder has traded or transferred an allocation of water (including by "tagging" the relevant Water Licence) to a person whose extraction of water is measured by a WaterNSW Meter: the metered volume of water extracted by that person;

- (2) where the licence holder has traded or transferred an allocation of water (including by “tagging” the relevant Water Licence) to a person whose extraction of water is not measured by a WaterNSW Meter:
 - (A) if WaterNSW has access to relevant and reliable metering information – the metered volume of water extracted by that person; or
 - (B) if relevant and reliable metering information is not reasonably available to WaterNSW, WaterNSW’s best estimate of the volume of water extracted by that person; or
- (3) in any other case: the metered volume of water extracted by the licence holder.
- (j) a reference to a person includes a company, partnership, joint venture, association, corporation, other body corporate or government agency;
- (k) a reference to an officer includes a reference to the officer which replaces it or which substantially succeeds to its powers or functions; and
- (l) a reference to a body, whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,
 is a reference to the body which replaces it or which substantially succeeds to its powers or functions.

2.2 Explanatory notes 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) IPART may publish a clarification notice on IPART’s website and/or in the NSW Government Gazette to correct any manifest error in this determination. Such a clarification notice is taken to form part of this determination.

2.3 Prices exclusive of GST

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

2.4 WaterNSW’s billing cycle

For the avoidance of doubt, nothing in this determination affects when WaterNSW may issue a bill to a customer for 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).
- (b) In respect of any period after the Commencement Date 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 WaterNSW from issuing a bill for any period before 1 July 2017.]

2.6 Billing on behalf of WAMC

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

2.7 Entitlement charges

For the purpose of calculating an entitlement charge as that term is used in Schedules 1 and 2 (including an MDBA/BRC entitlement charge as that term is used in Schedule 1):

- (a) a reference to an Entitlement is a reference to an Entitlement specified in a Water Licence without regard to any part of the Entitlement that may be carried over from a previous year;
- (b) where the share component of the Water Licence is expressed as a volume, the entitlement charge is expressed in dollars per megalitre of Entitlement; and
- (c) where the share component of the Water Licence is expressed in unit shares or as a proportion of available water, the entitlement charge is expressed in dollars per unit share.

2.8 Metering of usage charges for Irrigation Corporations

The metering of usage charges for the supply of water to an Irrigation Corporation from a Valley 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 Water Supply Work Approval.

2.9 MDB and Coastal Valleys

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

MDB Valley	Description
Regulated Rivers	
Border	If a relevant water sharing plan under the Water Management Act is in place for the Border Valley, 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 relevant water sharing plan under the Water Management Act is in place for the Gwydir Valley, 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 relevant water sharing plan under the Water Management Act is in place for the Namoi, 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 relevant water sharing plan under the Water Management Act is in place for the Peel Valley, then the water sources as defined in that plan. In any other case: Peel River to junction with Namoi River.
Lachlan	If a relevant water sharing plan under the Water Management Act is in place for the Lachlan Valley and Belubula River, then the water sources as defined in those plans. In any other case: Lachlan and Belubula River to the Murrumbidgee River junction.
Macquarie	If a relevant water sharing plan under the Water Management Act is in place for the Macquarie Valley, 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 relevant water sharing plan under the Water Management Act is in place for the Murray Valley, then the water sources as defined in that plan. In any other case: Murray River including the Darling River below Menindee.
Murrumbidgee	If a relevant water sharing plan under the Water Management Act is in place for the Murrumbidgee Valley, then the water sources as defined in that plan (excluding Lowbidgee extractions). In any other case: Murrumbidgee River to junction with Murray River, including Yanco, Columbo and Billabong Creeks and Tumut River.
Lowbidgee	If a relevant water sharing plan under the Water Management Act is in place for the Lowbidgee Valley, then the water sources as defined in that plan. In any other case: the area of the former Lowbidgee Flood Control and Irrigation District, as constituted under the former Part 7 of the Water Act (NSW), plus a small additional area required to incorporate the whole of the water body Lake Marimley in the water source.

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

Coastal Valley	Description
Regulated Rivers	
North Coast	If a water sharing plan under the Water Management Act is in place for the North Coast Valley, 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 for the Hunter Valley and Paterson River, then the water sources as defined in those plans. In any other case: Hunter River, including Paterson River and Glennies Creek.
South Coast	If a water sharing plan under the Water Management Act is in place for the South Coast Valley, then the water sources as defined in that plan. In any other case: Brogo and Bega River Catchments.

- (c) A reference in this determination to the 'relevant MDB Valley' or the 'relevant Coastal Valley' (other than in the case of the usage component of a licence) is a reference to the MDB Valley or the Coastal Valley for a licence holder as set out in the Licence Register. In the case of the usage component of a licence, the 'relevant MDB Valley' or the 'relevant Coastal Valley' is:

-
- (1) in the case of a Tagged Water Entitlement: the MDB Valley or Coastal Valley as set out in the Licence Register for the licence holder whose nomination of the 'tagged' extraction point has been approved under section 71W of the Water Management Act; and
 - (2) in the case of a licence transfer, or an assignment of rights or water allocations, each under Chapter 3, Part 2 of the Water Management Act: the MDB Valley or Coastal Valley as set out in the Licence Register for the transferor or assignee (as the case may be).

Schedule 6 Requirements of WCIR and IPART Act

1 Requirements of the WCIR

1.1 IPART's determination under the WCIR

- (a) WaterNSW has applied under rule 25 of the WCIR for approval of its regulated charges for the regulatory period commencing 1 July 2017. Under rule 29 of the WCIR, IPART must not approve the regulated charges set out in WaterNSW's application unless it is satisfied that:
- (1) WaterNSW's regulatory asset base, which is used to calculate the regulated charges, has been determined in accordance with Schedule 2 of the WCIR;
 - (2) WaterNSW's total forecast revenue (from all sources) for the regulatory period is reasonably likely to meet the prudent and efficient costs of providing infrastructure services in that regulatory period; and
 - (3) the forecast revenue from regulated charges is reasonably likely to meet that part of the prudent and efficient costs of providing infrastructure services that is not met from other revenue.
- (b) Under rule 29(3) of the WCIR, if IPART is not satisfied as to the matters referred to in clause 1.1(a)(1) to (3) above, then IPART must determine WaterNSW's regulated charges:
- (1) on the basis of WaterNSW's regulatory asset base, determined in accordance with Schedule 2 of the WCIR; and
 - (2) so as to be satisfied as to the matters referred to in clause 1.1(a)(2) and (3) above.
- (c) IPART is not satisfied as to the matters referred to in clause 1.1(a)(1) to (3) above in relation to the regulated charges set out in WaterNSW's application, and has therefore determined WaterNSW's regulated charges in accordance with the requirements of rule 29(3) of the WCIR.
- (d) In making this determination, IPART has also:
- (1) had regard to whether the regulated charges would contribute to achieving the Basin water charging objectives and principles set out in Schedule 2 of the Water Act (Cth), consistent with rule 29(4) of the WCIR; and
 - (2) applied the Pricing Principles in accordance with the conditions of its accreditation by the ACCC under Part 9 of the WCIR.

1.2 Regulated charges

- (a) For the purposes of this determination, WaterNSW's 'regulated charges' are:
- (1) the fees or charges payable to WaterNSW for access to WaterNSW's irrigation network, or services provided in relation to that access; and

- (2) WaterNSW's bulk water charges.
- (b) The Regulated Rivers in MDB Valleys for which IPART has determined regulated charges are described in clause 2.9(a) of Schedule 5. In summary, Schedules 1 and 4 cover Regulated Rivers in the following MDB Valleys:
 - (1) Border;
 - (2) Gwydir;
 - (3) Namoi;
 - (4) Peel;
 - (5) Lachlan;
 - (6) Macquarie;
 - (7) Murray;
 - (8) Murrumbidgee; and
 - (9) Lowbidgee.
- (c) Under section 91(3) of the Water Act (Cth), the WCIR do not apply to charges for 'urban water supply activities.' As a result, in the Fish River Water Supply Scheme, IPART sets maximum prices for Urban Water Supply Customers under the IPART Act, and regulated charges for Rural Water Supply Customers under the WCIR. The regulated charges that WaterNSW may levy in the Fish River Water Supply Scheme are set out in Schedule 3, and the Miscellaneous Charges in Schedule 4.

1.3 Monitoring

The ACCC retains monitoring, enforcement and advisory functions under the Water Act (Cth) in relation to the determination of charges under the WCIR.

2 Determination under the IPART Act

2.1 Coverage of this determination

- (a) Section 11 of the IPART Act provides IPART with a standing reference to conduct investigations and make reports to the Minister on the determination of the pricing for a government monopoly service that is supplied by a government agency specified in Schedule 1 to the IPART Act.
- (b) WaterNSW is listed as a government agency in Schedule 1 to the IPART Act, but excluding the services provided by WaterNSW in respect of which fees or charges may be approved or determined in accordance with Parts 6 or 7 of the WCIR, or the applied provisions² under Part 3B of the IPART Act.
- (c) Section 4(1) of the IPART Act provides that a government monopoly service is a service supplied by a government agency and declared to be a government monopoly service. Section 4(7) of the IPART Act provides that WaterNSW is

² The 'applied provisions' include, among other things, Divisions 2, 3 and 4 of Part 6 of the WCIR, and Schedule 2 of the WCIR. These provide for the determination of regulated charges for WaterNSW.

taken to be the supplier of any government monopoly services for which fees and charges are payable under the Water NSW Act.

- (d) The Water Services Order declares certain services provided by the 'State Water Corporation' to be government monopoly services, namely:
- (1) the making available of water;
 - (2) the making available of the State Water Corporation's water supply facilities; or
 - (3) the supplying of water, whether by means of the State Water Corporation's water supply facilities or otherwise.
- (together, **Monopoly Services**). References to the former State Water Corporation in the Water Services Order are to be read as references to WaterNSW, in accordance with clause 24 of Schedule 2 of the Water NSW Act.
- (e) Accordingly, under the IPART Act, IPART is to conduct an investigation and make a report to the Minister that determines maximum prices for Monopoly Services supplied by Water NSW for which fees and charges may not be determined under the WCIR (**IPART Act Services**).
- (f) Schedules 2 and 4 of this determination cover WaterNSW's IPART Act Services that are supplied in the:
- (1) North Coast;
 - (2) Hunter; and
 - (3) South Coast.
- (g) For Urban Water Supply Customers in the Fish River Water Supply Scheme, the maximum prices that WaterNSW may levy are set out in Schedule 3, and the Miscellaneous Charges in Schedule 4.

2.2 Requirements of the IPART Act

- (a) In determining the pricing of the IPART Act Services, IPART has had regard to a broad range of matters, including the matters in section 15(1) of the IPART Act.
- (b) In accordance with section 13A of the IPART Act, IPART has fixed maximum prices for the IPART Act Services supplied by WaterNSW.
- (c) Under section 18(2) of the IPART Act, WaterNSW may not fix a price for IPART Act Services below that determined by IPART without the approval of the Treasurer.

2.3 Monitoring

For IPART Act Services supplied by WaterNSW, IPART may monitor WaterNSW's performance for the purposes of:

- (a) establishing and reporting on the level of WaterNSW's compliance with this determination in relation to the supply of IPART Act Services; and
- (b) preparing a periodic review of pricing policies in respect of the IPART Act Services.