

FACT SHEET

Prices and bills for regulated river users in 2014/15

Based on *Review of prices for the Water Administration Ministerial Corporation - Determination and Final Report*, February 2011, and *Review of bulk water charges for the State Water Corporation - Determination and Final Report*, June 2010

This fact sheet sets out the charges that will apply from 1 July 2014 to the NSW Office of Water (NOW) and State Water customers that are regulated by the Independent Pricing and Regulatory Tribunal of NSW (IPART), and demonstrates how water bills are calculated.

State Water is responsible for delivering bulk water to irrigators and other licence holders on regulated rivers across NSW. The Australian Consumer and Competition Commission (ACCC) has set State Water's maximum charges for its services in the Murray-Darling Basin from 1 July 2014. Further information on prices for these customers is available from the ACCC's website:

<http://www.accc.gov.au/regulated-infrastructure/water/state-waters-regulated-charges-2014-17-review/final-decision>

IPART will continue to set prices that State Water can charge for its bulk water services in 3 coastal regulated river valleys (North Coast, South Coast and Hunter) and some customers of the Fish River Scheme near Lithgow (Lithgow and Oberon Councils and the Sydney Catchment Authority).

There has been no change in State Water's prices from 1 July 2014, for regulated river users in coastal valleys where State Water's prices are regulated by IPART. This is because IPART decided to defer State Water's next price review for one year.

IPART has also set maximum prices that NOW can charge for the monopoly services it delivers on behalf of the Water Administration Ministerial Corporation (WAMC).

There has also been no change in NOW's prices from 1 July 2014 because, at NOW's request, NOW's next price determination has been deferred.

IPART's full reports and determinations for these prices are available on IPART's website: www.ipart.nsw.gov.au

Calculation of water charges

Licence holders on regulated rivers are billed for 2 services: water management services from NOW, and water storage and delivery services from State Water.¹

The list of entitlement charges, usage charges and example bill calculations for customers are contained in Tables 1 to 3.

NOW and State Water calculate entitlement charges for Water Act (WA) licences (which are denominated in megalitres) and Water Management Act (WMA) licences (which are denominated in unit shares) using the same formula.

¹ Note that regulated river customers must pay the minimum bill of \$105.34 if their calculated water management charge from NOW is below \$105.34 (ie, customers pay the higher of \$105.34 and their calculated water management charge).

State Water's charges for customers with WA licences and customers with WMA licences are shown in Tables 1 and 2, and are calculated as follows:

$$(EC \times E) + (U \times W)$$

Where:

- ▼ EC is a single entitlement (fixed) charge that retains the same value whether it is in dollars per megalitre of entitlement (WA licence) or in dollars per unit share (WMA licence).
- ▼ E is a licence holder's entitlement in megalitres or unit shares.
- ▼ U is a usage charge expressed in dollars per megalitre.
- ▼ W is a licence holder's water usage for that year in megalitres.

NOW's water management charges for customers with WA licences and customers with WMA licences are shown in Table 3, and are calculated as follows:

$$(EC \times E) + (U \times W)$$

Where:

- ▼ EC is a single entitlement (fixed) charge that retains the same value whether it is in dollars per megalitre of entitlement (WA licence) or in dollars per unit share (WMA licence).
- ▼ E is a licence holder's entitlement in megalitres or unit shares.
- ▼ U is a usage charge expressed in dollars per megalitre.
- ▼ W is a licence holder's water usage for that year in megalitres.

Table 1 State Water charges for a hypothetical High Security regulated river customer with an entitlement of 100ML and usage of 50ML (\$2014/15)

Valley	State Water High Security Entitlement Charge (\$/ML or \$/unit share)	Total State Water High Security Entitlement Charge (100 ML entitlement) (\$)	State Water Usage Charge (\$/ML)	Total State Water Usage Charge (50ML Usage) (\$)	Total State Water bill (\$)
	<i>EC</i>	<i>EC × E</i>	<i>U</i>	<i>U × W</i>	<i>(EC × E) + (U × W)</i>
North Coast	9.54	954	45.04	2,252	3,206
Hunter	26.03	2,603	14.77	739	3,342
South Coast	21.12	2,112	40.38	2,019	4,131

Note: Total bills may not add due to rounding.

Table 2 State Water charges for a hypothetical General Security regulated river customer with an entitlement of 100ML and usage of 50ML (\$2014/15)

Valley	State Water General Security Entitlement Charge (\$/ML or \$/unit share)	Total State Water General Security Entitlement Charge (\$)	State Water Usage Charge (\$/ML)	Total State Water Usage Charge (\$)	Total State Water bill (\$)
	<i>EC</i>	<i>EC × E</i>	<i>U</i>	<i>U × W</i>	<i>(EC × E) + (U × W)</i>
North Coast	7.25	725	45.04	2,252	2,977
Hunter	8.86	886	14.77	739	1,624
South Coast	10.09	1,009	40.38	2,019	3,028

Note: Total bills may not add due to rounding.

Table 3 NOW charges for a hypothetical General or High Security regulated river customer with an entitlement of 100ML and usage of 50ML (\$2014/15)

Valley	NOW Entitlement charge (\$/ML or \$/unit share)	Total NOW Entitlement charge (\$)	NOW Usage Charge (\$/ML)	Total NOW Usage Charge (\$)	Total NOW bill (\$)
	<i>EC</i>	<i>EC × E</i>	<i>U</i>	<i>U × W</i>	<i>(EC × E) + (U × W)</i>
North Coast	5.58	558	5.54	277	836
Hunter	2.73	273	1.75	88	361
South Coast	5.00	500	5.61	280	781
Border	2.32	232	1.79	89	322
Gwydir	1.37	137	1.26	63	200
Namoi	2.75	275	1.88	94	370
Peel	2.33	233	3.71	186	419
Lachlan	1.86	186	2.14	107	293
Macquarie	1.98	198	1.90	95	293
Murray	1.50	150	0.97	48	198
Murrumbidgee	1.23	123	0.79	39	162

Note: Total bills may not add due to rounding.

Table 4 Combined State Water and NOW charges for a hypothetical High Security regulated river customer with an entitlement of 100ML and usage of 50ML (\$2014/15)

Valley	General Security Entitlement Charge (\$/ML or \$/unit share)	Total General Security Entitlement Charge (\$)	Usage Charge (\$/ML)	Total Usage Charge (\$)	Total bill (\$)
	<i>EC</i>	<i>EC × E</i>	<i>U</i>	<i>U × W</i>	<i>(EC × E) + (U × W)</i>
North Coast	15.12	1,512	50.58	2,529	4,042
Hunter	28.76	2,876	16.52	827	3,703
South Coast	26.12	2,612	45.99	2,299	4,912

Note: Combined State Water and NOW charges are only presented for those valleys where IPART will continue to regulate these charges from 1 July 2014. From 1 July 2014, the Australian Competition and Consumer Commission will regulate State Water's prices in the Murray Darling Basin, with IPART only regulating State Water's prices in the coastal valleys and some parts of the Fish River. IPART will continue to regulate NOW's prices across NSW. Total bills may not add due to rounding.

Table 5 Combined State Water and NOW charges for a hypothetical General Security regulated river customer with an entitlement of 100ML and usage of 50ML (\$2014/15)

Valley	General Security Entitlement Charge (\$/ML or \$/unit share)	Total General Security Entitlement Charge (\$)	Usage Charge (\$/ML)	Total Usage Charge (\$)	Total bill (\$)
	<i>EC</i>	<i>EC × E</i>	<i>U</i>	<i>U × W</i>	<i>(EC × E) + (U × W)</i>
North Coast	12.83	1,283	50.58	2,529	3,813
Hunter	11.59	1,159	16.52	827	1,985
South Coast	15.09	1,509	45.99	2,299	3,809

Note: See Note to Table 4.