



Wyong Water

F2004/06782
23 March 2016

Independent Pricing and Regulatory Tribunal
Post Office Box K35
Haymarket Post Shop NSW 1240

Dear Sir,

Review of prices for the Water Administration Ministerial Corporation (WAMC)

Reference is made to your March 2016 Draft Report and Determination relating to prices applied by DPI Water.

The draft decisions as they relate to the Unregulated Rivers (Hunter) component are considered not unreasonable as they reflect a better cost recovery balance between the fixed and water take components of the two part tariff as well as also reflecting a degree of cost reallocation across the different regions (catchments).

The draft decisions relating to Groundwater (Coastal) are also considered not unreasonable.

In relation to the draft prices generally it is hoped that IPART has recognised the concerns raised in the Wyong Water letter dated 29 September 2015 (response to the Issues Paper) and addressed them in this draft determination. A copy of the letter dated 29 September 2015 is attached. It is noted that these concerns were also flagged previously with IPART staff as far back as 2011.

A key issue raised in the 29 September letter was the practice of DPI Water (and formerly Office of Water) invoicing some stream gauging hydrometric services separately as an additional unregulated charge outside of the IPART pricing process.

To date DPI Water have been separately charging council for the gauging stations (211009 and 21010) respectively located at Gracemere on the Wyong River and on Jiliby Creek u/s Wyong, even though these stations are used by DPI Water for catchment wide water planning and administration activities.

As hydrometric services are seen to be "part and parcel" of DPI Water managing water resources, it is considered that all costs incurred by DPI Water in providing these services should be incorporated into the fixed and water take unit charges and not treated as an additional "over and above" charge.

It is our understanding that IPART would review this issue for the current price review. The draft report does not include a specific statement as to whether the determination incorporates all stream gauging hydrometric services in the proposed prices. Such a statement is considered important to remove doubt as to what is included or excluded from the regulated price.

If you require additional information/clarification or have any questions please do not hesitate the undersigned on [REDACTED]

Yours Faithfully

[REDACTED]
Ian Johnson
Section Manager
Regulation



Wyong Water

29 September 2015
F2004/06782

Independent Pricing and Regulatory Tribunal
Post Office Box K35
Haymarket Post Shop NSW 1240

Dear Sir,

Review of prices for the Water Administration Ministerial Corporation (WAMC)

Reference is made to the above review.

Wyong Water, as the water supply business unit of Wyong Shire Council has reviewed the proposed water management charges for the Unregulated Rivers (Hunter) and Groundwater (Coastal) component.

In reviewing the DPI proposal Wyong Water makes limited comment as the proposed charges/rates and the associated pricing path trends do not appear to be unreasonable.

While it is assumed that the charges presented in the "Summary of DPI Water submission to IPART" are based on "\$ per megalitre" there is nowhere in the Summary document where this is made explicit. Review of the full Submission document also highlights this difficulty.

While current stakeholders would certainly be aware of the "\$ per megalitre" charging basis it may not be obvious to new entrants or the general public. This needs to be better highlighted.

In reviewing the proposed charges it is hoped that these will incorporate all activities associated with water management in particular the operation and maintenance of relevant stream gauging facilities.

This issue/concern has previously been brought to the attention of DPI Water as there have been instances in the past where Wyong Water has been charged for necessary stream gauging services (a monopoly service) as an additional charge outside of the IPART pricing process. This situation has also raised concerns over the lack of transparency and the potential for "double dipping" where these charges could also have been included in the entitlement/usage charges.

If you require additional information/clarification or have any questions please do not hesitate to contact the undersigned on [REDACTED].

Yours Faithfully

[REDACTED]
Ian Johnson
Section Manager, Regulation