



## Administrative Information

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Submission to IPART for prices from 1 July 2021 for water management services provided by the Department of Planning Industry and Environment-Water and the Natural Resources Access Regulator on behalf of the Water Administration Ministerial Corporation

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### **More information**

Department of Planning, Industry and Environment—Water, and the Natural Resources Access Regulator

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## Submission structure

For this price review, we have endeavoured to present our proposal in a format that is accessible to wide variety of readers including licence holders, other stakeholders and IPART, whilst meeting IPART's comprehensive information requirements. Our aim is to enable scrutiny of our proposals and encourage broad participation in the review process.

Our submission consists of our Pricing Proposal, eleven Detailed Papers, and this document, which provides

- useful information for readers about the key assumptions we have applied and abbreviations we use throughout the submission
- a guide to where IPART's information requirements are located within the submission and
- quality assurance statements by the Chief Regulatory Officer of the Natural Resources Access Regulator, the Deputy Secretary, Water of the Department of Planning, Industry and Environment and an independent reviewer, the Centre for International Economics, about the veracity of the information included in the proposal.

## Abbreviations

Abbreviation	Full name	Definition
	2016 regulatory period	The five years from 1 July 2016 to 30 June 2021. IPART's previous determination commenced on 1 July 2016 and was for four years, and IPART granted a one-year extension to 30 June 2021.
	2021 regulatory period	The four years from 1 July 2021 to 30 June 2025, which we propose as the next regulatory period
AIR	Annual Information Return	A report provided to IPART annually, detailing operating and capital expenditure programs and non-financial information relating to water management, in a format specified by IPART
AWD	Available Water Determination	The annual water allocation made on 1 July by DPIE Water that specifies how much of their water entitlement licence-holders can extract from a river or aquifer over the course of the year from that date.
Basin Plan	Murray Darling Basin Plan	see Murray Darling Basin Plan <a href="https://www.mdba.gov.au/basin-plan/plan-murray-darling-basin">https://www.mdba.gov.au/basin-plan/plan-murray-darling-basin</a>
BRC	Dumaresq-Barwon Border Rivers Commission (Border Rivers Commission)	Commission established by the NSW and Queensland Governments to operate and maintain jointly 'owned' water infrastructure and implement agreed water sharing arrangements in the Queensland-NSW border region.
BSM2030	Basin Salinity Management 2030 strategy	Further information is available at <a href="https://www.mdba.gov.au/publications/mdba-reports/basin-salinity-management-2030">https://www.mdba.gov.au/publications/mdba-reports/basin-salinity-management-2030</a>
CAA	Controlled Activity Approval	A controlled activity approval allows you to carry out of certain types of activities on waterfront land as defined in the <i>Water Management Act 2000</i> .

Abbreviation	Full name	Definition
the CIE	The Centre for International Economics	The consultancy we engaged to identify and analyse methods to help forecast water take
COAG	Council of Australian Governments	COAG is Australia's peak intergovernmental forum that manages matters of national significance or that need coordinated action by all Australian governments. On 2 June 2020 the Prime Minister announced that COAG will be replaced by a National Cabinet.
CPI	Consumer Price Index	A measure of inflation based on the change in price of a set of goods and services over time.
DPIE	NSW Department of Planning, Industry and Environment	The NSW Department created on 1 July 2019 that undertakes most functions of the former Department of Planning and Environment and the former Department of Industry, along with the Office of Local Government and the Office of Environment and Heritage
DPIE Water	-	A group within DPIE that is responsible for some water management activities in NSW
EES	Environment, Energy & Science	A division of DPIE since 1 July 2019
-	Entitlement Charge	An annual charge that applies to an access licence based on the quantity of share component specified on that access licence.
EWAG	Environmental Water Advisory Group	EWAGs comprise community members; we draw on their expertise and experience to help inform our work on environmental water matters in the Gwydir, Macquarie Cudgegong, Lachlan, Murrumbidgee and Murray Lower Darling catchments. Further information is available at <a href="https://www.environment.nsw.gov.au/topics/water/water-for-the-environment/about-water-for-the-environment/environmental-water-advisory-groups">https://www.environment.nsw.gov.au/topics/water/water-for-the-environment/about-water-for-the-environment/environmental-water-advisory-groups</a>
FMP	Floodplain Management Plan	Provides the framework for coordinating the development of flood works on a whole-of-valley basis.
FPH	Floodplain harvesting	The capture and use of water flowing across a floodplain that is not covered by another extraction category, such as an access licence, harvestable right or capture of irrigation runoff in tailwater return systems according to licence conditions or best management practices.
FTE	full time equivalent	A unit of measurement equal to the effort of one person working full time, and used to add up full-time and part-time effort for tasks
GAB	Great Artesian Basin	The largest and deepest artesian basin in the world, lying underneath 24 per cent of Australia's land mass, including NSW, the Northern Territory, South Australia, and most of Queensland.
-	groundwater	Underground water sources

Abbreviation	Full name	Definition
GDE	Groundwater Dependent Ecosystem	Ecosystems that need groundwater to maintain the plants, animals and ecological processes they support
GIS	Geographical Information Systems	A computer system to record and store technical and geographical information within a map.
GL	gigalitre	One gigalitre is equal to one billion litres (or one thousand megalitres)
GSWS	Greater Sydney Water Strategy	A strategy to provide confidence in security of Greater Sydney's water supply to 2040
HEVAE	High Ecological Value Aquatic System	Framework for identifying environmental assets
IPART	Independent Pricing and Regulatory Tribunal of NSW	Further information is available at <a href="https://www.ipart.nsw.gov.au/Home">https://www.ipart.nsw.gov.au/Home</a>
	IPART's 2016 final report	IPART's 2016 final report on WAMC prices, which is available at <a href="https://www.ipart.nsw.gov.au/Home/Industries/Water/Reviews/Rural-Water/Prices-for-WAMCs-water-management-services?qDh=2">https://www.ipart.nsw.gov.au/Home/Industries/Water/Reviews/Rural-Water/Prices-for-WAMCs-water-management-services?qDh=2</a>
IQQM	Integrated Quantity and Quality Model	Software to simulate the major hydrological processes in river valleys.
KJA	KJA an ERM Group company	Consultants on stakeholder engagement undertaken by DPIE Water and NRAR.
LHWP	Lower Hunter Water Plan	Further information is available at <a href="https://www.industry.nsw.gov.au/water/plans-programs/regional-water-strategies/lower-hunter-water-plan">https://www.industry.nsw.gov.au/water/plans-programs/regional-water-strategies/lower-hunter-water-plan</a>
LTAAEL	Long Term Annual Average Extraction Limit	The long-term average level of groundwater that can be extracted sustainably each year from sources defined in water sharing plans.
MAC	Minimum Annual Charge	A charge that applies to an access licence if the sum of the entitlement and water take charge for a water licence is less than the value of the minimum annual charge.
Matthews Review	Independent Review of Water Management and Compliance	Full details of the Matthews Review are available at <a href="https://www.industry.nsw.gov.au/water/what-we-do/how-water-is-managed/independent-review-water-management-and-compliance">https://www.industry.nsw.gov.au/water/what-we-do/how-water-is-managed/independent-review-water-management-and-compliance</a>
MDB	Murray-Darling Basin	The river system and catchment area for the Murray and Darling rivers (and other rivers), spanning the majority of NSW, Victoria and the ACT, and parts of Queensland and South Australia; comprising more than 1 million square kilometres in area.

Abbreviation	Full name	Definition
MDBA	Murray-Darling Basin Authority	An independent Commonwealth government agency, which leads the planning and management of the Murray-Darling Basin water resources (surface and ground water); and supports the sustainable and integrated management of the water resources of the Basin.
MDBP	Murray-Darling Basin Plan (or Basin Plan)	The Basin Plan provides a coordinated approach to water use across the Basin states; by limiting water use at environmentally sustainable levels by determining long-term average sustainable diversion limits for both surface water and groundwater resource
MEMS	Marine Estate Management Strategy	Department of Primary Industries' (DPI) Marine Estate Management Strategy 2018-28, further information is available at <a href="https://www.marine.nsw.gov.au/__data/assets/pdf_file/0007/815596/Marine-Estate-Management-Strategy-2018-2028.pdf">https://www.marine.nsw.gov.au/__data/assets/pdf_file/0007/815596/Marine-Estate-Management-Strategy-2018-2028.pdf</a>
ML	megalitre	One megalitre equals one million litres
MWP	2017 Metropolitan Water Plan	Water plan to secure Sydney's water supply for the long term and during drought.
NPA	National Partnership Agreement	Agreement between the Commonwealth and the Basin States to implement the Basin Plan, with associated funding
-	Nominal \$	Value expressed to include the effects of general price increases (see real \$)
NRAR	Natural Resources Access Regulator	The NSW government agency established in 2018 to be an independent, transparent and effective regulator with total carriage of the compliance and enforcement of water management legislation in NSW
NRC	Natural Resources Commission	The independent NSW government body with broad investigating and reporting functions for the purposes of establishing a sound evidence basis for the properly informed management of natural resources in the social, economic and environmental interests of NSW
NWI	National Water Initiative	COAG's principal water policy agreement, through which its members agreed on actions to achieve a cohesive national approach to the way water is managed, measured, planned for, priced, and traded.
OEH	NSW Office of Environment and Heritage	Responsible for the care and protection of the environment and heritage, including the natural environment, Aboriginal country, culture and heritage, and built heritage. Became DPIE Biodiversity and Conservation Division from 1 July 2019  The environmental water manager in NSW, responsible for the use of allocations for licensed environmental water

Abbreviation	Full name	Definition
PPM	Prerequisite Policy Measure	Legislative and operational rule changes that improve the use and accounting of water for the environment in the southern-connected Murray–Darling Basin.
-	Regulated river	A river where downstream flows are regulated by a major storage or dam to supply irrigation water.
RCI	River Condition Index	River condition reporting tool measuring hydrology, geomorphology, riparian, biota, disturbance and water quality
-	Real \$ (or cost/revenue of a particular year)	Value expressed to remove the effects of general price increases (see nominal \$) alue expressed to remove the effects of general price increases (see nominal \$)
River Styles	River Styles database	The NSW River Styles database was developed to store classifications of NSW rivers, as assessed using the River Styles Framework. The framework classifies rivers based on geomorphic qualities that include river type, fragility, sensitivity to disturbance, condition, rarity and recovery potential.
RWS	Regional Water Strategy	<p>We are preparing 12 regional water strategies in partnership with water service providers, local councils, communities, Aboriginal people and other stakeholders across NSW.</p> <p>We will be working with communities to ensure local and traditional knowledge informs the strategies and that long-term water strategies serve regional communities, including First Nations, the environment and industry.</p>
SDL	Sustainable Diversion Limit	Set by the Basin Plan, the SDLs set limits on the quantities of surface and groundwater that can be taken from Basin water sources for agriculture and other consumptive purposes
-	Share component	The proportion of water that a water access licence holder can take from a water source each year, as specified on each water access licence.
SIP	Submission Information Package	IPART document setting out its information requirements
SIS	Salt Interception Scheme	Pumping schemes that divert saline groundwater and drainage water before entering rivers.
SWS	State Water Strategy	Sets out the over-arching strategic outcomes, priorities and targets for the management of the State's water sources, and associated organisations that have a role in water management vision, reflecting the objects of the <i>Water Management Act 2000</i> . It will provide context and direction for the 12 regional water strategies, the Greater Sydney Water Strategy and the Lower Hunter Water Plan.



Abbreviation	Full name	Definition
-	Unregulated river	A river without major storages or dams, or where the storages do not release water downstream (in these cases, water is piped to where it is needed, such as metropolitan centres)
WAL	Water Access Licence	A licence entitling the licence holder to specified shares in the available water within a particular water management area or water source (the share component); and to take water at specified times, rates or circumstances from specified areas or locations (the extraction component).
-	Water Act 1912	An Act to consolidate the Acts relating to water rights, water and drainage, drainage promotion, and artesian wells; in the process of being phased out and replaced by Water Management Act 2000.
-	Water Act 2007 (Commonwealth)	An Act to make provision for the management of the water resources of the Murray-Darling Basin, and to make provision for other matters of national interest in relation to water and water information.
WAMC	Water Administration Ministerial Corporation	WAMC is constituted under the Water Management Act 2000 and has certain functions that can be broadly referred to as the supply of water, and water planning and management activities, which are designed to ensure the sustainability of water.
-	Water allocation	The volumetric amount of water that may be taken against a water access licence subject to conditions that apply to the licence.
-	Water allocation account	Tracks the water allocation made to the related water access licence, the volume of water taken and water that is available to be taken or traded subject to conditions that apply to the licence.
-	Water consent transaction	Fee for service activity that manage the issue, trade and amendment of water access licences, water allocations and water approvals, under the Water Management Act 2000.
WaQI	Water Quality Index	Measures the water quality of rivers relative to appropriate water quality targets
WLS	Water Licensing System	A web-based portal that was developed in-house to provide WaterNSW and NRAR with a consolidated workspace of applications used in water licensing. It includes the details of each licence holder and a complete record of each customer's licence details, and facilitates the assessment of applications and granting of WALs and works approvals that are subject to mandatory conditions and discretionary conditions

Abbreviation	Full name	Definition
-	Water management activities	The water management activities undertaken by DPIE Water, NRAR and WaterNSW under Chapter 3 of the <i>Water Management Act 2000</i> and in relation to the services listed under the <i>Independent Pricing and Regulatory Tribunal (Water Services) Order 2004</i> , for which IPART regulates prices
WRAP	Water Reform Action Plan	NSW Government's 2018 water reform plan available at <a href="https://www.industry.nsw.gov.au/water-reform">https://www.industry.nsw.gov.au/water-reform</a>
WRP	Water Resource Plan	Plans made under the <i>Water Act 2007 (Commonwealth)</i> that cover the water resources of the Murray Darling Basin and deal with those matters that the Basin Plan requires a water resource plan to include.
WSP	Water Sharing Plan	Plans made under the <i>Water Management Act 2000</i> that provide the rules and arrangements for water sharing in NSW by balancing the needs of socioeconomic, environmental and cultural purposes. Within the Murray Darling Basin they become a key component of a water resource plan.
-	Water source	A water source is the primary water management unit used for defining where water sharing rules apply
-	Water supply work	A means for taking water from a water source at a specified location.

## Key assumptions

### Real and nominal values and prices, and CPI

In general, we express values and prices in this submission in real terms – that is, in 2020-21 dollars – unless there is a notation showing otherwise. This practice deviates from IPART's submission guidelines, which state that historical values and forecast customer bills should be displayed in nominal terms.

We have chosen to display all amounts in real 2020-21 dollars due to current uncertainty over reliable CPI forecasts and to be consistent with the WaterNSW WAMC Pricing Submission. The consistent use of 2020-21 dollars also allows for real comparisons over time. Our Pricing Proposal uses the term 'before inflation' to indicate values in 2020-21 dollar terms.

Projected prices and values are mostly quoted in 2020-21 terms, indicated by the notation '\$2020-21'. Exceptions are noted as explained above.

We present projected customers' bills in real 2020-21 dollars. Real 2020-21 dollars are dollar terms that are not adjusted for inflation.

IPART's preference, as set out in its Submission Information Package (SIP), is for bill impacts for prices to apply from 1 July 2021 to be expressed in nominal terms using an inflation forecast of 2.5% (midpoint of the RBA inflation forecast). IPART considers that using nominal dollars makes it easier for customers to understand the combined impact of the new prices and inflation on the amount they may expect to pay. We have chosen to express customer bills in real \$2020-21 terms as the inflation forecast of 2.5% will overstate the combined impact of inflation and price increases

in the current economic downturn. We consider that displaying forecast bills in real terms provides users with greater certainty of actual bill impacts.

Annual inflation used for indexation of dollar values is consistent with advice from IPART in the SIP provided in February 2020

- annual inflation of 2.1% per year is used to convert \$2016-17 to \$2017-18. This is based on *All groups CPI for Australia, June Quarter 2018 divided by June Quarter 2017*, as published by the ABS
- annual inflation of 1.6% per year is used to convert \$2017-18 to \$2018-19. This is based on *All groups CPI for Australia, June Quarter 2019 divided by June Quarter 2018*, as published by the ABS
- annual inflation of 2.1 % per year is used to convert \$2018-19 to \$2019-20. This figure is based on the Bloomberg Mean Consensus inflation forecast as at 06/01/2020.
- annual inflation of 2.5% per year is used to convert \$2019-20 to \$2020-21. This figure is based on the midpoint of the Reserve Bank of Australia inflation target range
- annual inflation of 2.5% per year is used for indexed nominal projections beyond 2020-21. This figure is based on the midpoint of the Reserve Bank of Australia inflation target range.

We have provided prices for 2020-21 (the last year of the current price period) for comparative purposes.

## Other reader notes

As required by IPART's submission guidelines, tables providing information about future costs, revenue requirements and prices show five years of projected data.

We propose a four-year price determination from 1 July 2021 to 30 June 2025. IPART will decide the length of the determination period as part of the 2020-21 price review.

Some totals in tables may not appear to add precisely due to rounding of the component terms in the table.

## IPART's requirements

This Administrative Information document along with our Pricing Proposal and Detailed Papers A to J address IPART's information requirements – specifically, IPART's 2018 Guidelines for Water Agency Pricing Submissions and IPART's February 2020 Submission Information Package to DPIE Water.

The table below provides cross-references for each item to guide the reader to the relevant location within this submission of IPART's Guidelines for Water Agency Pricing Submissions Water – Guidelines November 2018.<sup>1</sup>

**Table 1 IPART's November 2018 submission requirements and where to find them**

IPART GUIDANCE FROM NOVEMBER 2018		SUBMISSION REFERENCE
<b>Chapter 2</b>	<b>Summary and performance requirements</b>	
2.1	Executive summary	Pricing Proposal
2.1	A separate plain English summary for customers	Joint agency summary document – DPIE Water, NRAR and WaterNSW
2.2	Your role and functions	Detailed Paper C

IPART GUIDANCE FROM NOVEMBER 2018		SUBMISSION REFERENCE
2.3	Your performance over the current determination period	Detailed Papers E, H and K
	Service levels	
	Sales volumes and customer connections	
	Historical operating expenditure (data presented in nominal \$) - Totals or comparisons in real \$ of the year stated in your SIP <sup>2</sup> letter from IPART	
	Historical capital expenditure (data presented in nominal \$) - Totals or comparisons in real \$ of the year stated in your SIP letter from IPART	Detailed Papers E, G and K
	Implementation of current determination under section 18(5) of the IPART Act	Maximum prices for WAMC water management services from 1 July 2016 in IPART's Determination No. 2, 2016 have been implemented as set out in WaterNSW's separate submission for WAMC prices from 1 July 2021.
2.4	<b>Standards of service</b>	
	Service levels (quantity, quality and scope) for next determination period	Detailed Paper E
<b>Chapter 3</b>	<b>Key building block inputs</b>	
3.1	Forecast operating expenditure	Detailed Papers E and F
	A business case for proposed operating expenditure	Detailed Paper E
	Five years of future operating costs by service - Operating costs are in real \$ of the year stated in your SIP letter	Detailed Paper E
	Drivers, justification and services levels	Detailed Paper E
	Approach to allocating common or shared costs	Detailed Paper E
	Forecasting methodology, rationale and assumptions and risks	Detailed Paper H
	Potential efficiency gains	Detailed Paper E
3.2	Forecast and historical capital expenditure	Detailed Papers G and K and WaterNSW submission
	A business case for proposed capital expenditure	

IPART GUIDANCE FROM NOVEMBER 2018		SUBMISSION REFERENCE
	Five years of capital expenditure by service	
	Long-term investment plan is provided (at least 10 years) - Capital expenditure is in real \$ of the year stated in your SIP letter	
	Drivers, justification and service levels	
	Forecasting methodology, rationale and assumptions and risks	
	Key assumptions underlying forecasts and identified risks	
3.3	Weighted Average Cost of Capital (WACC) and Depreciation and asset lives	Detailed Paper G and WaterNSW submission
	Total RAB for each year of the determination	
	RAB by service and/or service area and supporting calculations	
	Proposed WACC	
	WACC components and supporting analysis	
	Outline of proposed depreciation method	
	Proposed asset lives	
	Asset disposals	
	Asset disposals	
	Tax allowance	
	Forecast tax depreciation and cash and asset contributions that contribute to regulated activities	
<b>Chapter 4</b>	<b>Forecast sales volumes and customer numbers</b>	
4.1	Sales volumes	Detailed Paper H
	Sales volumes and methodology used to forecast sales	Detailed Paper H
4.2	Customer numbers (or entitlement forecasts)	Detailed Paper H
	Connection numbers by year and service	N/A

IPART GUIDANCE FROM NOVEMBER 2018		SUBMISSION REFERENCE
	Entitlement and licence numbers by year, valley, water source and type (bulk water utilities)	Detailed Paper H
<b>Chapter 5</b>	<b>Prices and impacts</b>	
5.1	Proposed prices	Detailed Paper I
	Proposed tariffs for each service over the next five years (real \$ of the year stated in your SIP letter)	
5.2	Impacts of proposed prices	
	Indicative bill impacts in nominal \$ over the next five years (can also provide in both real \$ and nominal \$ in executive summary)	
	Transitional arrangements to manage or mitigate price changes	N/A
	Rebates and other measures to mitigate price impacts	N/A
	Other impacts and matters in section 15 of the IPART Act	N/A
	Analysis of affordability	Price rises limited to 5% a year as set out in Pricing Proposal
	Financial impacts on your agency	Pricing Proposal
5.3	Customer consultation	Detailed Paper B
	Details of customer engagement	
<b>Chapter 6</b>	<b>Additional considerations</b>	
6.1	Recycled water	N/A
	Five years of capital and operating expenditure, avoided and deferred costs	
6.2	Evidence that costs are fully ring-fenced	Detailed Paper E
	Any supporting evidence such as business cases for avoided or deferred costs	N/A
	Unregulated costs and revenue	To be provided during the review period
	Ring-fencing of unregulated revenue and costs	To be provided during the review
6.3	Outstanding issues from the previous determination	Detailed Paper E, F

IPART GUIDANCE FROM NOVEMBER 2018		SUBMISSION REFERENCE
	Explanation of how outstanding issues have progressed with a summary of analysis in appendix	Detailed Paper E, F
	Elements of regulatory framework	Detailed Paper D
6.4	Length of determination period	Pricing Proposal
6.5	Other issues eg. form of regulation, measures to mitigate risk	Detailed Paper D
<b>Chapter 7</b>	<b>Quality assurance requirements</b>	
7	Quality assurance requirements and CEO's Declaration	This Administrative Information document
	QA check has been performed	
	CEO's Declaration has been provided and signed	

The table below provides cross-references for each item to guide the reader to the relevant location within this submission of the specific issues IPART requires us to address in the submission as set out in the Submission Information Package (SIP) dated 26 February 2020.

**Table 2. IPART's February 2020 submission requirements and where to find them**

IPART'S SIP DATED 26 FEBRUARY 2020		SUBMISSION REFERENCE
C.1	Pricing arrangements for monopoly water management services	Detailed Paper I
	Separate submissions by DPIE/NRAR and WaterNSW, transparency and accountability	This is a submission from DPIE Water and NRAR. WaterNSW will make a separate submission.
	Application of minimum bill framework	Detailed Paper I
C.2	Output measures	Detailed paper E
	Additional or revised output measures	
C.3	Developments since the 2016 review of WAMC prices, including the allocation of activities and services across DPIE, NRAR and WaterNSW	Detailed Paper C
	Allocation of WAMC water management functions across DPIE, NRAR and WaterNSW, including how those functions are to be resourced and delivered	

IPART'S SIP DATED 26 FEBRUARY 2020		SUBMISSION REFERENCE
C.4.1	Transparency of Murray Darling Basin (MDB) costs	Detailed Paper F
	Prudency and efficiency of MDBA expenditures	
C.4.2	Demand volatility mechanism	N/A
C.4.3	Land and Property Information (LPI) title search costs	No fees have been or are forecast to be paid for LPI searches and no fees have been or are forecast to be passed on to water users. Lot/DP and mapping information is provided free by NSW Spatial Services through their SixMaps initiative.

## Quality assurance and declaration by operational heads of agencies

IPART's 2018 guidelines for water agency submissions require that the submission, accompanying information returns and other materials provided by the water agency be subject to a quality assurance check. Section 7 of the guidelines sets out IPART's specific requirements for that check.

A formal statement confirming that the price submission and accompanying returns have been independently checked by the Centre for International Economics is provided at Attachment A.

IPART's 2018 guidelines also require that the operational heads of NRAR and DPIE Water certify the accuracy and consistency of all the data provided.

A Declaration by the Chief Regulatory Officer and the Deputy Secretary, Water is provided at Attachment B.



# Attachment A Quality Assurance Statement



30 June 2020

Kate Drinkwater  
A/Director Economics Advisory  
Water Group | Department of Planning, Industry and Environment  
Level 3, 26 Honeysuckle Drive, Newcastle 2300

Dear Ms Drinkwater

**RE: QUALITY ASSURANCE**

This letter confirms that we have performed a quality assurance review on the Submission to IPART for prices from 1 July 2021 for water management services provided by Department of Planning, Industry and Environment—Water and the Natural Resources Access Regulator on behalf of the Water Administration Ministerial Corporation.

As part of this quality assurance we have reviewed the documents and associated excel files listed in the table below.

Our findings are summarised in the excel file, '300620 Issues Log' and attached to this letter. Due to timing constraints, there has been no opportunity for the CIE to review your response and/or changes resulting from our identified issues.

We would welcome the opportunity to work with you in the future on these matters as we believe that a thorough QA process can provide value add to all projects.

**SYDNEY**

Level 7  
8 Spring Street  
Sydney NSW 2000

T +61 2 9250 0800  
E [ciesyd@TheCIE.com.au](mailto:ciesyd@TheCIE.com.au)

**CANBERRA**

Ground Floor  
11 Lancaster Place  
Canberra Airport ACT 2609

T +61 2 6245 7800  
F +61 2 6245 7888  
E [cie@TheCIE.com.au](mailto:cie@TheCIE.com.au)

## 1 List of reviewed documents and excel files

Document	Excel files
20200622 Pricing Proposal for Minister_sent to CIE for QA 24 June 2020	WAMC activity breakdown (2406).xls
Administrative Information (1)	Tariff Calcs for PP and Detailed Paper I_updated 24 June.xls
20200629 Detailed paper A – Context	DPIE NRAR WAMC AIRSIR_Final to send to CIE for QA_15 June 2020
20200629 Detailed paper B - What our stakeholders have told us and how we have responded	Master_WAMC 2020 Price Model_Outputs for SIR Forecasts.xls
20200629_Detailed paper C - Our respective roles, operating context and operations_current	DPIE Water 2020 Consul budgetDriver1-12_AIR SIR 14 June.xlsx
20200629_Detailed paper D - Principles	2006 NRAR Revised model final draft to DT BW adj for OH 170620/xlxs
Detailed paper E - Expenditure by activity consolidated_approved AC	MDBA DBBRC Contribution Analysis_revised June 2020_outputs for WAMC PP and Detailed Paper F_corrected 29 June
20200629 Detailed paper F - MDBA and BRC_current	
20200630_Detailed paper G Notional Revenue Requirement	
20200629_Detailed paper H Licences and volumes_current	
20200630 Detailed paper I - Tariffs by water source_current	
20200630 Detailed paper J Other revenue_current_revised table 7	
20200630 Detailed paperK current reg period_current	

Source: CIE

Yours sincerely



Joseph Caruana  
Senior Economist

## Attachment B – Declaration by Chief Regulatory Officer and Deputy Secretary, Water

In accordance with the Guidelines for Water Agency Pricing Submissions, December 2018 (the Guidelines), of the Independent Pricing and Regulatory Tribunal of New South Wales, we declare that:

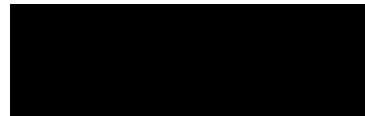
- the information provided in our pricing submission submitted on 30 June 2020 is the best available information of the financial and operational affairs of the Department of Planning Industry and Environment–Water and the Natural Resources Access Regulator and has been checked in accordance with the Guidelines; and
- there are no circumstances of which we are aware that would render the information provided to be misleading or inaccurate.

Certified by:



Grant Barnes  
Chief Regulatory Officer  
Natural Resources Access Regulator

Date



Jim Bentley  
Deputy Secretary, Water  
Department of Planning, Industry and  
Environment

Date

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© State of New South Wales through Department of Planning, Industry and Environment 2020. The information contained in this publication is based on knowledge and understanding at the time of writing (June 2020). However, because of advances in knowledge, users are reminded of the need to ensure that the information upon which they rely is up to date and to check the currency of the information with the appropriate officer of the Department of Planning, Industry and Environment or the user's independent adviser.