

Water Administration Ministerial Corporation 2025-30 pricing proposal

30 September 2024



Acknowledgement of Country



We acknowledge the traditional custodians of the land and pays respect to Elders past, present and future.

We recognise Australian Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to place and their rich contribution to society.

Artist and designer Nikita Ridgeway from Aboriginal design agency – Boss Lady Creative Designs, created the People and Community symbol.

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Summary of the pricing proposal for the provision of Water Administration Ministerial Corporation Services from 1 July 2025

The Independent Pricing and Regulatory Tribunal (IPART) is reviewing prices that licensed water users pay for water planning and management services carried out on behalf of the Water Administration Ministerial Corporation (WAMC).

The NSW Department of Climate Change, Energy the Environment and Water (the department), WaterNSW, and the Natural Resources Access Regulator (NRAR) provide these WAMC services in NSW.

The department, WaterNSW and NRAR have jointly prepared the 2025 WAMC pricing proposal.

This summary document provides an overview of the WAMC pricing process, our proposed services and prices, as well information on where you can read more detail and make a submission to IPART.



Water management in NSW

WAMC is responsible for water management on behalf of the NSW Government. This includes developing and implementing plans for sharing water between users and the environment, administering water licences and allocations and ensuring compliance with water laws and licences.

Effective water management is critical to ensure that water is used sustainably, supporting the health of the environment, the wellbeing of communities and the security, reliability and value of NSW water entitlements in NSW. Effective water management is increasingly challenging due to the impact of climate change.

Competition for water has increased among users and the community as climate variability impacts water reliability. WAMC customer entitlements are estimated to be worth up to \$41 billion,¹ and the non-market value of waterways to the people of NSW worth around \$471 billion.

Responsibilities between the 3 WAMC agencies for delivering water management activities are set out in detail in our Roles and Responsibilities Agreement (RRA)² and can be broadly described as follows:

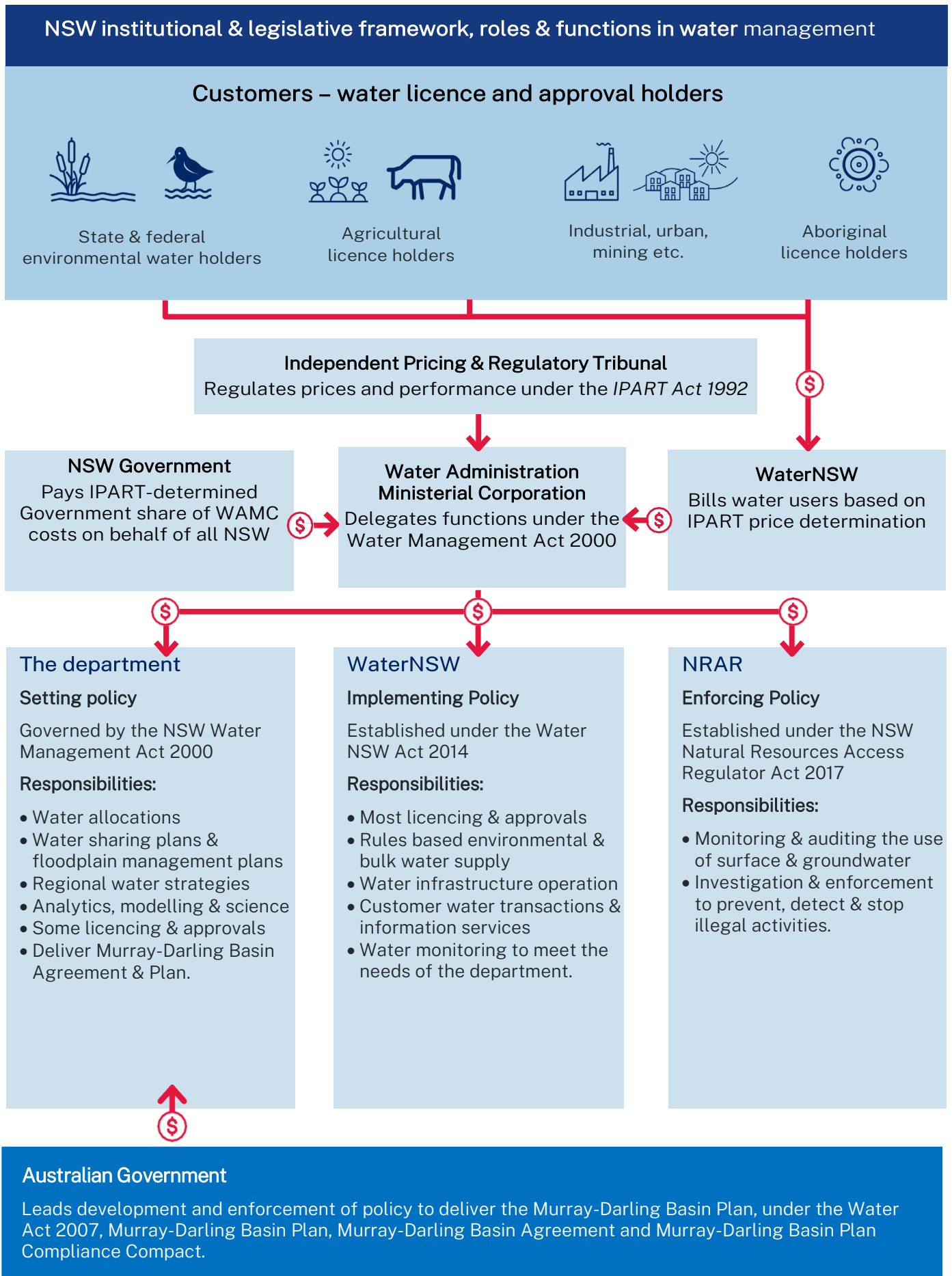
- **The department** sets water management rules, including developing and reviewing plans and policies related to water sharing, floodplain management and environmental water management, undertaking water modelling and scientific evaluation and reporting, making water allocations and determinations and carrying out some licensing and approval activities.
- **WaterNSW** operates the state's regulated river systems, undertakes surface and groundwater monitoring, processes applications and approvals for most customers and provides customer services including billing and water trading.
- **NRAR** enforces water management rules, including monitoring compliance with and enforcing water laws, to protect water resources and maintain public confidence in the water management system.

Figure 1 shows the pricing and regulatory framework for water management in NSW, including the functions of each agency in providing WAMC services.

¹ Marsden Jacobs and Associates, June 2023, NSW Water Valuation Consultancy, p 5. [NSW Water Valuation Consultancy](#)

² Roles and Responsibilities Agreement between The Crown in right of the State of NSW (acting through DCCEEW, NRAR and WAMC) and WaterNSW, 2021. [Roles and responsibilities agreement \(nsw.gov.au\)](#)

Figure 1: WAMC water management and institutional framework



Setting water management prices

IPART decides the prices WAMC can charge, because we are the only provider of water management services in NSW.

WAMC's water management prices aim to recover water licence holders' (customers') share of the efficient costs of WAMC's water management activities. WAMC costs are shared between customers and the NSW Government (on behalf of the broader community) based on who creates the need to incur the costs.

If supported by IPART, the WAMC pricing proposal would mean that customers would pay about 40% of WAMC's costs over the next 5 years.

IPART determines prices for each water source type (regulated rivers, unregulated rivers and groundwater) and location (valley or water management area).

IPART will be reviewing the following WAMC prices for the 2025 determination period:

- **water management prices** aim to recover customers' share of the efficient costs of WAMC's water management activities. Under IPART's WAMC determination,

separate water management prices are also set to recover customers' share of the funds NSW contributes to the Murray–Darling Basin Authority (MDBA) and the Dumaresq-Barwon Rivers Commission (BRC) for the water management services these cross-jurisdictional agencies deliver in parts of NSW.

- **consent transaction charges** are fee-for-service charges set to recover the administrative costs of issuing or amending water access licences, water allocation assignments and works and use approvals.
- **metering charges**, which are prices set to recover the efficient costs of maintaining and reading water meters and of testing and verifying the accuracy of meters for unregulated rivers and groundwater sources.
- **proposed new Floodplain harvesting charges**, which are set to recover the efficient costs of managing floodplain harvesting.



We engaged with customers, stakeholders and community members

Our customers are the water users who hold water licences under the *Water Management Act 2000*, as well as the general community and stakeholders. There are around 39,000 licensed water users in NSW.

Our stakeholders include other government agencies involved in water management, representative groups, Aboriginal people and the wider community who enjoy and value our water resources.

Figure 2 below summarises our extensive engagement with customers, the community and stakeholders to inform our pricing proposal, on top of our ongoing engagement about specific programs such as statutory water plans, policies, strategies and compliance activities.

Based on this engagement, we understand that WAMC customers want:

- the NSW Government to continue contributing to WAMC's efficient costs
- sustainable water management, balancing the needs of business, the environment and the community
- measures to enhance trust and confidence in water management decision-making, including greater access to data and modelling
- a 'modest' rather than 'excessive' level of investment in customer services and engagement

- on the ground support to help water users navigate the complexity of water regulations, to assist voluntary compliance.

Our understanding of what matters most to WAMC customers has directly influenced proposed investments in some programs to improve service quality and has shaped proposed prices for the 2025 determination period.

We will be accountable to customers by tracking and reporting on the delivery of WAMC outcomes, which reflect customers' priorities expressed in recent pricing engagements and views expressed in water resource engagements since 2021, when prices were last determined. Our proposed outcomes are:

1. Enhanced customer experience
2. Sustainable and effective water resource management
3. Confidence in water resource management
4. Value for money.

Further information on our engagement program and our response to what we heard, is outlined in Chapter 2 and Attachment D of the WAMC pricing proposal. More detail on our WAMC outcomes, objectives, measures, targets and how we plan to deliver on the outcomes is in Chapter 2 and Attachment E of the WAMC pricing proposal.

Figure 2: Summary of WAMC customers and stakeholder engagement

 <p>Desktop analysis of 17+ engagement outcomes reports on water planning activities, voice of customer and other intel to identify initial customer priorities for further testing through phase 2 engagement.</p>	 <p>1,188 voice of customer survey participants provided feedback on broad expectations and views on how the agencies were delivering on their shared water management services and priorities.</p>	 <p>450 community sentiment survey participants (non-licensed customers) provided views and expectations of NSW Government water management priorities including funding.</p>
 <p>48 peak body, industry and government stakeholder interviews on how the WAMC agencies were delivering on their shared water management services and responsibilities.</p>	 <p>20 information and engagement sessions with WaterNSW customer advisory groups in July 2023 and February 2024.</p>	 <p>13 online water working groups held with 4 regionally based groups representing central, coastal, south-west and north-west valleys to inform and consult on water management priorities and preferred price caps for 2025–2030.</p>
 <p>Targeted First Nations engagement</p> <p>Engagement through the WaterNSW First Nations roadshow in late 2023 as well as through the development for the draft NSW Aboriginal Water Strategy* – a NSW water strategy commitment to recognise Aboriginal peoples’ water rights and values and increase access to and ownership of water for cultural and economic purposes.</p> <p><i>* Funding for key projects that support access to water for First Nations communities, as outlined in the NSW Aboriginal Water Strategy, will be delivered as part of a coordinated NSW Government program. This funding is secured separately to the WAMC pricing proposal process. The Aboriginal Water Strategy principles, reflecting views and priorities heard through engagement, are summarised separately on the department’s website.</i></p>		

Our proposal reflects increased expectations of water management

Since prices were last reviewed, the required level of water management activity has significantly increased across key areas, including the need to:

- review, replace, amend or extend more water sharing plans and floodplain management plans to meet statutory deadlines - for example, over the 2025 determination period, we will be required to replace 40 plans, amend 39 plans, extend 21 plans, review 37 plans and audit 18 plans. This is more than 5 times the number of planning activities in the current period. The WAMC Efficiency Strategy includes initiatives to ensure efficient scheduling, project management and risk-based resource allocation of this water sharing plan workload
- review and improve the water sharing plan implementation program and establish the floodplain management plan implementation program
- develop and maintain data products to enable a risk-based approach to water management that considers the condition and ecological value of rivers, floodplains and wetlands and meets the expectations of the Natural Resources Commission (NRC) and other stakeholders for evidence-based water management decision making
- expand the groundwater quality monitoring program across NSW, to allow sustainable management of groundwater resources and ensure compliance with the Water Management Act 2000 (the Act) and the NSW Groundwater Strategy
- develop or upgrade and maintain hydrologic models for water sharing plans, floodplain management plans, groundwater management plans and other priorities, to address issues such as climate change, illegal take, surface or groundwater connectivity and compliance with long-term average annual extraction limits (LTAAEL)
- implement the non-urban metering program, including ensuring systems and processes for metering and floodplain measurement remain fit for purpose
- improve data collection and analysis to more comprehensively evaluate water plan performance in meeting their environmental, social and economic objectives, as required by the Act
- implement water strategies and policies and respond to recommendations of the NRC
- better reflect the operating and maintenance costs of water management works and assets, including for surface and groundwater monitoring
- improve the management of environmental water, including addressing the recommendations of a range of reviews;³ addressing ongoing implementation and adaptive management requirements for environmental water as part of the Northern Basin Toolkit program; operating and implementing the Sustainable Diversion Limits Adjustment Mechanism (SDLAM) Acceleration Projects; reviewing and implementing active management rules; and reviewing and improving water accounting arrangements
- undertake more compliance education, outreach and visible 'on-the-ground' activity, in response to the needs of the community and new rules and regulation (e.g. the need to monitor and enforce compliance with the non-urban metering policy).

³ Including those of the Connectivity Expert Panel, the Claydon Review, the First Flush Review and NRC reviews.

Rationale for proposed WAMC pricing

We are proposing WAMC water management prices be set at a level that does not fully recover the full customer share of costs. This is because prices are currently set below full cost recovery and increasing prices too quickly could result in price shocks. Instead, we propose to manage the transition to full cost recovery over time.

For the small customers that pay the minimum annual charge, we propose an annual price increase of 2.5% per year. Currently set at \$278 a year, the minimum annual charge is paid by around 24,000 small entitlement holders, who collectively hold about 3% of the total NSW water entitlement by volume.

For the other 15,000 customers, we propose a 15% increase each year, plus inflation, for water entitlement and water take prices.

For these customers, we propose a faster transition towards full cost recovery, relative to the pace of the 2021 determination, while still protecting them from large price shocks. These prices would still be well below full cost-recovery levels.

We believe this strikes a reasonable balance between the key considerations of customers and the constraints of the state budget, and mitigates impacts on customers to manage price shocks on NSW industries and regions, based on the following factors:

- We consider that if we had proposed an immediate shift to price levels that recover the full notional customer share of WAMC's efficient costs, it could cause shocks to customers and regional

economies, as bills would need to rise significantly in a short period of time. This would be difficult for many customers to manage. It should be noted that this is not what is being proposed.

- Review of past IPART decisions about the annual levels of price rises that are unlikely to risk price shocks, give confidence that annual price rises of 15% a year are unlikely to result in shocks.
- Our market and sector analysis suggests that due to excellent water availability in recent years, larger water using customers have generally experienced ongoing profitability, and the market prices of water (value of entitlements) has increased significantly since IPART last determined prices.
- In the engagement process, we tested customer's preferences about a range of annual levels of price rises to inform WAMC's proposal about the pace of price rise towards full cost recovery. While most customers favoured 2.5% (plus CPI) price rises a year, citing affordability concerns, some working group participants supported a 5% increase to better transition to full cost-recovery and a smaller number supported a 10% increase.

Since customers' preferences about a range of annual levels of price rises were tested, it has become apparent there is significant pressure on the NSW State Budget position, reducing the state's capacity to subsidise WAMC prices.

What this means for customer bills

Customers' water management bills vary depending on location, water source type and how much water they use.

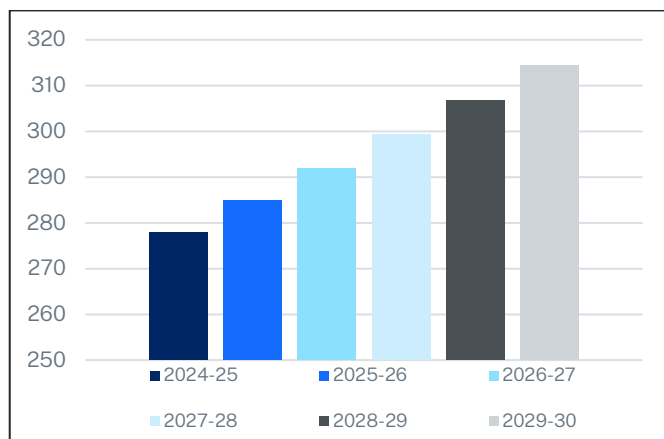
Figure 4 and Table 1 show the modest increase in the minimum annual charge for the majority of licensed water users from \$278 a year in 2024-25 to \$314 by 2029-30.

Example bill impacts across a range of valleys for small, medium and large customers who pay

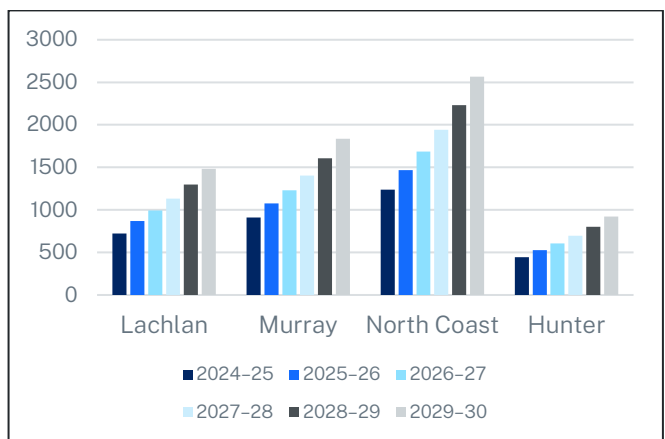
water entitlement and take charges, are shown below in Figure 4 and Tables 2, 3 and 4. Our proposed 15% price increase each year means that most bills would increase by a maximum of 15% per year (75% over the 5-year period). An illustrative example of bill impacts for small water users across all valleys is shown at Appendix 1.

Figure 3: Increases in customer bills for a sample of valleys under proposed prices

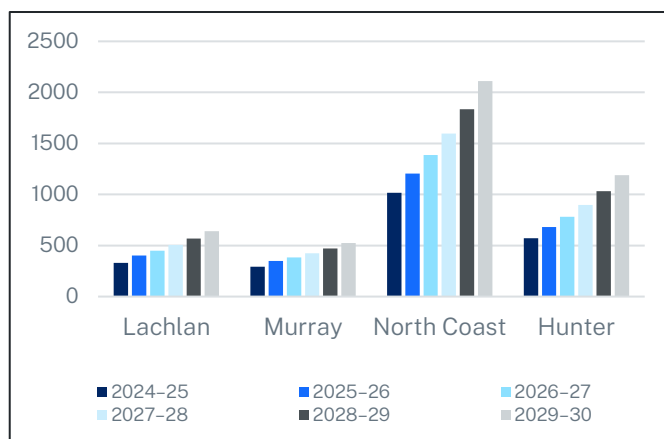
Minimum Annual Charge



Unregulated rivers



Regulated rivers



Groundwater

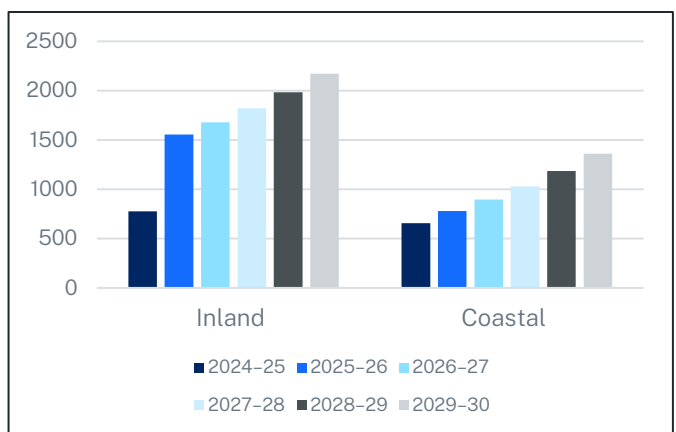


Table 1: Indicative minimum annual charge customers customer bills comparison of 2024-25 and 2029-30

Minimum annual charge customers (capped price increase of 2.5% p.a.)		
Total minimum annual charge	2024-25	2029-30
	\$278	\$314

Table 2: Indicative regulated river customer bills comparison of 2024-25 and 2029-30

Regulated river customers (capped price increase of 15% p.a.)						
Valleys	Small customers		Medium customers		Large customers	
	2024-25	2029-30	2024-25	2029-30	2024-25	2029-30
North – North Coast	\$1,017	\$2,110	\$5,087	\$10,551	\$10,174	\$21,102
South - Murray	\$292	\$526	\$1,467	\$2,629	\$2,922	\$5,258
Central - Lachlan	\$331	\$642	\$1,656	\$3,208	\$3,312	\$6,416
Coastal - Hunter	\$573	\$1,188	\$4,278	\$8,871	\$5,732	\$11,884

Table 3: Indicative unregulated river customer bills comparison of 2024-25 and 2029-30

Unregulated river customers (capped price increase of 15% p.a.)						
Valleys	Small customers		Medium customers		Large customers	
	2024-25	2029-30	2024-25	2029-30	2024-25	2029-30
North – North Coast	\$1,237	\$2,565	\$6,185	\$12,825	\$12,370	\$25,650
South - Murray	\$910	\$1,837	\$4,550	\$9,185	\$9,100	\$18,370
Central - Lachlan	\$724	\$1,484	\$3,620	\$7,420	\$7,240	\$14,840
Coastal - Hunter	\$445	\$923	\$2,225	\$4,615	\$4,450	\$9,230

Table 4: Indicative unregulated river customer bills comparison of 2024-25 and 2029-30

Groundwater customers (capped price increase of 15% p.a.)						
Valleys	Small customers		Medium customers		Large customers	
	2024-25	2029-30	2024-25	2029-30	2024-25	2029-30
Inland	\$776	\$2,173	\$3,880	\$10,865	\$7,760	\$21,730
Coastal	\$657	\$1,362	\$3,285	\$6,810	\$6,570	\$13,620

Explanatory notes for Tables 1 - 4

1. The minimum annual charge applies irrespective of the size of the licence holding, where the entitlement and take bill would be less than the value of the minimum annual charge.
2. Regulated customers are subject to a two-part fixed and variable tariff, while unregulated river and Groundwater customers are subject to either a two-part or a one-part tariff.
3. This indicative bill analysis is provided for:
 - a. small customers holding 100 megalitres of entitlement and 60 megalitres take

- b. medium customers holding 500 megalitres of entitlement and 300 megalitres take
 - c. large customers holding 1,000 megalitres of entitlement and 600 megalitres of take.
4. One-part tariff bills assume that water take is 100% of entitlement held by the licence.

Have your say

We lodged our WAMC price proposal with IPART on 30 September 2024. IPART will review the WAMC price proposal and release an issues paper on 1 November 2024 for public submissions. This is part of IPART’s consultation process, which provides several opportunities to have your say. IPART intends to hold a public hearing for WAMC on 14 November 2024.

IPART will release its draft price determination in March 2025 for further public and agency comment. IPART’s final determination will be released, and prices will begin, on 1 July 2025.

Date	Activity
1 November 2024	WAMC Issues Paper released by IPART
14 November 2024	Public hearing for WAMC
28 November 2024	Public submissions to Issues Paper
March 2025	IPART draft report and call for submissions
June 2025	IPART final report and price determination released
1 July 2025	New WAMC prices come into effect



Appendix 1: Illustrative small customer bills for each water source and valley

Table 5: Proposed minimum annual charge (MAC) in \$2025/26

Year	2024-25	2025-26	2026-27	2027-28	2028-29
MAC	277.89	284.84	291.96	299.26	306.74

Table 6: Regulated rivers – bills for small customers: 100ML water entitlement, 60ML take \$2025–26

Water sources	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	% change current to 2029–30	Average pa % change
Border	602	560	618	686	763	850	41%	7%
Gwydir	358	422	465	514	571	637	78%	12%
Namoi	454	540	598	666	744	834	84%	13%
Peel	754	896	1,022	1,167	1,334	1,525	102%	15%
Lachlan	331	401	449	505	569	642	94%	14%
Macquarie	366	438	489	550	618	696	90%	14%
Murray	292	348	384	425	472	526	80%	13%
Murrumbidgee	269	321	352	387	427	475	76%	12%
North Coast	1,017	1,206	1,388	1,596	1,834	2,110	107%	16%
Hunter	573	680	782	898	1,033	1,188	107%	16%
South Coast	856	1,015	1,167	1,342	1,542	1,774	107%	16%

Table 8: Unregulated rivers – bills for small customers: 100ML water entitlement \$2025–26

Water sources	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	% change current to 2029–30	Average pa % change
Border	585	1,085	1,182	1,294	1,422	1,569	168%	25%
Gwydir	585	685	782	894	1,022	1,169	100%	15%
Namoi	585	685	782	894	1,022	1,169	100%	15%
Peel	585	685	782	894	1,022	1,169	100%	15%
Lachlan	724	869	992	1,134	1,297	1,484	105%	15%

Water sources	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	% change current to 2029-30	Average pa % change
Macquarie	724	869	992	1,134	1,297	1,484	105%	15%
Far West	943	970	1,076	1,198	1,338	1,499	59%	10%
Murray	910	1,077	1,229	1,404	1,606	1,837	102%	15%
Murrumbidgee	1,186	1,409	1,614	1,850	2,121	2,433	105%	15%
North Coast	1,237	1,467	1,687	1,940	2,231	2,565	107%	16%
Hunter	445	528	607	698	802	923	107%	16%
South Coast	322	382	439	505	581	658	104%	15%

Table 9: Groundwater – bills for small customers: 100ML water entitlement \$2025-26

Water sources	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	% change current to 2029-30	Average pa % change
Inland	776	1,555	1,679	1,821	1,985	2,173	180%	27%
Murrumbidgee	630	749	856	979	1,120	1,282	103%	15%
Coastal	657	779	896	1,030	1,185	1,362	107%	16%