

This Fact Sheet sets out our key decisions on draft prices for North Coast regulated rivers water users only. This information is not exhaustive and should be viewed in conjunction with our Draft Report and Draft Determination. These documents and other fact sheets are available on our [website](#).

1 Key changes since the 2016 price review

For this price review, we are unbundling existing water management prices into 3 separate pricing components for:

- ▼ Water Administration Ministerial Corporation's (WAMC's) water management charges
- ▼ Murray-Darling Basin Authority (MDBA) charges
- ▼ Dumaresq-Barwon North Coast Rivers Commission (BRC) charges.

Each component will have its own entitlement (fixed) charge (\$/ML of entitlement) and water take (variable) charge (\$/ML of usage).

Our new price structure improves transparency in costs and prices, and is consistent with how we set charges for Water NSW's rural bulk water services. Our draft decisions also seek to improve the sharing of these costs between all water users. This means that depending on the water source, water users will pay up to 3 charge components. That is, all water users will pay water management charges and water users that are in Murray-Darling Basin (MDB) and BRC areas will also pay MDBA and BRC charges. This includes small users who are subject to the minimum annual charge (MAC).

2 Draft prices for North Coast regulated rivers water users

Under our draft decisions, North Coast regulated rivers water users will only pay water management charges for the 2021 determination period.

WAMC's water management charges are set below full cost recovery charges. We are transitioning these charges towards full cost recovery level over the next 4 years. WAMC charges will increase by up to 2.5% per year in real terms for the next 4 years.

Our draft charges are presented in Table 2.1, which shows the combined entitlement and water take charges for each component. We provide a further breakdown of prices in Section 4.

Table 2.1 Combined entitlement and water take charges for North Coast regulated rivers (\$/ML, \$2020-21)

	2020-21	2021-22	2022-23	2023-24	2024-25	Difference 20-21 to 24-25
Water Management		10.34	10.60	10.86	11.13	N/A
MDBA		N/A	N/A	N/A	N/A	N/A
BRC		N/A	N/A	N/A	N/A	N/A
Total	10.09	10.34	10.60	10.86	11.13	10.4%

Note: Although the figures in the table above are presented to the nearest cent, these figures are not rounded to the nearest cent. As a result, these figures may not add. The charges are in real dollars and exclude the impact of CPI

For small water users in North Coast regulated rivers that are subject to the MAC¹, they will be required to pay only the MAC. We have set the MAC at \$219 per licence in 2021-22. This charge is set below cost recovery and will transition towards full cost recovery at a rate of 2.5% per year (or 10% total) in real terms over the next 4 years.

3 What are key drivers of changes to prices?

Prices are increasing by 10.4% from current 2020-21 levels for North Coast regulated rivers over the next 4 years. Key drivers of this change from the 2016 price review are discussed below.

Changes in costs	<ul style="list-style-type: none"> WAMC water management costs allocated to North Coast regulated rivers have increased by around 190%. This is mostly because water resource accounting, blue-green algae management, water plan development, development of water planning and regulatory framework, cross border and national commitments, and compliance management costs allocated to North Coast regulated rivers have increased significantly. These higher efficient costs result in upward pressure on full cost recovery prices for water management.
Changes in entitlements and water take volumes	<ul style="list-style-type: none"> There are small decreases in entitlements and water take forecasts compared to what we used to set prices in the 2016 price review. This is not a key driver of price changes in North Coast regulated rivers.
Changes in cost recovery levels	<ul style="list-style-type: none"> As a result of increasing efficient costs allocated to North Coast regulated rivers, full cost recovery prices will be significantly higher than current 2020-21 water management prices. To mitigate impacts, we are transitioning these charges towards full cost recovery at 2.5% per year. By 2024-25, draft prices are estimated to recover 36% of the efficient water management costs in North Coast regulated rivers.

¹ Minimum annual charge (MAC) applies to licence holders or water users where the sum of the WAMC's water management entitlement charge and water take charge is less than the MAC.

4 Additional information

In the table below, we have set out the breakdown of the entitlement charges and water take charges for the North Coast regulated rivers over the 2021 determination period. These charges are set in \$2020-21, therefore before inflation.

Table 4.1 Draft prices for North Coast regulated rivers water users (\$/ML, \$2020-21)

	2020-21	2021-22	2022-23	2023-24	2024-25	Difference 20-21 to 24-25
Entitlement charge (\$/ML of entitlement)						
Water Management		4.28	4.39	4.50	4.61	N/A
MDBA		N/A	N/A	N/A	N/A	N/A
BRC		N/A	N/A	N/A	N/A	N/A
Total entitlement charge	3.97	4.28	4.39	4.50	4.61	16.3%
Water take charge (\$/ML of usage)						
Water Management		6.05	6.21	6.36	6.52	N/A
MDBA		N/A	N/A	N/A	N/A	N/A
BRC		N/A	N/A	N/A	N/A	N/A
Total water take charge	6.12	6.05	6.21	6.36	6.52	6.6%
Combined total charge	10.09	10.34	10.60	10.86	11.13	10.4%

Note: Although the figures in the table above are presented to the nearest cent, these figures are not rounded to the nearest cent. As a result, these figures may not add. The charges are in real dollars and exclude the impact of CPI.