

This Fact Sheet sets out our key decisions on draft prices for North Coast unregulated 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 Border 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 unregulated rivers

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

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 for the next 4 years, before inflation. In section 3, we present the key drivers of changes to charges.

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 unregulated rivers (\$/ML, \$2020-21)

	2020-21	2021-22	2022-23	2023-24	2024-25	Difference 20-21 to 24-25
Water Management		9.75	10.00	10.25	10.50	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	9.52	9.75	10.00	10.25	10.50	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 unregulated rivers that are subject to the MAC¹, they will be required to only pay 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) 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 unregulated river water users 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 unregulated rivers have increased by 36%. A large contributor to this increase is increasing capital costs for customer support systems. 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"> Since the 2016 price review, there has been a small increase in total entitlements (1-part and 2-part tariff licence entitlements) and the proportions of 1-part and 2-part licences have remained relatively stable. There is also a small decrease in water take forecasts for 2-part tariff licences. Changes in entitlement forecasts and water take forecasts have had no material impact on full cost recovery prices. This is not a key driver of price changes in North Coast unregulated rivers.
Changes in cost recovery levels	<ul style="list-style-type: none"> As a result of increasing efficient costs, the full cost recovery prices will be significantly higher than current 2020-21 water management prices. To mitigate impacts, we are transitioning towards full cost recovery at 2.5% per year. By 2024-25, draft prices are estimated to recover 80% of the efficient water management costs for North Coast unregulated rivers.

4 Additional information

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

Table 4.1 Draft prices for North Coast unregulated rivers water users on 2-part tariffs (\$/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		4.34	4.45	4.56	4.67	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	4.59	4.34	4.45	4.56	4.67	1.8%

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.

Fact Sheet for North Coast unregulated rivers water users

	2020-21	2021-22	2022-23	2023-24	2024-25	Difference 20-21 to 24-25
Water take charge (\$/ML of usage)						
Water Management		5.42	5.55	5.69	5.83	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	4.93	5.42	5.55	5.69	5.83	18.4%
Combined total charge	9.52	9.75	10.00	10.25	10.50	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

Table 4.1 Draft prices for North Coast unregulated rivers water users on 1-part tariffs (\$/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		9.75	10.00	10.25	10.50	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	9.52	9.75	10.00	10.25	10.50	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