

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

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

We are transitioning these charges towards full cost recovery levels over the next 4 years. WAMC charges would increase up to 2.5% per year until full cost recovery is achieved, 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 South Coast unregulated rivers (\$/ML, \$2020-21)**

	2020-21	2021-22	2022-23	2023-24	2024-25	Difference 20-21 to 24-25
Water Management		3.32	3.40	3.49	3.58	N/A
MDBA		N/A	N/A	N/A	N/A	N/A
BRC		N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>3.24</b>	<b>3.32</b>	<b>3.40</b>	<b>3.49</b>	<b>3.58</b>	<b>10.4%</b>

**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 South Coast unregulated rivers that are subject to the MAC<sup>1</sup>, they will be required to pay the MAC charge only. 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 South Coast unregulated rivers over the next 4 years. Key drivers of this change from the 2016 price review are discussed below.

<b>Changes in costs</b>	<ul style="list-style-type: none"> <li>▼ Total WAMC water management costs allocated to South Coast unregulated rivers have increased by 8% on average. This is mainly due to an increase in capital costs for customer support systems. These higher efficient costs result in upward pressure on full cost recovery prices for water management.</li> <li>▼ Costs allocated to water users exclude metropolitan water planning costs. Metropolitan water planning costs are directly charged to Water NSW as a specific charge. If we exclude metropolitan water planning costs, costs allocated to water users have increased by 24%.</li> </ul>
<b>Changes in entitlements and water take volumes</b>	<ul style="list-style-type: none"> <li>▼ There is a small decrease in total entitlements and a small increase in water take forecasts compared to what we used to set prices in the 2016 price review. These movements in entitlement and water take forecasts have only minor impacts on full cost recovery prices. This is not a key driver of price changes in South Coast unregulated rivers.</li> </ul>
<b>Changes in cost recovery levels</b>	<ul style="list-style-type: none"> <li>▼ As a result of increasing efficient costs allocated to South unregulated water, the full cost recovery prices will be higher than current 2020-21 water management charges. To mitigate impacts, we are transitioning these charges towards full cost recovery prices at 2.5% per year. By 2024-25, draft prices are estimated to recover 91% of the allocated efficient water management costs to South Coast unregulated rivers.</li> </ul>

### 4 Additional information

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

**Table 4.1 Draft prices for South 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
<b>Entitlement charge (\$/ML of entitlement)</b>						
Water Management		1.89	1.94	1.99	2.04	N/A
MDBA		N/A	N/A	N/A	N/A	N/A
BRC		N/A	N/A	N/A	N/A	N/A

<sup>1</sup> 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.

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	2020-21	2021-22	2022-23	2023-24	2024-25	Difference 20-21 to 24-25
Total entitlement charge	1.75	1.89	1.94	1.99	2.04	16.3%
<b>Water take charge (\$/ML of usage)</b>						
Water Management		1.43	1.46	1.50	1.54	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	1.49	1.43	1.46	1.50	1.54	3.4%
<b>Combined total charge</b>	<b>3.24</b>	<b>3.32</b>	<b>3.40</b>	<b>3.49</b>	<b>3.58</b>	<b>10.4%</b>

**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 South 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
<b>Entitlement charge (\$/ML of entitlement)</b>						
Water Management		3.32	3.40	3.49	3.58	N/A
MDBA		N/A	N/A	N/A	N/A	N/A
BRC		N/A	N/A	N/A	N/A	N/A
<b>Total entitlement charge</b>	<b>3.24</b>	<b>3.32</b>	<b>3.40</b>	<b>3.49</b>	<b>3.58</b>	<b>10.4%</b>

**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