

9 December 2024

NSW Independent Pricing and Regulatory Tribunal

[Have your say - WaterNSW](#)

[Have your say - WAMC](#)

Dear Tribunal Members

## **CICL Submission to the IPART Pricing Determination for WaterNSW and WAMC**

### **Key points**

1. The Independent Pricing and Regulatory Tribunal (IPART) is presented with a significant challenge in making these pricing determinations. The two pricing proposals collectively total 1,700 pages but from the information provided it is not possible to build a clear picture of all activities, the associated costs and their efficiencies that regulated water users in the Murrumbidgee Valley are being asked to fund.
2. Despite clear messages from customers during development of their proposals about affordability and cost shares between water users and government, both organisations are proposing significant price rises and largely unchanged cost shares between water users and government. Ultimately leaving IPART to adjudicate on the appropriateness, fairness and affordability of the pricing proposals. Coleambally Irrigation Cooperative Limited (CICL) believes this situation is unsatisfactory and inconsistent with IPART's vision when it developed its 'Three Cs' framework, focusing on Customer Value, Cost Efficiency and Credibility. CICL would support a shorter determination period, to allow both organisations to re-shape their pricing proposals.
3. If accepted by IPART the pricing proposals will be at a cost of nearly \$5M annually to Coleambally farmers alone, compared to current charges, by 2030. It is essential IPART comprehensively assesses the justification for these proposals.
4. CICL believes the proposed price increases highlight the high cost of NSW water regulation, and challenges of the cost recovery model. This is particularly true for the Water Administration Ministerial Corporation (WAMC) which has 62 percent of its customers only paying the minimum annual charge (MAC).<sup>1</sup> Many of WAMC's planning and management activities are core regulatory responsibilities of government. These issues combined with IPART's impactor pays model, are driving up the cost of business on the productive sector. For Murray Darling Basin customers, these issues are exacerbated by ongoing water reform including declining water availability because of government interventions, causing extraordinary uncertainty to our sector.
5. This determination is a pivotal opportunity to reshape the funding model for both WaterNSW and WAMC, to meet the needs of water users, WaterNSW and Government and to provide incentives for these government enterprises to innovate and reduce costs.

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<sup>1</sup> Water Administration Ministerial Corporation 2025-2030 pricing proposal. (page 22)

## Recommendations - WaterNSW

1. CICL recommends IPART and its expenditure review consultants forensically analyse WaterNSW increased operational expenditure, including identifying the factors driving the increase to determine WaterNSW efficient costs.
2. CICL recommends operating costs be broken down into corporate costs and valley-based costs to allow proper scrutiny.
3. CICL recommends IPART and their consultants critically review the proposed capital expenditure to provide water users with confidence in the prudence and efficiency of its costs and WaterNSW capability to deliver the program.
4. CICL recommends the approved capital program details the proposed capital allowance by expenditure activity for each Rural Valley to allow proper scrutiny.
5. CICL recommends IPART revise and lower the user share for a range of activities where there are public good outcomes and/or the drivers are caused by government regulation, changing community expectations and government's response to climate change. These are cost increases that should not be unreasonably borne by consumptive users.
6. For equity, CICL recommends the WaterNSW ICD rebate is increased by the same percentage as WaterNSW allowed operating expenses for each year of the IPART determination.
7. CICL recommends the new obligations in WaterNSW operating licences are removed from the allowable costs to be recovered from high security irrigation and general security water entitlement holders and their associated water use.
8. CICL recommends a single WACC for both Rural Valleys and Greater Sydney charges.
9. CICL recommends IPART explores the opportunities to continue the status quo pricing model for irrigation customers in combination with 100 percent fixed charges for environmental water holders and a higher government share.
10. CICL recommends that IPART and its expenditure review consultants assess WaterNSW capacity to deliver the large-scale investment in digital technology in the timeframe, including assessing their previous performance at an individual project and project portfolio level.
11. CICL recommends IPART's analysis of the proposed expenditure include an assessment of how well the project plan and implementation plan for the Joint Technology Roadmap has addressed conflicting needs between organisations relating to system functionality and/or process without compromising the cost, timeline and/or benefits from the initiative.
12. CICL recommends IPART specifically confirms that WaterNSW charges do not include recovery of implementation costs of the Water Market Reforms from water users.

## Key Findings - WaterNSW

1. CICL believes the Deloitte Access Economics report<sup>2</sup> is a superficial analysis of the impact of the proposed charges on the NSW irrigation sector and should not be used to justify the irrigation sector's capacity to pay.
2. There are significant opportunities for improvements in WaterNSW processes for seeking customer input to the services paid for by customers, including providing valley-based information to inform discussion.
3. Water Working Groups consistently raised concerns about affordability and cost shares between government and water users, with a strong view that some activities needed a higher government contribution.
4. IPART and its expenditure consultants have an important task to assess the efficiency and prudence of WaterNSW capital program along with their capability to deliver the proposed program. This is particularly important since WaterNSW has failed to fully deliver against the previously allowed capital program.

<sup>2</sup> Attachment 30 Access Economics Report

5. CICAL considers the proposed WaterNSW Revenue Cap with a side constraint effectively delivers a fixed revenue to WaterNSW, with all the risk borne by customers.
6. The benefits of the alternative model are in favour of WaterNSW and not centred on improved services to valley-based customers.
7. Consideration of alternative pricing models must be done in consultation with affected customers and include detailed assessment of the impacts on the different customer groups. These impacts have been inadequately examined during customer consultation, with a complete lack of detail at a per-valley level.

## Recommendations - WAMC

8. CICAL recommends IPART and its expenditure review consultants forensically analyse WAMC's operational expenditure, including identifying the factors driving the increase, to determine WAMC efficient costs.
9. CICAL recommends IPART confirm that WAMC is not seeking to recover costs from water users wherever funding is available from the Commonwealth Government or other government programs. Examples of these activities include:
  - Funding for sustainable diversion limit adjustment mechanism projects
  - Funding for implementation of Resilient Rivers Water Infrastructure Program
10. CICAL recommends IPART confirm the WAMC cost allocation to individual valleys is consistent and reflective of where the costs are expected to be incurred.
11. CICAL recommends IPART revisit the cost shares for WAMC activities.
12. CICAL recommends IPART confirm that no costs associated with implementation of the Water Market Reforms are recovered from water users.

## Key findings - WAMC

13. CICAL believes the proposed price increases highlight the high cost of NSW water regulation, and challenges of the cost recovery model. This is particularly true for WAMC which has 62 percent of its customers only paying the minimum annual charge<sup>3</sup> and many of its planning and management activities are core regulatory responsibilities of government.
14. It is CICAL's view regional planning is a core function of government which should have a zero-cost share from water users. Actions to be implemented should be subject to business case analysis, including consideration of who pays.
15. The NSW Non-urban metering policy was not "fit for implementation," and this failing has imposed significant costs on industry and the Department.
16. In the absence of IPART supporting a reduction in the revenue requirement from water users, WAMC charges should consider avoided costs and economies of scale for Irrigation Infrastructure Operators (IIOs).

## Introduction

17. CICAL welcomes the opportunity to provide feedback to the IPART pricing determination. This submission details CICAL's views on the pricing proposals prepared by WaterNSW and WAMC. Its focus is on the proposed costs for surface water licence holders and users in the Murrumbidgee valley.
18. CICAL believes IPART is faced with a significant task and challenge in this determination because of both the quality of the information available to them and the scale of the proposed price increases. This determination is the first under IPART's new 'Three Cs' framework, which aims to focus IPART's pricing reviews on entities promoting customer value, cost efficiency and credibility over the short-term and long term<sup>4</sup>. CICAL as a

<sup>3</sup> Water Administration Ministerial Corporation 2025-2030 pricing proposal.

<sup>4</sup> [How we regulate the water businesses | IPART](#)

customer of both WaterNSW and WAMC effectively has no choice or influence over the service it receives from WaterNSW and WAMC.

19. CICL acknowledges both WaterNSW and the NSW Department of Climate Change Energy the Environment and Water (the Department) are important stakeholders to us, and we enjoy a positive and respectful relationship with the leadership teams and staff of these organisations. These relationships are important to the effectiveness of water management and regulation in the southern Murray Darling Basin.
20. CICL appreciates the time and willingness of both Water NSW and the Department to support our understanding of either their pricing proposals or their business issues.
21. This submission is prepared in the context of CICL's operation as an IIO, also providing monopoly services to its customers and highly regulated by both Commonwealth and State water legislation, in addition to the governance requirements applying to corporations and co-operatives under Commonwealth and/or State legislation. CICL's 2023-2028 Strategic Plan aims to limit increases in customer charges to a level at or below CPI.<sup>5</sup> In contrast to the outcomes delivered by WaterNSW and WAMC, CICL has provided customer value by achieving water charge increases below CPI over time.
22. CICL's charges to general security delivery entitlement holders since 2009 are shown in Attachment 1. This figure shows CICL charges for financial year 2025 are 33.1 percent below the inflation adjusted 2009 charges. CICL recognises our business model is different to those of WaterNSW and WAMC but there are also parallels. In this determination, IPART has an important role to scrutinise the underlying cost increases proposed by both WaterNSW and WAMC and determine not only whether they are efficient but the causes of the increases, including the justification for passing these costs onto water users who have no influence over the service received.

## About CICL

23. CICL is a gravity fed, off river, irrigation supply scheme in the Murrumbidgee Valley. CICL is a "group scheme" or IIO which means it has shared infrastructure providing irrigation and drainage services to its members in our Area of Operation. We supply irrigation and drainage services to around 500 farms owned by nearly 300 businesses who are mainly "mum and dad" farmers. The CICL area of operations is circa 456,821 ha, the intensively irrigated area is approximately 80,000 ha. Our members grow a range of irrigated crops, their farming systems are predominately annual production, and there is some investment in permanent plantings. Annual water deliveries in the last three years range from 241GL to 265GL.<sup>6</sup>
24. CICL reports in its Annual Compliance Report<sup>7</sup> against the requirements of the following:
  - Combined Water Supply Work Approval and Water Use Approval 40CA401473 (Murrumbidgee regulated river water source).
  - Combined Water Supply Work Approval and Water Use Approvals for Groundwater extraction 40CA403808 and 40WA404593; and
  - Environment Protection Licence No 4652.
 These requirements include reporting on CICL's authorised works and monitoring sites for water releases including quality as well as CICL's piezometer network for measurement of groundwater levels and salinity/salt loads. The costs of compliance with these obligations are borne by CICL and in turn our customers.
25. CICL is required to comply with the Water Market Rules 2009 (*Cth*), Water Charge Rules 2019 (*Cth*) and the Water Act 2007 (*Cth*). These Commonwealth obligations including reporting requirements to the Bureau of Meteorology (the Bureau) and the ACCC impose additional regulatory burden on CICL, the costs of which are passed onto our customers.
26. We deliver environmental water in partnership with the NSW Government and the Commonwealth Environmental Water Holder via our supply and drainage infrastructure.

<sup>5</sup> Summary CICL Strategic Plan 2023-2028 [www.colyirr.com.au](http://www.colyirr.com.au)

<sup>6</sup> CICL Annual Compliance Report, 2024, [www.colyirr.com.au](http://www.colyirr.com.au)

<sup>7</sup> Ibid

We also deliver operational and environmental water to the Yanco Creek ordered by WaterNSW.

27. CICL delivers water to the WaterNSW mid-river storage "Tombullen." Water can only be supplied to this important mid-river storage owned and operated by WaterNSW via CICL's Main Canal. WaterNSW make some contribution to CICL for these deliveries through an access service charge.<sup>8</sup>
28. CICL holds a number of Water Access Licences (WAL) including general security, conveyance, supplementary and high security in the Murrumbidgee Regulated River Water Source. CICL also holds an aquifer licence in the Lower Murrumbidgee Deep Groundwater Source.
29. CICL's general security WAL is the primary driver of water availability to CICL's irrigation farmers, with access to water under this licence a key determinate of economic prosperity and social well-being of the region.

## Affordability and business risk

30. The combined impact of the proposed WaterNSW and WAMC charge increases on CICL and its customers is significant. Under the proposed charge increases, CICL's 2030 charges will need to recover an additional circa \$1M per annum from customers through its delivery entitlement charges to cover the fixed and usage charges associated with its conveyance licence.<sup>9</sup> Applying the higher costs to all of CICL's general security water entitlements, assuming annual use of 60 percent, requires an additional \$3.9M to be collected from our regional community to fund government services, giving a total estimated impact of \$4.9M.
31. At a farm scale CICL calculates the 2030 charges for a customer holding 1,400 general security water entitlements<sup>10</sup> and use equal to 60 percent of their water entitlements, as an annual bill increase of more than \$16,000. The percent of the total bill which is government charges will increase from 33 percent in 2024/2025 to 53 percent in 2029/2030. This seems remarkable given CICL's extensive infrastructure used to service our customers' water supply and drainage requirements.
32. CICL is deeply concerned the proposed increases will exceed the capacity of its customers to pay. Farm businesses are not able to pass on cost increases through their product to buyers. The proposed increases will place additional pressure on farm business viability and the competitiveness of agriculture regionally. This risk will translate to additional pressure on CICL and its debt management policies.
33. The Deloitte report<sup>11</sup> commissioned by WaterNSW to justify the "affordability" of the WaterNSW 2024 price submission, has a number of limitations which reduce its relevance and accuracy. In particular, the quality of the data set for irrigated agriculture is questionable, with the ABARES data confounded by dryland farming data. Deloitte acknowledge the key caveats and limitations of the data sets which have informed this analysis.

*"A lack of data on financial performance and water cost differences between irrigators and non-irrigators means that assumptions are necessary, and so the data for irrigators has greater uncertainty."*<sup>12</sup>

<sup>8</sup> CICL Schedule of charges [2024-25+Schedule+of+Charges+CICL+with+Govt+charges.pdf](#)

<sup>9</sup> CICL is required under the Water Charge Rules 2010 (*Cth*) to include in its Schedule of charges how it passes through to customers government charges. CICL's costs associated with holding and using its surface water and groundwater are passed onto customers through its delivery entitlement charge.

<sup>10</sup> A standard farm in CICL when it was formed held 1,400 water entitlements.

<sup>11</sup> Attachment 30 Deloitte Access Economics

<sup>12</sup> Ibid

34. CICL does not agree with the key finding for our region, *"based on averages across regions and sub sector over recent years, farms that are most exposed to higher water costs in NSW have had the greatest capacity to pay."*<sup>13</sup>  
In fact, the report, despite its weaknesses shows negative profit margins as a share of revenue in 2018/19 and 2019/20 and low profits in 2017/18.<sup>14</sup>
35. Also relevant is the misleading nature of the use of averages, which Deloitte acknowledge in their statement  
*On average, agricultural bulk water customers appear well placed to deal with higher water prices, helped by a series of strong years recently. That said, even within the market segments examined here the experiences of individual farms can vary widely. Some farmers will be more exposed to water costs than the average, and some will be under greater financial pressure. Furthermore, a series of poor years – defined by either or both of poor seasonal conditions and/or low agricultural commodity prices – would lower the ability of the sector to absorb higher charges.*<sup>15</sup>
36. CICL believes the Deloitte report is a superficial analysis of the impact of the proposed charges on the NSW irrigation sector and should not be used to justify the irrigation sector's capacity to pay.

## WaterNSW

### Customer engagement in services offered

37. CICL supports IPART's intention for water businesses to have meaningful conversations with customers to understand their priorities and needs.<sup>16</sup> There is an underlying logic in this approach. CICL's strategic vision is to *"enhance value through industry leadership in sustainable water and irrigation management."*<sup>17</sup> Our strategic initiatives are grounded in customer service, efficient and reliable service delivery and cost control.<sup>18</sup>
38. CICL also acknowledges that achieving meaningful and informed engagement on water pricing is not a simple task. Water users are diverse and often the wider community has limited understanding of what is a complex set of regulations which drives services. CICL believes WaterNSW genuinely tried to seek customer input, at a high level into its pricing proposal.
39. CICL believes a fundamental flaw in the WaterNSW approach to engagement was the inclusion of "community" views at inequitable levels when discussing services provided by WaterNSW.
40. CICL's leadership diligently participated in the Water Working Groups (Southwest) and each of the Customer Advisory Group (CAG) meetings in the Murrumbidgee Valley where pricing was discussed. Our observations from this process are:  
*For the Water Working Groups*
- The customers most directly impacted by water charge increases were a minority in the *Water Working Groups*.
  - The knowledge base of *Water Working Group* members was diverse with some members having an extremely low understanding of water management and regulation.
  - The methodology used to assess participants' views on the options was subjective. Participants were not given sufficient information to understand what was being proposed for their valley in terms of expenditure and how this would translate into increased charges.

<sup>13</sup> Ibid

<sup>14</sup> Ibid

<sup>15</sup> Ibid

<sup>16</sup> IPART, 2022 Delivering customer value Our water Regulatory framework.

<sup>17</sup> CICL Strategic Plan, [www.colyirr.com.au](http://www.colyirr.com.au)

<sup>18</sup> Ibid

- The methodology did not allow for the cumulative impact of proposed changes on specific customer groups to be adequately assessed.

*For the customer advisory groups*

- The information presented to the Murrumbidgee CAG focussed on WaterNSW challenges with the mismatch between its revenue model and its costs with the current tariff structure. It also emphasised the high proportion of cost increases which WaterNSW argued were outside of its direct control, for example higher inflation and interest rates.
- CAG members were not provided sufficient information about the revenue required from the Murrumbidgee Valley. This is important information for customers to understand the expenditure required to maintain the service capability of assets and the revenue required to ensure operations are adequately funded. CICL understands the challenges of ensuring the ongoing reliability of long-lived infrastructure assets, with responsibility for many such assets in our own region.
- A weakness of the engagement process was a lack of clear explanation or evidence of the make-up (at a valley level) of both operational and capital future costs compared to actual expenditure and the previous IPART determined allowances. CICL is confident the Murrumbidgee CAG would have provided valuable feedback to WaterNSW on the proposed costs and services if this information was presented.
- The CAGs when asked to vote on their preference for tariff structure they were given limited choices without the option of the "status quo." It is therefore misleading to assume widespread support for the proposed revenue cap as a form of price control.
- WaterNSW introduced its proposed alternative scenario 3<sup>19</sup> (a regional pricing model) in the last CAG meeting before finalising their pricing submission. The Murrumbidgee Valley which has the lowest entitlement and water take charge across NSW was to be included with the Lachlan Valley, the Murray Valley and the South Coast. This proposal is perceived to automatically create "winners and losers," but these varying impacts were not acknowledged by WaterNSW. In the absence of any evidence, CICL believes it was misleading of WaterNSW to suggest that over time this arrangement is better for customers in the Murrumbidgee Valley.

*For CICL*

- CICL was provided the opportunity to consider an alternative fee structure for CICL, which was a 100 percent fixed water entitlement charge. WaterNSW provide detailed analysis of the proposed changes, which would have necessitated CICL passing on this changed tariff structure to customers. Moving to a 100 percent fixed tariff structure is problematic for our customers, whose revenue is subject to water availability. CICL appreciated the efforts of WaterNSW to engage on this option. However, in potentially moving to a 100 per fixed tariff, there was insufficient benefit offered to CICL to support this change, which would have assisted WaterNSW manage its perceived revenue risk of the current fixed versus variable tariff structure.
41. Despite the weaknesses in the engagement with the *Water Working Groups* these groups consistently raised concerns about affordability.<sup>20</sup> The final *Working Group* report also acknowledged the importance of cost shares, with changes to cost shares needing to be resolved, it included feedback on existing cost shares.<sup>21</sup> The final *Water Working Group* report also shows most of the activities which could be considered to have public good outcomes or social good outcomes. Participants expressed views that the government share should be higher, with examples of dam safety compliance, environmental planning and protection.<sup>22</sup> When asked about the high cost of environmental compliance for fish ways and cold-water pollution, only seven percent of 46 respondents thought

<sup>19</sup> Attachment 26 Proposed Rural Valley bulk water charges and bill impacts.

<sup>20</sup> Water Working Groups 2025-2030 Final Report of the Process.

<sup>21</sup> Ibid

<sup>22</sup> Ibid

the government share of 20 percent was correct, with most participants supporting a higher cost share.<sup>23</sup>

42. It is therefore disappointing WaterNSW's core pricing proposal does not clearly articulate the case for different cost shares between water users and Government.

### Operating expenditure

43. WaterNSW has adopted a new operating model which has resulted in proposed increased operating costs of 43 percent.<sup>24</sup> Water prices in Murray Darling Basin valleys, over successive price determinations have been set at IPART's determined prudent and efficient costs.

44. IPART's final report for its 2021 determination states:

*In making our 2021 Determination, we are guided by different legislation in different valleys. For the 9 valleys in the Murray–Darling Basin (MDB) and rural customers in the Fish River Water Supply Scheme (FRWS) we must comply with the Commonwealth Government's Water Charge Rules 2010 (Cth) (WCR). The WCR require us to set prices that fully recover Water NSW's efficient costs that are not met from other sources.*<sup>25</sup>

45. CICL's view is the proposed increases in operating costs need further explanation and justification. Water charges for Murray Darling Basin valleys have been set a full cost of the efficient costs, since at least when the Water Charge Rules 2010 (Cth) were made if not before this date. Whilst WaterNSW has proposed a number of reasons for why their operating expenditure has escalated, CICL does not believe the explanation is satisfactory.
46. The efficiency savings promised by government and WaterNSW and its predecessor State Water from the merger of State Water with Sydney Catchment Authority and subsequently the transfer of some functions from WAMC to WaterNSW, have not delivered material improvement in services or reduced costs. CICL argues that these changes have added complexity to WaterNSW's business and reduced its ability to focus on the efficient delivery of bulk water services to its rural water customers.
47. **CICL recommends IPART and its expenditure review consultants forensically analyse WaterNSW increased operational expenditure, including identifying the factors driving the increase to determine WaterNSW efficient costs.**
48. **CICL recommends operating costs be broken down into corporate costs and valley-based costs to allow proper scrutiny.**

### Capital expenditure

49. CICL notes WaterNSW is proposing a total \$54.2M of capital expenditure over the five years of the determination for the Murrumbidgee,<sup>26</sup> including \$6.9M for design and implementation of cold-water pollution measures. CICL has been unable to identify the detail of what is proposed for the Murrumbidgee, limiting our capacity to have a view on its importance.
50. WaterNSW is proposing a Rural Valleys capital program of \$478.2M which is 1.7 times the IPART allowance for FY 22-25 and 4.5 times their forecast actual expenditure FY 22-25.<sup>27</sup> In addition WaterNSW is proposing \$1,419.8M of capital expenditure over the five years for Greater Sydney<sup>28</sup>. This is 3.78 times the IPART allowed expenditure and 6.7 times WaterNSW actual forecast expenditure FY 22-25.
51. IPART and its expenditure consultants have an important task to assess the efficiency and prudence of WaterNSW capital program along with their capability to deliver the

<sup>23</sup> Ibid

<sup>24</sup> IPART Information Paper, November 2024.

<sup>25</sup> IPART Review of WaterNSW rural bulk water prices from 1 October to 30 June 2025, Final Report, September 2021.

<sup>26</sup> Attachment 8 Capital expenditure for infrastructure

<sup>27</sup> Ibid

<sup>28</sup> Ibid



proposed program. This is particularly important when the previously allowed capital has not been spent by WaterNSW.

52. **CICL recommends IPART and their consultants critically review the proposed capital expenditure to provide water users with confidence in the prudence and efficiency of its costs and WaterNSW capability to deliver the program.**
53. **CICL recommends the approved capital program details the proposed capital allowance by expenditure activity for each Rural Valley to allow scrutiny.**

### Cost shares

54. CICL welcomes comments by Tribunal Chair Carmel Donnelly PSM during the IPART public hearing, confirming the Tribunal is not bound by decisions of the previous Tribunal.<sup>29</sup>
55. CICL believe there are flaws in IPART's impactor pays approach which assumes a world without high consumptive water use, as an appropriate or viable model for this and future determinations. CICL believes WaterNSW cost drivers are increasingly influenced by government regulation, decisions about business structure (i.e. merger of State Water and Sydney Catchment Authority and transfer of WAMC functions to WaterNSW), government regulation and external factors including general public interest and community expectations. These factors are changing the scope and costs of WaterNSW activities that should be recognised in IPART's decisions on user shares for WaterNSW activities.
56. Table one shows the WaterNSW Cost Activity, and the user share as determined by IPART in their 2016/017 and 2021 price determination. The cost activities highlighted in yellow are areas where CICL believes the use share needs to be reduced in recognition of the variable drivers of these costs and the change in scope.

Table one – User shares for WaterNSW cost activities

Cost Activity	Description	2016/17 price review <sup>30</sup>	Current user share % <sup>31</sup>	CICL 2025
Customer support	Operating	100	100	100
Customer billing	Operating	100	100	100
Metering and compliance	Operating and capital	100	100	100
Water delivery and other operations	Operating and capital	100	95	90
Flood operations	Operating and capital	50	80	50
Hydrometric monitoring	Operating and capital	100	90	50
Water quality monitoring	Operating and capital	50	80	50
Direct insurances	Operating and capital	100	100	100
Corrective maintenance	Operating and capital	100	95	95
Routine maintenance	Operating and capital	100	95	95
Asset management planning	Operating and capital	100	95	95
Dam safety compliance	Operating and capital	50	80	50

<sup>29</sup> IPART Public Hearing, 14 November 20024

<sup>30</sup> Aither, Rural water cost sharing review Final Report, January 2019

<sup>31</sup> IPART, 2021 Review of WaterNSW rural bulk water prices From October 2021- 30 June 2025, Final Report, September 2021

Dam safety compliance pre-1997	Capital	0	0	0
Environmental planning and protection	Operating and capital	50	80	20
Corporate systems	Operating and capital	100	80	50
ICD rebate	Operating and capital	100	100	100
Renewals and replacement	Operating and capital	90	95	90
Risk transfer product	Operating	100	100	100

57. A priority activity for revisiting and lowering the user share is for the construction of fishways and cold-water pollution control. These are high-cost activities recognised as an important to native fish recovery to complement environmental flows.<sup>32</sup> The MDBA has identified that funding for these complementary measures is limiting native fish recovery.<sup>33</sup>
58. **CICL recommends IPART revise and lower the user share for a range of activities where there are public good outcomes and or the drivers are caused by government regulation, changing community expectations or the cost of increased regulation.**

#### ICD rebates

59. CICL welcomes WaterNSW continuation of the ICD rebates. CICL understands that WaterNSW has a methodology for calculation of these rebates based on “avoided costs” for metering and billing services. This methodology is not available to CICL. CICL questions why the rebate proposed by WaterNSW has not been increased by the same percentage as the WaterNSW proposed operational expenditure and there is also no annual increase proposed over the life of the determination.
60. **For equity, CICL recommends the WaterNSW ICD rebate is increased by the same percentage as WaterNSW allowed operating expenses for each year of the IPART determination.**

#### Other issues

##### ***New operating licence obligations***

61. There are new obligations in WaterNSW’s operating licence which impose additional operating and capital costs on WaterNSW. The WaterNSW pricing proposal includes \$19.9M of additional costs for Rural valleys,<sup>34</sup> with direct costs of \$24.7M plus total capital expenditure of \$8.872M.<sup>35</sup>
62. The WaterNSW submission states:

*There are several key new obligations which will drive costs, where the impactor may be considered to be local water utilities, specifically:*

- *Increased scope of water quality management system to include local water utilities in non-declared catchments;*

<sup>32</sup> Native Fish Strategy for the Murray Darling Basin [Native Fish Strategy for the Murray-Darling Basin 2003–2013 | Murray-Darling Basin Authority](#)

<sup>33</sup> Murray Darling Basin Presentation, November 2024. Native fish condition in the MDB (2023)

<sup>34</sup> Attachment 8 Base-Tend-Step operating expenditure.

<sup>35</sup> WaterNSW Pricing Proposal 2025-2030.

- *Raw water quality policy for drinking water suppliers, which will specify the roles and responsibilities of WaterNSW and drinking water suppliers in improving water quality monitoring, improving the quality of water made available to drinking water suppliers, identifying and reducing hazards and risks and education. The policy will also specify WaterNSW's processes for the early warning system, the quantity and quality parameters to include in the early warning system, water quality monitoring, engagement and providing data.*
  - *Water quality monitoring enhancements program requirements which includes determining which parameters should be monitored in the raw water for drinking water suppliers and the environment with a need to also consider the 'Roadmap to an improved regulatory framework for local water utilities;'*
  - *Early warning system to provide advanced notification of significant changes to flow, water source offtake levels that impact water characteristics and exceedances of water quantity or water quality parameters.<sup>36</sup>*
63. CICAL is deeply concerned these new obligations are being passed onto general security water entitlement holders and water users. Water quality issues are not caused by irrigation water users, these are demands for services being on WaterNSW by one customer segment.
64. **CICAL recommends the new obligations in WaterNSW operating licences are removed from the allowable costs to be recovered from high security irrigation and general security water entitlement holders and their associated water use.**

#### **Weighted Average Cost of Capital (WACC)**

65. WaterNSW has proposed a higher WACC (4.3 percent) for Rural Valleys compared to Greater Sydney (3.6 percent)<sup>37</sup>. CICAL believes WaterNSW's approach seeking a higher WACC for Rural Valleys compared to Greater Sydney is unjustified and will result in higher charges to rural water users than necessary.
66. WaterNSW pricing proposal also includes increases for Rural Valleys which are higher than the proposed increases for Greater Sydney<sup>38</sup>. In addition, WaterNSW costs are only a small portion (eight percent) of Sydney Water's revenue requirements.<sup>39</sup> This contrasts with the CICAL customers, where government charges are a higher proportion of CICAL's water charges to its customers (Refer point 31).
67. WaterNSW proposal infers that WaterNSW can identify unique sources of capital (different market rates) or a unique mix of capital (different weightings in terms of market value) applicable to Rural Valleys and Greater Sydney. CICAL's view is the WACC calculations are only relevant at the business level, as discrete costs bases are not key drivers of capital requirements.
68. CICAL understands, in this determination IPART is not bound by the Water Charge Rules 2010 (*Cth*) and the associated WACC determined by the ACCC. In practice the cost of accessing capital is judged by WaterNSW's total business, not its separate elements. The flexibility available to IPART when setting Rural prices presents an opportunity for IPART to ensure equity through the use of a consistent WACC for both Rural and Greater Sydney charges.
69. **CICAL recommends a single WACC for both WaterNSW Rural Valleys and Greater Sydney charges.**

#### **Revenue cap**

70. WaterNSW is proposing a revenue cap with a side constraint as their preferred method of controlling annual charges revenue. CICAL is concerned the WaterNSW proposed

<sup>36</sup> Attachment 25 Proposed user and government shares.

<sup>37</sup> WaterNSW Pricing Proposal 2025-2030

<sup>38</sup> Ibid

<sup>39</sup> Ibid

approach will result in customers being faced with higher charges in years with low water availability, the specific years in which farm businesses are likely to be financially stressed.

71. As noted in 40: the CAGs were not given the option of supporting the status quo, and where customers selected a preference, it was in comparison with the alternative of higher fixed charges.
72. CACL considers the WaterNSW Revenue Cap with a side constraint effectively delivers a fixed revenue to WaterNSW, with all the risk borne by customers.
73. WaterNSW is proposing environmental water holders shift to 100 percent fixed charges. Environmental water holders are the single largest customer of WaterNSW and the volume of held environmental water is increasing in Murray Darling Valleys because of the Commonwealth's commitment to achieving the 450GL of water in the Murray Darling Basin Plan.<sup>40</sup> Assuming environmental water holders accept this proposal, this change would directly address WaterNSW revenue issue of volatility. This benefit will increase further if IPART determines the government share of some of WaterNSW activities was to increase.
74. **CACL recommends IPART explores the opportunities to continue the status quo pricing model for irrigation customers in combination with 100 percent fixed charges for environmental water holders and a higher government share.**

### **WaterNSW Technology Roadmap**

75. WaterNSW is proposing significant expenditure in digital technology, totalling \$361.29M including \$163.46M of capex.<sup>41</sup> The proposed program is intended to deliver services for the benefit of the three NSW water sector agencies with a joint technology Road Map<sup>42</sup>. CACL assumes these activities are captured as Corporate systems which have an 80 percent water users cost share.
76. CACL is also embarking on a smaller scale and less complex "Digital Roadmap" and CACL believes WaterNSW approach to application of digital technology is important to WaterNSW future business efficiency.
77. WaterNSW explanation for unforeseen expenditure raises questions about adequacy of WaterNSW expenditure forecasts. For example, costs such as "Cloud adoption", changes in "licensing costs and the cost of onboarding" are far too ambiguous to accept that these major expenditure forecasts have been rigorously prepared.
78. CACL has significant concerns around whether the shared "ecosystem" approach of WaterNSW, the Department and the Natural Resource Access Regulator (NRAR) will progress efficiently. CACL is concerned this approach may result in compromised solutions which may take longer and cost more.
79. **CACL recommends that IPART and its expenditure review consultants assess WaterNSW capacity to deliver this large-scale investment in digital technology in the timeframe, including assessing their previous performance at an individual project and project portfolio level.**
80. **CACL recommends IPART's analysis of the proposed expenditure in the WaterNSW technology road map include an assessment of how well the project plan and implementation has addressed conflicting needs between organisations relating to system functionality and/or process without compromising the cost, timeline and/or benefits from the initiative.**

<sup>40</sup> [Framework for delivering the 450 GL - DCCEEW](#)

<sup>41</sup> Attachment 11 Digital expenditure (page 5)

<sup>42</sup> Attachment 11 Digital expenditure (page 6).

### **Water Market Reform**

81. The Water Market Reforms legislated in the *Restoring our Rivers Act 2023 (Cth)* will impose new obligations on CICL and other IIOs. WaterNSW submission indicates the cost of the water market reforms are uncertain because there may be a shortfall in the Federal Funding Agreement with NSW.<sup>43</sup> These reforms will impose significant costs on CICL to support our compliance with the new requirements. No funding is available to CICL to support this investment.
82. It is unclear from WaterNSW submission what these proposed costs are, including whether they are in WaterNSW costs or WAMC costs.
83. **CICL recommends IPART confirm WaterNSW charges do not include recovery of the cost of Water Market Reform from water users.**

### **Alternative models – Rural Valleys – Regional Pricing**

84. As noted in 40 above, CICL has significant concerns with WaterNSW proposal to shift towards regional pricing. CICL in principle does not support WaterNSW seeking this fundamental shift in approach at the same time as it is seeking higher water charges.
85. CICL observes the benefits of the alternative model are “WaterNSW centric” and not centred on improved services to valley-based customers.
86. Consideration of an alternative pricing model must be done in consultation with affected customers and include detailed assessment of the impacts on the different customer groups.

## **WAMC**

### **Customer engagement in services offered**

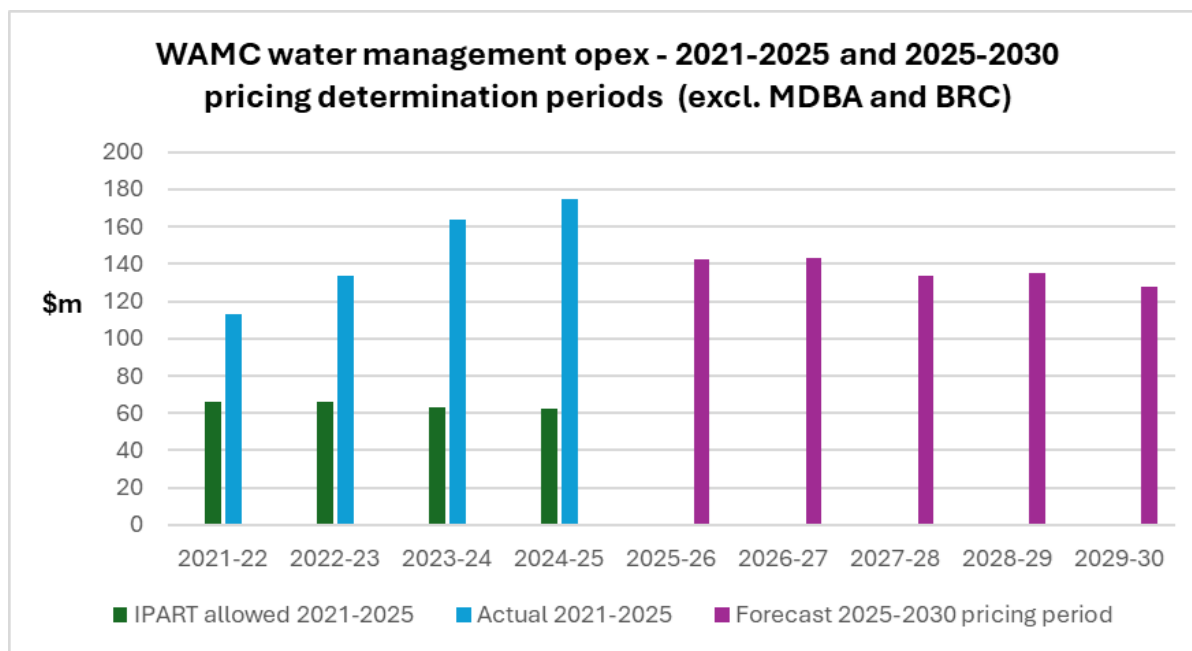
87. A central issue for WAMC is many of the activities do not directly translate to a service to water users and therefore water users do not see themselves as customers or beneficiaries. The services WAMC undertakes are often hidden services; for example compliance with the Basin Plan sustainable diversion limit. This is particularly the case for customers within an IIO, where the IIO is the primary source of information and is responsible for water management, compliance and billing of customers. This situation is exacerbated by the fact for many of WAMC’s activities that regulated water users are being asked to fund are NSW Government statutory water management and planning responsibilities. Water users essentially have no choice in the services and are only one of multiple stakeholders considered by WAMC as it undertakes this function. Consequently, achieving customer engagement in services is problematic for WAMC.
88. CICL’s customer engagement for WAMC services was through participation in the Murrumbidgee CAG and the Water Working Group (Southwest). CICL’s comments (37 to 42) capture CICL’s views on the effectiveness of customer engagement generally for the pricing proposals.

### **Operating expenditure**

89. CICL acknowledges that IPART’s previous determination for WAMC charges included a government subsidy of the user share of IPART’s determination of the efficiency of WAMC costs.
90. Figure One shows the WAMC water management operating expenditure for 2021-2025 and 2025-2030. This figure demonstrates WAMC costs have escalated over the four years of the last determination and WAMC believes this increase in cost will be incurred going forward, albeit at a slightly lower rate.

<sup>43</sup> Attachment 22 Compliance and regulatory drivers of expenditure.

Figure One: WAMC Operating Expenditure (excluding MDBA and BRC)



Sources: NSWIC Weekly Report, Friday 1 December 2024

91. In contrast to the WaterNSW submission, the WAMC submission does identify the revenue required from each valley.
92. **CICL recommends IPART and its expenditure review consultants forensically analyse WAMC's operational expenditure, including identifying the factors driving the increase, to determine WAMC efficient costs.**
93. **CICL recommends IPART confirm that WAMC is not seeking to recover costs from water users wherever funding is available from the Commonwealth Government or other government programs. Examples of these activities include:**
- Funding for sustainable diversion limit adjustment mechanism projects
  - Funding for implementation of Resilient Rivers Water Infrastructure Program
94. **CICL recommends IPART confirm the WAMC cost allocation to individual valleys is consistent and reflective of where the costs are expected to be incurred.**

### Cost shares

95. CICL believes the quantum of WAMC's increased costs and their pricing proposal which seeks to increase prices to the Murrumbidgee general security water entitlement by 101 percent or 15 percent per year plus CPI<sup>44</sup> is unacceptable.

WAMC states that under the National Water Initiative it is required to recover its efficient costs between water users and government using the "impactor pays" principle<sup>45</sup>. CICL contests this assertion and argues NSW has chosen to collect its water planning and management charges from water users with this approach; it is not bound to do so. South Australia and Victoria, who are also signatories to the National Water Initiative have chosen a different model, with both collecting a Natural Resources Management Levy or equivalent from water users.<sup>46</sup> In both South Australia and Victoria the statutory government functions

<sup>44</sup> IPART Information Paper WAMC and WaterNSW proposed bills.

<sup>45</sup> WAMC Pricing Proposal.

<sup>46</sup> ACCC Water Monitoring Report 2022-2023 [ACCC Murray-Darling Basin Rural Water Monitoring report 2022-23](#)

are funded by government. The NSW model places NSW water users at a competitive disadvantage, raising potential questions about adherence to competitive neutrality principles. In table 2, CICL has proposed alternative cost shares for the WAMC activities.

Table 2 WAMC customer shares for operating and capital expenditure<sup>47</sup> and CICL's 2025 recommendation

Activity	2015-16 price review	2018-19 cost share review	CICL view 2025
W01-01 Surface water quantity monitoring	70	100	70
W01-02 Surface water data management and reporting	50	50	50
W01-03 Surface water quality monitoring	50	60	20
W01-04 Surface water algal monitoring	50	40	0
W01-05 Surface water ecological condition monitoring	50	50	20
W02-01 Groundwater quantity monitoring	100	100	No comment
W02-02 Groundwater quality monitoring	100	100	No comment
W02-03 Groundwater data management and reporting	100	100	No comment
W03-01 Water take data collection	100	100	80
W03-02 Water take data management and reporting	100	100	80
W04-01 Surface water modelling	50	80	50
W04-02 Groundwater modelling	100	100	No comment
W04-03 Water resource accounting	100	100	50
W05-01 Systems operation and water availability management	100	100	70
W05-02 Blue-green algae management	50	40	0
W05-03 Environmental water management	0	80	0
W05-04 Water plan performance assessment and evaluation	50	50	50
W06-01 Water plan development (coastal)	70	70	No comment
W06-02 Water plan development (inland)	70	70	50
W06-03 Floodplain management plan development	0	0	0
W06-04 Drainage management plan development	0	0	0
W06-05 Regional planning and management strategies	70	70 <sup>48</sup>	0
W06-06 Development of water planning and regulatory framework	75	80	0
W06-07 Cross-border and national commitments	50	50	20
W07-01 Water management works	50	80	
W08-01 Regulation systems management	100	100	
W08-02 Consents management and licence conversion	100	100	Cost recovery
W08-03 Compliance management	100	100	20
W08-99 Water consents overhead	100	100	0
W09-01 Water consents transaction	100	100	Cost recovery
W10-01 Customer management	100	100	
W10-02 Business governance and support	70	80	0
W10-03 Billing management	100	100	100

<sup>47</sup> IPART Final Report - Rural Water Cost Shares WaterNSW and Water Administration Ministerial Corporation, 2019

<sup>48</sup> WAMC Pricing proposal is recommending the cost share for this activity is reduced to 50 percent because some of the activity relates to climate change, for which WAMC considers the broader community is the "impactor" (Chapter 6).

96. Commentary supporting different cost shares:

- Water reforms implemented by NSW and the Commonwealth are reducing water use across the Basin. Continuation of the current cost shares will place a disproportionate impact on water users not subject to the minimum annual charge.
- The activities being undertaken by WAMC, particularly in the Murray Darling Basin are changing because of water reform and the complexity of Commonwealth and State legislation. These are changes driven by the National interest and water users are only indirect beneficiaries through sustainable water management. There are important wider community and public good benefits of these reforms. These activities have changed the scope of WAMC activities, particularly
  - W05-01, 03, 04, and W06-07
- Irrigation water users do not cause algal blooms and have no discretion over the take of water with blue green algae. WAMC activities W01-4 and W05-2 are public good activities which should have a zero-water user share.
- Water Sharing Plan (inland) W6-02 - water sharing plans are important to water users as these plans provided the framework for water sharing between the consumptive pool and the environment. Importantly, they set the water allocation framework to achieve compliance with Long Term Annual Average Extraction Limits. The statutory plans are important to both the public interest and water users. In the Murray Darling Basin, there is no scope to increase the volume of water available to the consumptive pool. CICL supports continued water user contribution to water sharing plans, however, a cost share of 70 percent is too high, particularly as it is anticipated their reviews have the potential to significantly impact on the yield and reliability of water entitlements and the future volume available to agriculture.
- NSW embarked on its Regional Water Strategies W06-05, initially with funding from the sale of Snowy Hydro. WAMC have acknowledged water users are not the impactors for these strategies. CICL understand the regional water strategies will identify priority actions for implementation. Regional planning is a core function of government which should have a zero-cost share from water users. Actions to be implemented should be subject to business case analysis, including consideration of who pays.
- CICL acknowledges the important work of WAMC on cross border and national commitments W6-07, particularly in relation to the Murray Darling Basin Plan. CICL believes a cost share of 50 percent is too high for this activity because NSW participation is in the interests of NSW, not just water users, i.e. NSW is representing the interests of communities and the state's economic output and environment.
- CICL does not support the increased costs of the Natural Resources Access Regulator (NRAR) being recovered from water users. CICL believes it is important water users contribute, however the cost share for this activity should be reduced. NRAR at the IPART public hearing acknowledged the vast majority of water users are compliant<sup>49</sup>. In 2023/2024 NRAR launched 368 compliance activities, with 169,073 works, and 53,000 licences (WAMC and WaterNSW). These are extremely high levels of compliance. This means all licence holders are being asked to pay for the "actions" of a few. NRAR's argument that irrigators' social licence is supported by their action and activities, is self-justification.

**97. CICL recommends IPART revisit the cost shares for WAMC activities.**

<sup>49</sup> IPART WAMC and WaterNSW public hearing Thursday 14 November.



## **Non-urban metering policy and metering charges**

98. CICL supports the effective and efficient implementation and continual improvement in metering, monitoring and measurement of water use. Unfortunately, the 2018 NSW Non-urban Water Metering Policy developed by government has faced significant implementation barriers generally beyond the control of water users, leading to the NSW Government announcing in 2023 a review of the policy.<sup>50</sup>
99. Ultimately the NSW non-urban metering policy was not fit for implementation and this failing has imposed significant costs on industry and the Department.
100. IPART seeks feedback on the proposed metering charges. CICL supports WAMC's proposed methodology to establish the metering charges. CICL's metering charges relative to other WAMC charges are not material, demonstrating the economies of scale for CICL customers of having a single metering point for regulated water.
101. The non-urban metering policy has imposed additional costs on CICL to provide NRAR and WaterNSW with access to our metered diversions through the prescribed Local Intelligence Device and connection via the Data Acquisition Scheme. This constitutes additional reporting of our existing real time Supervisory Control and Data Acquisition (SCADA) link from CICL's river offtake meter to WaterNSW River Operations. It is noteworthy that these changes make no material improvement to the quality of the measurement of CICL's diversions.

## **Other issues**

### **Water Market Reform**

102. The *Restoring our Rivers Act 2023 (Cth)* is imposing a significant regulatory burden on IIOs, with no funding available to the IIO to support their transitions to the new requirements over the next two years.
103. CICL understands that NSW will be funded by the Commonwealth to support NSW compliance with these new requirements.
104. CICL recommends IPART confirm that no costs associated with implementation of the Water Market Reforms are recovered from water users.

### **IIO business model versus WAMC services**

105. CICL believes there are a number of WAMC functions which include avoided costs and economies of scale because of the structure of IIO business models.
106. Examples of avoided costs include:
  - Metering and compliance activities, where CICL is responsible for metering of all take by customers. CICL irrigation customers are unable to order water if there is insufficient water in their account to satisfy the order.
  - Consent over transactions where CICL is the approval authority for all internal trades of water entitlement and annual allocation.
107. CICL is also responsible for monitoring and reporting on its groundwater levels and salt loads as part of its annual compliance report to government.<sup>51</sup> These activities overlap with groundwater monitoring and the Basin Plan salinity management plan.
108. In the absence of IPART supporting a reduction in the revenue requirement from water users, WAMC charges should more adequately reflect the avoided costs and economies of scale afforded by the role of IIOs.

<sup>50</sup> Fact Sheet Review of the non-urban metering framework 2023  
[https://water.nsw.gov.au/\\_data/assets/pdf\\_file/0007/586816/review-of-num-rules-fact-sheet.pdf](https://water.nsw.gov.au/_data/assets/pdf_file/0007/586816/review-of-num-rules-fact-sheet.pdf)

<sup>51</sup> [Annual Compliance Report — Coleambally Irrigation](#)

## Conclusion

109. IPART has a critical role in this determination to ensure water users are not exposed to abuses of monopoly power influencing the prices paid and services provided by both WaterNSW and WAMC. CICAL firmly believes that IPART's established framework for sharing of costs between water users and government is seriously challenged because of the massive cost escalations proposed by both WaterNSW and WAMC since the last determination.
110. These issues are further exacerbated by the structural issues of the industry, where the majority of water entitlements and use reside with a small number of licence holders. However, the costs of many of WaterNSW and WAMC services are influenced by the number of licences, basic landholder rights and the number of works approvals.
111. This submission aims to provide constructive feedback to IPART on both pricing proposals to assist in the difficult task confronting them.
112. CICAL would welcome the opportunity to discuss further its recommendations and concerns with both the WaterNSW and WAMC pricing proposals.
113. For further information please contact [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]  
[REDACTED]

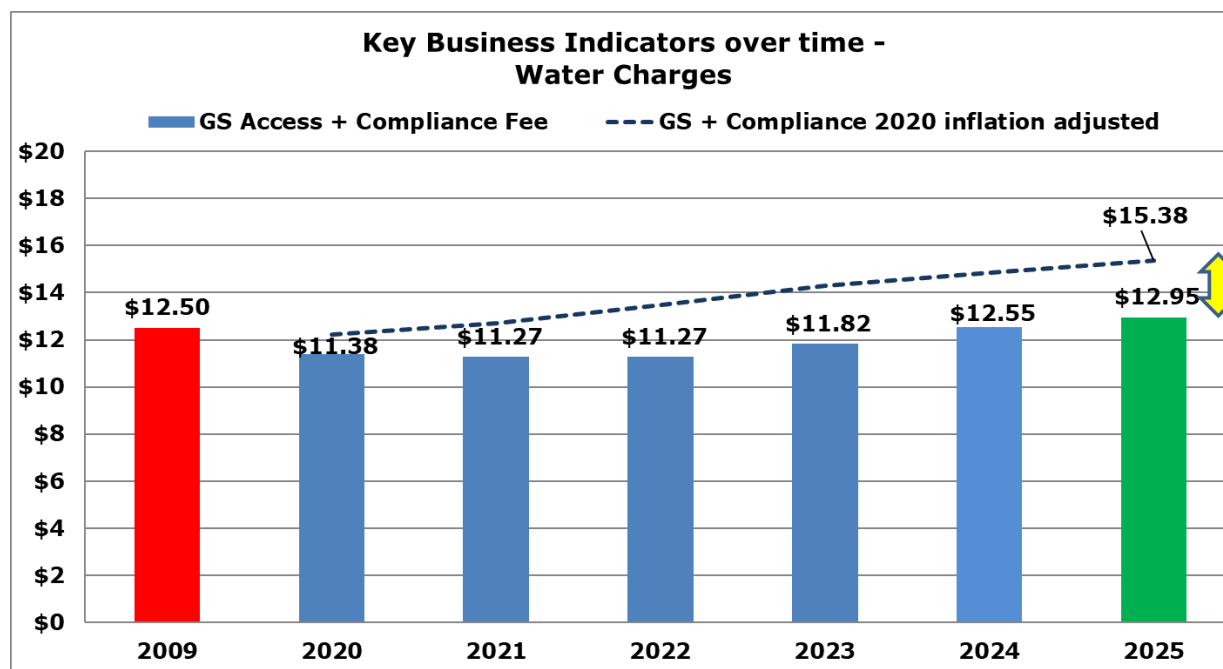
Yours sincerely

[REDACTED]

Julian Speed  
CEO

## Attachment 1

CICL key business indicator over time; general security delivery entitlement charges including CICL's environmental compliance fee, compared to 2009.



### Key points

- The 2025 charge has been set at 3.15 percent above 2024, below CPI of 3.6 percent. This charge remains at only 3.6 percent above 2009 levels.
- The 2024 charge increased by 6.12 percent from 2023 against a CPI increase of 7 percent.
- With inflation applied to the charge since 2009, 2025's charge is 33.1 percent below CPI.
- Comparing to 2020 the charges are 13.8 percent higher but 15.8 percent below the CPI figure.

*CPI – Consumer price index*

## Attachment 2

CICL response to IPART Issues Paper Questions or clause references within CICL's submission

Question	Clause
1. How will WAMC's proposed price increase impact customers?	30-32
2. What factors should we consider so that prices we set for WAMC are appropriate for different customer types? How well has WAMC considered these factors in the development of its proposal? <i>WAMC has not recognised the economies of scale associated with larger customers and the potential for different service models, if WAMC was unconstrained by its monopoly powers and regulation.</i>	
3. Do the proposed 2.5 percent and 15 percent cap on prices strike the right balance between cost recovery and impacts on customers? <i>No, there is no logic to customers on the MAC having their charges increased by only 2.5 percent while larger customers costs are increased by 15 percent per annum. CICL asserts customers on the MAC are likely to have alternative sources of income compared to customers being asked to pay an annualised increase of 15 percent.</i>	
4. What do you think about WAMC's engagement process? Do you think WAMC has engaged effectively with customers and stakeholders?	37-42 & 87-88
5. Did WAMC's consultation process target the right stakeholders, and was an appropriate level of content provided to stakeholders so they could meaningfully engage with it?	37-42 & 87-88
6. Did WAMC consult sufficiently with Aboriginal peoples and communities? What First Nations priorities should be considered in IPART's determination?	Not applicable
7. Are WAMC's customer outcomes and metrics appropriately ambitious yet achievable? Do they incorporate what stakeholders said was important to them? <i>CICL largely agrees with the proposed metrics. Of note is the emphasis on environment and community in these metrics, which supports the case for a different cost share.</i>	
8. Does WAMC's proposal represent a reasonable and efficient balance of costs and service levels, and does it align with customers' willingness to pay? <i>No, CICL and our customers are being asked to pay more for activities which are reducing our access to water.</i>	
9. How would the proposed metering charges affect you?	100-103
10. How would the proposed consent transaction charges affect you? <i>Consent transaction charges should aim to recover the efficient costs of service and should not be subsidised by other water users.</i>	
11. What are your views on WAMC's proposal to largely maintain the current cost share ratios? The exception is regional planning and management strategies, where WAMC has proposed reducing the customer share from 60% to 50%.	95-99

12. Is there any new information about WAMC's activities we should take into account when setting cost shares? For example, are there changes to: – who is causing the need to undertake an activity? – who is benefiting from an activity? – the scope of an activity?	95-98
13. How will WaterNSW's proposed prices impact customers?	30-32
14. What factors should we consider so that prices we set for WaterNSW are appropriate for different customer types? How well has WaterNSW considered these factors in the development of its proposal?	54-60
15. What do you think about WaterNSW's engagement process? Do you think WaterNSW has engaged effectively with customers and stakeholders?	37-42
16. Did WaterNSW's consultation process target the right stakeholders, and was an appropriate level of content provided to stakeholders so they could meaningfully engage with it?	37-42
17. Did WaterNSW consult sufficiently with Aboriginal peoples and communities? What First Nations priorities should be considered in IPART's determination?	N/A
18. Are the WaterNSW customer outcomes and metrics appropriately ambitious yet achievable? Do they incorporate what stakeholders said was important to them? <i>CICL contributed to these metrics during the CAG process and considers them appropriate.</i>	
19. Does WaterNSW's proposal represent a reasonable and efficient balance of costs and service levels, and does it align with customers' willingness to pay?	Multiple references
20. Would you prefer prices to remain stable over the determination period or do you support WNSW's proposal for a revenue cap where prices adjust by up to 5% per year in response to changes in water sales? <i>CICL would prefer stable pricing.</i>	
21. If you are a Licenced Environmental Water holder or Lachlan Valley customer, how will the proposed changes to price structures affect you?	N/A
22. What are your views on WaterNSW's proposal to maintain the current cost share ratios? What do you think of the alternative options WaterNSW provided that could increase the Government share for some activities?	54-58
23. Is there any new information about WaterNSW's activities we should take into account when setting cost shares? For example, are there changes to: – who is causing the need to undertake an activity? – who is benefiting from an activity? – the scope of an activity?	54-58