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Mr Rod Sims
Chairman
Australian Competition and Consumer Commission
GPO Box 520
Melbourne Vic 3001

Contact John Madden
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Dear Mr Sims



DRAFT DECISION TO ACCREDIT IPART UNDER THE WCIR

Thank you for your letter of 5 August 2015 regarding the ACCC's draft decision to accredit IPART under the *Water Charge (Infrastructure) Rules 2010* (WCIR) as the regulator of water infrastructure charges in the NSW Murray-Darling Basin from 1 June 2016 for ten years. We note that in addition to the two mandatory conditions of accreditation, the ACCC has proposed two further conditions.

The first additional condition requires IPART to apply the ACCC's pricing principles, as published by the ACCC from time to time, for price approvals and determinations under the WCIR. This condition seeks to ensure consistency of approach across the Murray-Darling Basin by accredited agencies under the WCIR. We note the ACCC intends to review the current version of the pricing principles after finalising its review of the WCIR.

The second condition requires information obtained or produced by IPART in carrying out its functions under arrangements accredited under Part 9 of the WCIR to be provided to the ACCC, upon request by an ACCC officer. This is to ensure the ACCC can access information to enable it to undertake its monitoring, enforcement and advisory functions under the *Water Act 2007*.

IPART accepts all of the proposed conditions of accreditation.

We also support the ACCC's proposal for accreditation to take effect on 1 June 2016. This would allow the ACCC to complete the annual review of Water NSW's 2016-17 charges in the Murray-Darling Basin. It also means that IPART's first responsibility as the accredited regulator would be determining Water NSW's regulated charges for the period 1 July 2017 to 30 June 2021.

If you or other ACCC officers have any further queries regarding our accreditation application, please contact John Madden, Director Water Pricing, on (02) 9113 7780.

Yours sincerely



Peter J. Boxall AO
Chairman