



20 August 2015

Australian Competition and Consumer Commission
Attention: Water Compliance team
GPO Box 520
Melbourne VIC 3001

Dear Sir/Madam,

Re: IPART Accreditation Application

Waterfind is a long-time supporter of the effective regulation of water charges as we believe it is of essential importance for the continuing growth and maturation of water markets.

Should the accreditation application of the Independent Pricing and Regulatory Tribunal of NSW (IPART) to determine the regulated charges of Part 6 and 7 operators in NSW be approved, Waterfind trusts that IPART's vast experience and expertise in the field of water price regulation ensures that determination of the regulated charges will be made in compliance with the National Water Initiative (NWI) objectives as well as the Basin water charging objectives and principles (BWCOP), thus facilitating the efficient functioning of water markets. Therefore, in general Waterfind supports the ACCC's draft decision to approve the IPART application.

In addition to the two further conditions that the ACCC proposes to apply to the IPART accreditation, Waterfind suggests that the ACCC considers instructing IPART to comply with the following recommendations in order to facilitate the efficient functioning of water markets, reduce water trade barriers and to ensure consistency across the Murray-Darling Basin:

- That interstate water allocation trade volumes are continued to be taken into account in demand forecasts when determining Water NSW usage charges in the Murray, Murrumbidgee & Border Rivers valleys (this method was used in the ACCC's Water NSW pricing decisions for 2015/16, but was not considered when IPART was previously regulating bulk water charges for Water NSW in 2010-2014); and
- That certain transaction fees (e.g. trade-out fees for temporary water) be prohibited or capped as proposed by Waterfind in its submission to the ACCC Review of the water charge rules in July 2015.

Waterfind would also like to reiterate its view to the ACCC that on the whole, more stringent regulation of transaction fees is needed in order to reduce trade barriers and to ensure consistency across sectors and jurisdictions where water can be traded. For instance, transaction fees (e.g. fees for applications to obtain, vary or trade water access rights or lodgement of a transaction with a water registry) should be subject to



regulator's approval – be it the ACCC or accredited state agency – regardless of the Irrigation Infrastructure Operator's size or ownership type.

I will be more than happy to discuss any part of this or Waterfind's earlier submission to the ACCC Review of water charge rules.

Sincerely

A handwritten signature in blue ink, appearing to be "Alister Walsh". The signature is fluid and cursive, with a large initial "A" and "W".

Alister Walsh

CEO Waterfind

T 0448 890 426

E alister.walsh@waterfind.com.au