

2 February 2022

Australian Competitor & Consumer Commission (ACCC)

**MELBOURNE VIC 3000** 

Dear

## LOWER MURRAY WATER - NOTIFICATION OF CEASING TO BE A PART 6 OPERATOR

Under the Commonwealth's Water Charge (Infrastructure) Rules 2010 (WCIR), LMW was deemed a Part 6 operator subject to regulation under Part 6 of the rules. The ACCC accredited arrangements allowed Victoria's independent economic regulator, the Essential Services Commission (ESC) to determine and approve the infrastructure charges of LMW under Part 9 of the WCIR.

After the Commonwealth reformed its framework and introduced its amended Water Charge Rules 2010 (Cth), LMW is subject to the transitional provisions for existing Part 6 operators. The ACCC formed the view that LMW would remain a Part 6 operator under rule 23 after the 30 June 2023 (the conclusion date of its current determination).

LMW sought, and was granted on the 27th of October 2021, an exemption from the operation of the requirements set out in divisions 2, 3 and 4 of Part 6 of the rules. This exemption was, in part, on the basis that Victoria was making arrangements to transition regulation of Basin charges to the ESC under Victoria's regulatory framework.

In late 2021, the Victorian government passed legislation that will have the effect of allowing the ESC to continue to regulate the Basin charges of LMW after LMW's transition period expires on 30 June 2023.

LMW considers that Victoria's regulatory framework operates in a manner consistent with the regulatory thresholds of the Water Charge Rules 2010 and is consistent with the prudency and efficiency requirements in clause 29(2)(b) of those rules. The approach to regulation of LMW's prices under the Victorian regulatory framework aligns with achieving the water charging objectives and principles set out in schedule 2 of the Water Act 2007 (Ct).











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In accordance with rule 23D of the Water Charge Rules 2010, LMW wishes to notify the ACCC that it ceases to be a Part 6 operator and that the application of the requirements in divisions 2, 3 and 4 of Part 6 to LMW would not materially contribute to the achievement of the Basin water charging objectives and principles in Schedule 2 of the Water Act 2007 (Cth).

If you have any further questions, please contact, on or via email	
Yours sincerely	