



Our reference: 18/302-3  
Your reference: PRJ1003415

10 June 2020

  
Director, Water Section  
Special Enforcement and Advocacy Division  
ACCC  


Copied to: , Manager Economic Regulation, Water NSW

**BY EMAIL**

Dear 

**New IPART Ministerial reference for Water NSW's Murray-Darling Basin services**

We **enclose** a copy of a Ministerial reference to IPART dated 29 May 2020, in respect of Water NSW's Murray-Darling Basin services. This document may assist the ACCC after the commencement on 1 July 2020 of amendments to the *Water Charge (Infrastructure) Rules 2010* (Cth) (**WCIR**), when the ACCC will be required to decide:

- ▼ whether Water NSW is a "Part 6 Operator" under the amended WCIR, and
- ▼ if it is, whether it should be exempted from the operation of the WCIR.

**Requirement to consider the approach under rule 29(2)(b)**

Notably, the new Ministerial reference **requires** IPART, whenever it determines maximum prices under the reference, to consider the approach to approving infrastructure charges under rule 29(2)(b) of the amended WCIR. We intend to observe that requirement by:

- ▼ notifying stakeholders, including the general public, of the terms of reference and the requirement to consider the approach under rule 29(2)(b) of the WCIR
- ▼ giving all due consideration to the approach under rule 29(2)(b) of the WCIR in our deliberations regarding maximum prices, and
- ▼ documenting, in a publicly available report, how we considered that matter and how it influenced our decisions.

Further, as noted in our letter of 29 January 2020, our general approach, demonstrated over many years of pricing determinations, is consistent with the approach set out in rule 29(2)(b) of the amended WCIR. That is, IPART generally sets prices that recover efficient costs.

IPART's contact officer for this matter is [REDACTED], Director, contactable on [REDACTED]  
[REDACTED]

Yours sincerely

[REDACTED]

Signed by: Liz Livingstone

**Liz Livingstone**

CEO

Enclosed: Standing reference for the pricing of Water NSW's Murray-Darling Basin Services, NSW Minister for Customer Service, 29 May 2020



The Honourable Victor Dominello MP  
Minister for Customer Service

Dr Paul Paterson  
Chair, IPART  
PO Box K35  
Haymarket Post Shop,  
Sydney, NSW 1240

Dear Dr Paterson

Paul

**Standing reference for the pricing of Water NSW's Murray-Darling Basin Services**

Under section 12(1) of the IPART Act, I hereby refer to IPART, for investigation and report, the determination of the pricing for the Murray-Darling Basin Services.<sup>1</sup> This is a standing reference for IPART to determine the pricing for the Murray-Darling Basin Services from time to time. The reference is to remain in effect until it is withdrawn or replaced.

**IPART must consider the approach under rule 29(2)(b) of the *Water Charge (Infrastructure) Rules 2010 (Cth)***

Under section 13(1)(c) of the IPART Act, I require IPART, whenever it conducts an investigation pursuant to this reference, to consider the following matter: the approach to approving infrastructure charges provided for under rule 29(2)(b) of the *Water Charge (Infrastructure) Rules 2010 (Cth)*, as they will be upon the commencement of the *Water Charge Amendment Rules 2019 (Cth)*.

**Background**

Water NSW provides bulk water services to irrigators and other entitlement holders throughout the part of the Murray-Darling Basin that is within NSW. Those services primarily relate to storing bulk water for, and delivering bulk water to, entitlement holders, using Water NSW's dams, weirs and pipelines. These bulk water services are declared to be government monopoly services within the scope of the *Independent Pricing and Regulatory Tribunal (Water Services) Order 2004*.



Victor Dominello MP  
Minister for Customer Service

Date: 29.5.20

<sup>1</sup> Attachment A to this letter explains defined terms used in these terms of reference.

## Attachment A

### Defined terms used in these terms of reference

*Infrastructure Service* has the meaning given to that term under the *Water Charge (Infrastructure) Rules 2010* (Cth) as at the date of these terms of reference.

*IPART Act* means the *Independent Pricing and Regulatory Tribunal Act 1992*.

*Murray-Darling Basin Services* means all Infrastructure Services supplied by Water NSW as a Part 6 Operator.

*Part 6 Operator* has the meaning given to that term under the *Water Charge (Infrastructure) Rules 2010* (Cth) as at the date of these terms of reference.

The *Murray-Darling Basin* has the meaning given to that term under section 18A of the *Water Act 2007* (Cth).