



Australian
Competition &
Consumer
Commission

A guide to the Water Charge (Planning and Management Information) Rules 2010

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Australian Competition and Consumer Commission
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1. Water Charge (Planning and Management Information) Rules 2010 – an overview

With the commencement of the *Water Act 2007 (Cth)* (Water Act), the Australian Government took on new responsibilities relating to the regulation of rural water pricing in the Murray-Darling Basin (Basin). These include new powers with respect to:

- fees and charges payable to an irrigation infrastructure operator
- bulk water charges
- charges for water planning and water management activities; and
- fees and charges specified under regulations.

On 24 July 2010, the Water Charge (Planning and Management Information) Rules 2010 (the Rules) commenced. The Minister for Climate Change, Energy Efficiency and Water (Minister) made the Rules under s. 92 of the Water Act, after seeking advice from the Australian Competition and Consumer Commission (ACCC).

The Minister has also made the:

- Water Charge (Termination Fees) Rules 2009, and
- Water Market Rules 2009.¹

This guide deals specifically with the Water Charge (Planning and Management Information) Rules 2010 (Rules). Guides to the other rules are available on the ACCC website.

These Rules relate to charges for water planning and water management activities in the Basin. As the Rules have been made under the Water Act, the scope and coverage of the Rules is limited by that Act.

1.1 What do the Rules do?

In line with the requirements of s. 92 of the Water Act, the Rules aim to:

- improve the availability of information about water planning and water management activities funded by government through charges; and
- ensure that information is provided in a way that promotes the Basin water charging objective of pricing transparency in respect of cost recovery for water planning and management.

¹ The Water Charge (Termination Fees) Rules 2009 are made under s. 92 of the Water Act. The Water Market Rules 2009 are made under s. 98 of the Water Act.

The Rules seek to achieve this by requiring the publication of increased and consistent information about charges for water planning and water management activities.

The Rules require persons determining a charge for water planning and water management activities to publish information on the charge, including the details of the charge and the process for determining the charge.

In particular, the Rules will advance pricing transparency by requiring the publication of information on the costs of the activities recovered by charges, details of cost allocation principles applied, and information on whether charges have been subject to consultation, review or audit.

1.2 What is the purpose of this guide?

This guide has been developed by the ACCC to assist persons required to comply with the Rules to understand the Rules and what they must do to comply.

This guide should be read in conjunction with the Rules, the explanatory statement accompanying the Rules and the final advice from the ACCC to the Minister.

The ACCC welcomes feedback on this guide. Comments can be made in writing to water@accc.gov.au.

1.3 What does this guide cover?

This guide will explain:

- what water planning and water management activities are
- what types of charges for water planning and water management activities will be regulated
- who the Rules will apply to
- what information is to be published under the Rules
- when the information must be published including how the transitional period will operate
- where the information must be published.

If this guide does not address an implementation issue of concern to you, we recommend that you contact the ACCC to discuss your particular matter. If you require further advice we recommend you obtain independent legal advice.

1.3.1 What does this guide do?

This guide:

- explains the ACCC's interpretation of the requirements under the Rules
- provides examples of how the Rules will be applied in particular cases.

1.3.2 What does this guide not do?

This guide:

- does not have legal force. Rather, this guide is meant to assist stakeholders in understanding their rights and obligations under the Rules. If parties remain in doubt about the application of any aspect of the Rules, they are encouraged to seek their own independent legal advice.
- does not provide an exhaustive list of what is a water planning and water management charge, or of the information to be published under the Rules. It presents examples for illustrative purposes only. Whether, and how, the Rules apply to a particular charge should be considered on a case-by-case basis having regard to the specific features of that charge.

1.4 Content and structure of this guide

The remainder of this guide sets out information that will assist entities to identify whether a charge is regulated by the Rules and if so, what information must be published to achieve compliance.

A decision framework has been developed to assist entities to understand whether they are required to comply with the Rules. The framework breaks down the key decision points of the Rules into three stages.

Stage 1

Identifying a charge for water planning and water management activities

- What is a charge for water planning and water management activities?
- What is a regulated charge under the rules?
- How do the rules relate to charges associated with urban water supply activities?
- How do the rules apply to bundled charges?

The first stage requires an assessment of whether the charge is a charge for water planning and water management activities under the Water Act and the Rules. This requires the charge to be assessed against a series of elements and to consider whether any restrictions or exemptions apply. Guidance on this process and on what the ACCC considers to be a charge for water planning and water management activities for the purposes of these Rules is contained in chapter 2.

Stage 2

Identifying who is bound by the Rules

- Which person or entity determines the charge?

The second stage requires an assessment of who is bound by the Rules. The person bound by the Rules is the person who determines the charge. This person is required to publish information on the charge. More detail on how to make this assessment can be found in chapter 3.

Stage 3

Identifying the information requirements

- What information must be published under the Rules?
- When must the information be published?
- How and where must the information be published?

The third stage requires consideration of the publication requirements of the Rules; in particular, chapter 3 provides guidance on the specific information and level of detail required, when and where the information is to be published, how the transitional arrangements apply, and the possibility of delegating responsibility for publishing the information.

Because of the different approaches taken by entities currently determining charges for water planning and water management activities, it is difficult to define one approach to publishing information that will satisfy the requirements of the Rules for all charges.

The guide uses hypothetical examples to illustrate key points, however in some cases it refers to actual legislative and other arrangements within the Basin at the time of writing. These arrangements may change following publication of this guide, and details should be verified before relying upon the guidance set out in this document.

The ACCC recognises that not all questions and situations can be reflected in this guide and, as such, will continue to work with entities to help them to identify whether compliance with the Rules is required for particular charges and, if so, what is required to achieve compliance with the Rules.

2. Application of the Rules

This chapter sets out the ACCC's views on how entities should identify whether a charge is regulated by the Rules. It expands on the decision framework set out in the previous chapter and includes illustrations to assist entities in making this assessment.

Rule 4 defines the charges regulated by the Rules. Entities will need to assess their charges on a case by case basis to determine whether a charge is subject to the Rules. As a guide, the ACCC recommends following the steps below.

Stage 1: Identifying a charge for water planning and water management activities

- **Identify whether something is a charge for water planning and management activities**
 - Consider what is a water planning or water management activity
 - Consider the different types of charges for water planning and water management activities
 - Consider what is not a water planning and water management charge
 - Identify whether this is a charge for a water planning or water management activity or activities
- **Identify what is a regulated charge under the Rules**
 - Consider what is a 'regulated water charge' under the Water Act
 - Consider how 'regulated charge' is defined in the Rules
 - Identify whether the charge is a regulated charge under the Rules
- **Consider how the Rules apply to charges associated with urban water supply activities**
 - Consider whether the charge relates to urban water supply activities
- **Consider how the Rules apply to bundled charges**
 - Identify whether the charge relates to both water planning and water management activities and non-water planning and water management activities
 - Identify whether the charge relates to both Basin and non-Basin water planning and water management activities
 - Consider how the Rules apply to bundled charges

2.1 What is a charge for water planning and water management activities?

This section relates to the first decision step. It:

- provides more information on how water planning and water management activities are currently defined
- outlines the current types of charges that are considered to relate to recovering the cost of such activities; and
- provides guidance on what is not a water planning and management charge.

Throughout this section hypothetical illustrations are used to clarify key elements. They are meant as a guide only.

2.1.1 What is a water planning and water management activity?

The Water Act does not define water planning and water management activities. In order to ascertain whether a charge is for water planning and water management activities, entities need to rely on the ordinary and common meaning of the term. In practice, this means the ACCC will have regard to the most up-to-date, public, relevant and comprehensive example of how water planning and management has been defined to help it identify water planning and water management activities.

At the time of drafting the Rules and these guidelines, the ACCC considers that the most useful and comprehensive definition of water planning and water management activities is set out in the National Water Initiative Pricing Principles '*Principles for recovering the costs of water planning and management activities*' (NWI principles).²

The NWI principles describe water planning and management activities as activities:

- to promote the long term sustainability of the resource and to maintain the health of natural ecosystems by minimising impacts associated with water extraction; and
- that are necessary to manage the impacts of past, current and future patterns of water extraction; or

² The Natural Resource Management Ministerial Council endorsed the National Water Initiative (NWI) pricing principles on 23 April 2010. The NWI pricing principles were developed jointly by the Australian Government and state and territory governments to provide a set of guidelines or road map for rural and urban pricing practices and to assist jurisdictions to implement the NWI water pricing commitments in a consistent way. For more information on the NWI pricing principles go to the Department of Environment, Water, Heritage and the Arts website, <http://www.environment.gov.au/water/policy-programs/urban-reform/nwi-pricing-principles.html>

- that are concerned directly with the hydrology of surface and groundwater systems (as opposed to wider catchment management activities, although there are close linkages); or
- that protect the integrity of the entitlement system and the security of users' authorised access to water.

Essentially, water planning and water management activities aim to protect natural ecosystems impacted on by consumptive water use, manage the water entitlement system and plan for future use of the water resources.

The NWI principles include a framework for identifying and classifying water planning and management activities. The framework describes these activities as **including** the following categories:

- collecting and analysing data to gain a better understanding of the levels of extractions as well as the potential implications of extraction for the water system, and managing this data. Such activities include:
 - monitoring and evaluating the health of wetlands and estuaries, including streamflow gauging and monitoring the pressure and levels of groundwater bores
 - water quality assessments for turbidity, nutrient levels, salinity and algal blooms
- developing policies and plans to manage water resources, allocate water among users and the environment and to remediate impacts associated with water use. This may include development of state-wide water use strategies and water use efficiency plans outlining processes to upgrade irrigation and effluent management systems
- undertaking capital works to achieve environmental outcomes. For example:
 - installing fish ladders to enable the migration for native fish through man-made barriers
 - maintaining riparian vegetation to capture sediment and nutrient surface run-off
 - stabilising stream banks to reduce sediment load in the water course
 - constructing salinity interception schemes
- administering water entitlements, including the issue and renewal of, and variation to, water access rights, and administering water trading arrangements

Under the framework, water planning and management is not considered to include activities undertaken to manage the impacts of land-based activities on water resources. For example it would not include measures taken to regulate land-clearing and broader environmental management practices within the catchment (which have impacts on water quality).

Appendix A to this guide reproduces the **complete framework** for classifying water planning and water management activities included in the NWI principles. Entities should use the framework to identify whether a charge relates to water planning and water management activities.

2.1.2 What are water planning and water management activities ‘by or on behalf of government’?

In the context of governments’ NWI commitments, water planning and water management activities are those activities undertaken by or on behalf of governments to manage water resources, and to manage and mitigate the effects of, water use or potential water use. Activities undertaken ‘by government’ include activities where the government directly undertakes or delivers the activities through government departments or agencies. Activities undertaken ‘on behalf of government’ include those activities where the government directs contractors or consultants to deliver the activities.

Under the NWI, governments have committed to identify and attribute the costs of the water planning and water management activities they undertake (or delegate) for the purpose of cost recovery. In the absence of guidance in the Water Act, in interpreting what the Rules will apply to under s. 91(2), the ACCC considers it appropriate that the scope of the Rules is similarly confined to water planning and water management activities undertaken by or on behalf of government.

To adopt a different approach in the context of cost recovery for water planning and management could give rise to inconsistency between the NWI and the Water Act, and could lead to confusion about which entities are required to comply with the Rules.

2.1.3 Charges for water planning and water management activities ‘by or on behalf of government’

Charges for water planning and water management activities undertaken ‘by government’ refers to charges that are imposed to fund, or partially fund, water planning and water management activities undertaken by government departments and/or government agencies.

Charges for water planning and water management activities undertaken ‘on behalf of government’ refers to situations where a person other than a minister or government department has imposed a charge for water planning and water management activities undertaken under the direction of a minister or government department through some delegated, contractual or legislative authority. In other words, the person ‘stands in the shoes’ of the minister or government department in undertaking the water planning and water management activities and imposing the charge.

Frequently, where charges relate to water planning and water management activities undertaken on behalf of government, the charges are set by the Minister under legislation and subsequently imposed by government owned water corporations, catchment management authorities, natural resource management boards, or other publicly owned or operated organisations.

The following hypothetical illustrations are examples of what may or may not constitute charges for activities undertaken “by or on behalf of government”.

Illustration 1

The Department of Water Resources is a government department in a jurisdiction that covers part of the Basin. The Department of Water Resources develops water resource strategies for catchment areas within the Basin including Big River and Little River. Activities identified in these strategies, which promote the long term sustainability of the water resource, include: setting caps on water allocations, detailing water quality monitoring programs, and establishing zones and rules for water trading in respective catchments/water resources. The strategies are developed by the Department and the process includes consultation with stakeholders.

In order to recover a portion of the costs of developing these strategies from water users, the Department of Water Resources imposes an annual amount of \$3.50 per ML on water access entitlement holders diverting water from the Big River catchment and \$4.25 per ML on water access entitlement holders diverting water from the Little River catchment.

The activities fall within the categories of water planning and management activities described under the NWI framework and are undertaken by government. The charges relate to and recover the costs of those activities, and therefore will fall within the definition of a charge for water planning and water management activities for the purposes of the Rules.

Illustration 2

River Irrigation Limited (RIL) is a body corporate that operates irrigation infrastructure and delivers water for irrigation to its customers. Under its operating licence, it is required to carry out certain water planning and water management activities including:

- developing programs to reduce losses from the operator’s distribution network
- metering all new customers
- developing water plans associated with price regulation

As RIL is required to meet its licence obligations in order to provide access to its irrigation network as part of carrying on its business, this is not considered an action undertaken by or on behalf of government. Accordingly, the charges it imposes on its customers that recover costs associated with these water planning and water management activities will not be captured by the Rules.

Illustration 3

Murray Darling Water (MDW) is a government-owned infrastructure operator that operates and maintains water delivery infrastructure within the Basin. MDW must carry out certain water management activities under its licence agreement with the relevant jurisdictional government. As with RIL in illustration 2, under the Rules, these activities are not considered to be carried out by or on behalf of government.

Furthermore, MDW's access charges used to recover the costs of these activities are not charges imposed by or on behalf of government.

In addition to these obligations, under separate legislation and subject to a specific delegation, the Minister for Water Resources delegates responsibility to MDW to administer and process on the Minister's behalf applications for licences to take and use surface and groundwater and for permits to construct works (including dams). Under the Rules, these activities are considered to be carried out by or on behalf of government.

MDW imposes charges, set under regulations, to recover the costs of processing these licence and permit applications. These charges relate to water planning and water management activities carried out on behalf of government and are therefore charges for water planning and water management activities for the purposes of the Rules.

Illustration 4

The Growing Rice Association is a privately-run industry group. The association undertakes voluntary water planning and water management activities to minimise water use and address rising water tables which impact on the water quality of the water course. Such activities include developing a land and water use program which provides guidance to irrigators on how to minimise water use including:

- advising on the most suitable plant types to utilise soil moisture
- outlining whole farm planning techniques to minimise water use
- working with agronomists and other specialists to investigate and experiment with new techniques and technologies

The industry group imposes a charge on members of \$300.00 per year.

While this charge relates to water planning and water management activities, the activities are not carried out by or on behalf of government. The activities are carried out by a private organisation to meet the needs of its members. As a result this charge is not covered by the Rules.

2.1.4 Different types of charges for water planning and water management activities

Where governments undertake water planning and water management activities, they will sometimes seek to recover the costs of these activities through different types of fees and charges.

To be a charge for water planning and/or water management activities, the charge must in some way, have a discernible relationship to a water planning and/or water management activity or set of activities. This does not mean that the charge must necessarily be a direct fee for service. Rather, the charge should have a demonstrable connection to raising revenue in order to fund, directly or indirectly, one or more water planning and/or water management activities.

Across the Basin, governments currently use a variety of charges to recover the costs of, or fund, water planning and water management activities including:

- fees and charges for the issuing of water access rights and other permits
- service / transaction fees
- charges (often in the form of a levy) that fund multiple activities.

Fees and charges for water access rights and other permits

Governments often impose charges that relate to water access rights and other permits. These charges will generally relate to a statutory right to access, take and use water from a water resource or to undertake an activity in relation to that water resource. These types of charges include charges for:

- issuing a new water access entitlement
- renewing a water access right
- permits to undertake water supply works (e.g. drill a bore, install a pump, construct a dam).

These charges do not include fees or charges for access to irrigation networks or for the storage and delivery of water.

Illustration 5

MDW, on behalf of the Minister for Water Resources, processes applications for water access entitlements. To recover the costs associated with these actions, MDW imposes fees of:

- \$1200.00 per application for a groundwater licence
- \$2000.00 per application for a surface water licence
- \$550.00 per application for a permit to construct a dam

These fees for processing applications are charges for water planning and water management activities.

Transaction fees

Transaction fees are charges applied at the point of a transaction for the provision of a good or a service. In relation to water, fees often apply to the following types of transactions:

- application for trade or transfer of a water access entitlement
- application to change or vary a water access right
- lodgement of a transaction with a water registry
- search of a water registry

The activities covered by these charges are generally more administrative in character.

Illustration 6

MDW also impose transaction fees. These fees include:

- \$64.00 per application to temporarily trade water access entitlements
- \$898.00 per application to permanently trade water access entitlements
- \$170.00 for the issue of a water access entitlement on the water register
- \$20.00 to search the water register

These fees are charges for water planning and water management activities.

Charges for multiple activities

Governments use other types of charges to fund multiple water planning and management activities. In these circumstances, charging arrangements can be quite complicated. Charges can be collected from a specified class of person, aggregated or allocated to consolidated revenue and then redistributed by another government agency in order to fund the costs of water planning and water management activities. Depending on the circumstances, the activities to which the charge relates may have already been carried out or could be undertaken at some time in the future.

When charges fund multiple activities, the individuals paying for the activities may not be direct water users. Levies or contributions can be used as a method to recover the costs of water planning and water management activities from the broader community.

Illustration 7

On behalf of the Minister for Water Resources, the Department of Water Resources imposes a water conservation levy on water access entitlement holders. Funds generated by the levy are applied to cover the costs of activities to manage the water resources and mitigate the impacts of consumptive use including:

- collecting data to gain a better understanding of the levels of extraction as well as the potential implications for the river system
- managing the associated database
- developing policies to manage the resource including interstate water sharing plans
- developing specific plans and strategies to remediate problems such as salinity and blue green algae
- implementing these plans and monitoring compliance with the plans.

The water conservation levy is therefore used to fund multiple water planning and water management activities and is a charge for water planning and water management activities for the purposes of the Rules.

2.1.5 What is not a charge for a water planning or water management activity?

The Rules will not apply to penalties or fees as these are not intended to fund a particular activity and are intended as a deterrent or punishment for a particular action. On this basis the following payments will not be subject to the Rules:

- a penalty applied where there has been a contravention of a condition associated with a water access entitlement; or
- an overuse fee (for example, an overuse fee under a groundwater management plan).

2.2 What is a regulated water charge under the Water Act?

This section corresponds to step 2 in the decision framework and provides more information on whether a charge for water planning and water management activities is also a regulated water charge. Many charges for water planning and water management activities are not captured by the Rules as they do not fall within the definition of a regulated water charge. This section is designed to assist entities by outlining how regulated water charges are defined in the Water Act and how the Rules further define regulated charges.

Regulated water charges are defined in s.91 of the Water Act. One category of regulated water charge is a charge for water planning and water management activities (s.91(1)(c)). Accordingly, these Rules only apply to charges for water planning and water management activities within the meaning of s. 91(1)(c).

There are further constraints on what will be a regulated water charge for the purposes of the Rules. Under s. 91(2), the charge, in order to be a regulated water charge, must also relate to:

- Basin water resources; or
- water service infrastructure that carries Basin water resources; or
- water service infrastructure that carries water that has been taken from a Basin water resource; or
- water access rights, irrigation rights or water delivery rights in relation to Basin water resources

Basin water resources and water service infrastructure are both defined in the Water Act. ‘Basin water resources’, as defined in s.4 of the Water Act, means all water resources within, or beneath, the Basin, but does not include:

- water resources within, or beneath, the Basin that are prescribed by the regulations; or
- groundwater that forms part of the Great Artesian Basin.

‘Water service infrastructure’ can be defined as any one or more of the following: infrastructure for the storage, delivery or drainage of water (see ss.4 and 7 of the Water Act).

In effect these definitions require the charge to relate to water planning and water management activities:

- relating to activities undertaken in respect of Basin water resources (e.g. monitoring surface water turbidity along the Murrumbidgee River)
- relating to water service infrastructure that carries Basin water resources (e.g. for example a fish ladder at the Torrumbarry weir to allow fish migration to pass the structure) or that carries water that has been taken from a Basin water resource or
- relating to water access rights, irrigation rights or water delivery rights in relation to Basin water resources (e.g. administering water access entitlements for the taking and use of Basin water resources).

2.2.1 Definition of a charge

A charge may be variously described as: a sum or price charged, a pecuniary burden, encumbrance, tax, lien, a periodic fee, cost, expense, or a liability to pay. This list is non-exhaustive.

2.2.2 Regulated charges as defined under the Rules

The Rules use the term ‘regulated charge’ to describe the regulated water charges under s. 91(1)(c). This is because the Rules are not intended to capture other regulated water charges as defined in s.91(1) of the Water Act.

The Rules define a *regulated charge* as ‘a charge for water planning and water management activities to which Part 4, Division 1 of the Water Act 2007 applies.’

This definition has the effect of excluding charges that are captured by the Water Charge (Termination Fees) Rules 2009³, and any other fee or charge (however described) of a kind referred to in paragraph 91(1)(a), (b) or (d) of the Water Act and the Water Amendment Regulations 2010 (No.1).

This avoids duplication of regulation under the Water Act for charges imposed by infrastructure operators.

³ For information on the Water Charge (Termination Fees) Rules see the Department of Environment, Water, Heritage and the Arts website, <http://www.environment.gov.au>. For guidance material on these rules see the ACCC website, <http://www.accc.gov.au/water>

Illustration 8

River Irrigation Limited (see illustration 3) imposes an access fee of \$17.00 per ML of water delivery right. This charge recovers costs associated with providing access to its irrigation infrastructure network. A portion of this access charge is used to recover the costs of water planning and water management activities necessary for the operator to comply with the requirements of its operating licence and to provide a service to its customers.

As this charge is payable to an infrastructure operator for access to the operators' irrigation network, the charge falls under s. 91(1)(a) of the Water Act and is not a charge for water planning and management activities.

2.3 How do the Rules relate to charges associated with urban water supply activities?

This section corresponds to step 3 in the decision framework. It provides guidance on how the Rules apply to charges for water planning and water management activities where all or part of which may relate to urban water supply activities.

Section 91(3) of the Water Act specifies that water charge rules do not apply to charges in respect of urban water supply activities beyond the point at which the water is removed from the Basin water resource.

This has the effect of excluding charges for water planning and water management activities for urban water supply which are undertaken for non-Basin water resources or where activities are undertaken after the water has been removed from the Basin water resource (e.g. dams or reservoirs) for urban use.

The term “urban water supply activity” is not defined in the Water Act and must therefore be defined according to its ordinary meaning. One such meaning that might be ascribed to urban water supply activity is a supply of water to a place that can be characterised as a city or town.

Consistent with the information set out above, if a portion of the charge relates to activities for urban water use that occur before the water leaves the Basin water resource, the charge will still be captured by the Rules.

Illustration 9

MDW imposes an urban water program charge of \$2.50 per quarter on all urban water users. This fund relates to an urban water treatment program run by MDW, under direction from the Minister for Water Resources.

The urban water treatment program involves the treatment of Murray river water in a specifically designed facility close to an urban town centre once the water has been removed (or diverted) from the Basin water resource.

As the activity occurs after the water has been removed from a Basin water resource, the urban water program charge will not be captured under the Rules.

Illustration 10

MDW imposes a salt water interception scheme charge of \$2.50 per quarter on all urban water users.

This charge is in relation to activities to run a salt interception scheme. The salt interception scheme relates to Basin water resources and works by reducing the amount of salt entering the river that is used, in part, to supply urban drinking water.

The scheme was constructed and is run by the regional Catchment Management Authority and the MDW under a contract with the Minister for Water Resources. The costs of the activities associated with the scheme are recovered through the salt water interception scheme charge, which is determined by the Minister for Water Resources, and imposed by MDW.

The activities associated with the salt interception scheme are consistent with the definition of water planning and water management activities in the Act, and relate to Basin water resources. In addition, the activities occur on river and are undertaken prior to the point at which the water is removed from a Basin water resource. The charge is therefore captured by the Rules.

2.4 How do the Rules apply to bundled charges?

Currently, some charges are imposed to fund a bundle of activities. Depending on the particular charge, these activities may include water planning and water management activities and non-water planning and water management activities; they may also relate to Basin water resources and non-Basin water resources.

This section corresponds to step 4 in the decision framework, and provides guidance on how the rules apply to bundled charges.

2.4.1 How do the Rules relate to charges for both water planning and water management activities and other activities?

In some instances, a charge may relate to other activities as well as to water planning and water management activities. This may occur where an agency provides water planning and water management activities along with services associated with other natural resource management functions such as catchment management, biodiversity or native vegetation management services. Charges which recover the costs of water planning and water management activities bundled with other natural resource management activities reflect the institutional arrangements in some Basin states.

The Rules will apply to these bundled charges when a portion of the charge relates to water planning and water management activities. However, while bundled charges may be regulated charges under the Rules, the publishing requirements will only relate to that portion of the charge that relates to water planning and water management activities. See section 3.2.1 for more details.

Illustration 11

The Basin Regional Catchment Board is a statutory government-owned corporation which has a number of natural resource management functions conferred on it by an Act of Parliament. The Board imposes an environmental management levy on local ratepayers, and for the financial year 2009-10 this levy was set at \$4.60 per property. The money collected is used to fund a broad range of natural resource management activities including:

- stabilisation of water courses (including streambeds, stream banks and gullies) to halt erosion and reduce sediment and nutrient inputs.
- coordination of on-ground activities to reconnect floodplain wetlands to waterways
- floodplain management, including providing advice to landholders on flood planning; and
- minimising the impact of pest plants on natural habitats along wetlands for the protection of wildlife.

The activities to minimise the impact of pest plants for the protection of wildlife are not considered water planning and water management activities, as they do not fit within the definition of water planning and management under the NWI principles. However, as the environmental management charge relates to funding at least some water planning and water management activities relating to Basin water resources (the first three dot points above) it is captured by the Rules to that extent.

2.4.2 How do the Rules relate to charges in respect of Basin and non-Basin water resources?

Section 91(2) of the Water Act provides that for a charge to be considered a regulated water charge, the charge must relate to Basin water resources (or other matters specified in that section).

Not all water resources within some of the Basin states will fall within the Basin. However water planning and management charges may apply across the whole of a Basin state and may relate to both Basin and non-Basin water resources.

Where a charge relates to funding multiple water planning and water management activities undertaken across a Basin state, it will be important to assess whether the water planning and water management activity relates to Basin water resources. As outlined in section 2.2, Basin water resources means all water resources within, or beneath, the Basin, but does not include:

- water resources that are prescribed by the regulations; or
- groundwater that forms part of the Great Artesian Basin.

As long as some portion of the charge is associated with water planning and water management activities relating to Basin water resources, subject to s. 91(3) of the Water Act, the charge is captured by the Rules.

Illustration 12

The Department of Water imposes a water conservation charge on all users of water (including urban, rural and commercial users) within the jurisdiction. The charge is used to fund the following water planning and water management activities:

- improving groundwater management by conducting groundwater testing and monitoring
- providing environmental flows for stressed rivers
- other river health research and innovation activities.

The activities associated with improving groundwater management, including monitoring the pressure and levels of groundwater bores, are undertaken in respect of water connected to the Great Artesian Basin which is not considered to be a Basin water resource.

The remaining activities are carried out in relation to Basin water resources. The water conservation charge relates to Basin water resources and non-Basin water resources. However, as a portion of the charge is recovering the cost of WPM activities relating to Basin water resources, the charge is captured by the Rules.

3. Publication requirements

This chapter provides further detail on stages 2 and 3 of the decision framework. It explains:

- who is bound by the Rules
- what information is required to be published under the Rules
- when the information must be published
- where the information must be published; and
- other related requirements.

3.1 Who is bound by the Rules?

Stage 2: Identifying who is bound by the Rules

Who is bound by the Rules?

- Which person or entity determines the charge?
- Does the person with the formal power to determine the charge delegate that power to another person or agency?

Rule 5(1) requires the person determining a regulated charge to publish (or cause to be published) specified information.⁴

The ACCC considers the person determining the charge to be the person who is legally responsible for setting the amount of the regulated charge that will be imposed by the charging entity on the person paying the charge.

As used in the Water Act, **person** includes bodies corporate and politic as well as natural persons.⁵ The identity of this person will vary in the case of different regulated charges. This is because there are many different persons responsible for setting charges for water planning and water management activities within the Basin. Such persons may include government ministers, heads of government departments and statutory authorities (e.g. Secretary or CEO).

To identify who is the person determining a particular charge it will be necessary to consider the charge-setting process (and the legal framework). In this context,

⁴ See Section 92(3)(j) of the Water Act. The rule making power in section 92(j) of the Water Act is limited to imposing publishing requirements on persons determining the amount of regulated water charges.

⁵ See s. 22 of the *Acts Interpretation Act 1901* (Cth)

‘determining’ is not limited to formal price determination processes undertaken by an independent regulator. Determining will include processes where charges are:

- declared by a minister
- established in regulations or statutory rules (in which case, the charges may be set by the governor-in-council, generally on recommendation of the responsible minister, or by a board, committee or body with the consent or approval of the Governor in Council or some other similar procedure)
- implemented by an agency through by-laws or local laws
- determined by an agency (including a statutory authority) under delegation of authority from a minister.

With some charges, a number of persons may be involved at different stages in developing the charge, but the requirement to comply with the Rules will fall on the person with the legal power to determine the charge (that is, the person who has the final decision on the charge).

For example, in South Australia, the NRM Boards develop NRM plans in which they set out proposals for the amounts of NRM water specific levies. The minister declares the levies in accordance with s. 101 of the *Natural Resources Management Act 2004*. The minister therefore determines the levy and is required to publish information under the Rules.

The person with formal legal responsibility for determining the charge may not be the person or agency formulating the charge in practice. For this reason, rule 5(1) has been drafted to allow the person with the legal power to determine the charge to satisfy their obligations under the Rules by causing the information to be published by a delegate (most likely, the agent formulating the charge).

For example, the Governor in Council makes regulations under the *Water Act 2000* (Qld) that set out in schedules 14 and 16 of the *Water Regulations 2002* (Qld) the fees and charges payable to the CEO of the Queensland Department of Environment and Resource Management (DERM) for various water planning and water management activities.

The Governor in Council determines the fees and charges for the purposes of the Rules but it is unlikely that the Governor in Council will have access to the information to be published under the Rules. In this case, it would be appropriate for the Governor in Council to cause DERM, as its agent, to publish the information.

Where a person merely imposes or passes on the charge and that person does not determine the charge, then that person is not required to comply with the Rules in relation to the charge pass-through.

Illustration 13

River Irrigation Limited holds a water access entitlement on which the Department of Water Resources imposes a water management levy. The privately owned irrigation company passes on the cost of the water management levy to its customers. As it does not determine the amount of the water management levy imposed by the Government, even though it decides how much of that charge to recover from its customers, River Irrigation Limited will not be required to publish information under the Rules.

Illustration 14

When it issues its rates notices to residents, the Local Council recovers from ratepayers the Environmental Management Levy it pays to the Basin Regional Catchment Board for the carrying out of various water planning and water management activities. Because the regulated charge is the amount levied on the Local Council by the Basin Regional Catchment Board and not the amount the Local Council seeks to recover from ratepayers to cover its payment of the levy, the Local Council is not obliged to publish information on the Environmental Management Levy.

3.2 What information must be published under the Rules?

Stage 3: Identifying the information requirements

- what information must be published under the Rules?
- when must the information be published?
- How and where must the information be published?

Rule 5(2) sets out the information that must be published in relation to a regulated charge.

Rule 5(2) requires the following information to be published:

- the name or a description of the regulated charge
- the amount of the regulated charge (whether expressed as a dollar amount or as fee units) or details of rates, fixed and variable components and all other details necessary to determine the amount
- the legislative, contractual or other authority for the regulated charge
- a description of the process applied in determining the regulated charge including—
 - the cost allocation principles; and
 - whether the regulated charge has been the subject of consultation, a review or audit and, if it has, a description of the process of the consultation, review or audit and a summary of its outcome

- the class of persons by whom the regulated charge is payable
- the person to whom or agency to which the regulated charge is payable
- when the regulated charge is payable and, if payable by instalments, the number of instalments and intervals at which they are payable
- if applicable, the water resource, catchment or district, and the water resource plan or other plan, to which the regulated charge relates
- if applicable, the class of water access right, water delivery right or irrigation right to which the regulated charge relates
- a description of the water planning and water management activity or activities to which the regulated charge relates including, in relation to each activity:
 - the financial year or other period during which the activity is being, or is to be, carried out
 - the actual or estimated operating, capital and corporate services costs of the activity in respect of the financial year or other period
 - whether the costs of the activity have been the subject of consultation or a review or audit
 - the relationship between the costs of the activity and the calculation of the regulated charge
- any other information the person determining the charge considers necessary or desirable to explain the regulated charge.

The information required to be published should enable a person paying the charge to understand the amount they must pay, and the basis on which the charge is calculated. This information provides a transparent link between the charges imposed by the determining entity, the activities the charges relate to and the costs incurred in carrying out those activities.

Across Basin states, charges for water planning and water management activities vary considerably in different ways, including:

- the type and structure of the charge
- the principles and method for calculating the charge
- the activities being funded by revenue collected through the charge, and
- the persons on whom the charge is imposed.

Because of this variation, the Rules do not specify a uniform format for the published information and the ACCC expects that the information published for regulated charges will vary in length, content and detail depending on the charge in question.

Some sub-rules, such as 5(2)(h) and 5(2)(i), require the publication of some (specified) information only if it is applicable to the charge in question. For example, some water

harvesting charges that recover the costs of specific water planning and management activities relate to a particular water resource, catchment or district. In such circumstances, the Rules require the details of the specific water resource and relevant water resource plan to be identified. However, other charges, such as those for the search of a water registry, do not relate to specific water resources, catchments or districts and the requirement to publish this detail will not apply.

Rule 5(2)(j)(ii) requires entities to publish information on the actual or estimated operating, capital and corporate services costs of the activity or activities to which the charge relates in respect of the financial year or other relevant period.

The ACCC understands that reporting on these separate categories of operating, capital and corporate services costs for particular activities may be challenging initially, but considers that benefits arising over time from identifying this information will outweigh the costs involved. Such information should ultimately assist entities determining water planning and management charges to give effect to consistent approaches to pricing and attributing water planning and management costs and to implement the NWI pricing principles.

Requiring information to be disaggregated in this way:

- increases transparency of the costs of water planning and water management activities
- improves understanding of where costs are incurred in carrying out particular activities (i.e. is the main cost in capital works or in operating costs?)
- encourages entities to improve their reporting systems to better identify and account for those costs.

In time, this information will assist entities in establishing priorities for undertaking activities, developing budgets, structuring charges to recover costs and identifying potential cost savings.

In some instances, publishing information to satisfy one sub-rule may, by default, satisfy another. For example, when publishing the rates of the charges (required by sub-rule 5(2)(b)), it may also be necessary to describe the class or classes of person by whom the regulated charge is payable (required by sub-rule 5(2)(e)).

In some instances, the entity required to publish the information may not be in possession or control of all of the required information. If the determining entity is not in possession of the information and cannot compel its provision or otherwise obtain that information through cooperative or voluntary means, an explanation of the reasons for the deficiency in the published information should be provided.

Table 1 in Appendix 2 sets out each of the information requirements as listed above with an explanation of what will be required to be published to satisfy the requirement and some examples to illustrate how the requirement may be satisfied.

Refer to Table 1 in Appendix 2 for the information requirements set out in rule 5(2).

3.2.1 Publication of information on charges that include non-regulated components

In some cases, only part of a charge will be considered to be a regulated water charge for the purposes of these Rules ('bundled charges'). Situations where this may arise include where a charge recovers the cost of water planning and water management activities as well as other activities, or when the charge relates in part to activities undertaken in an urban area in relation to water beyond the point where it has been removed from a Basin water resource. These charges are described in sections 2.3 and 2.4 of the previous chapter.

As outlined in sections 2.3 and 2.4, the Rules will apply to the charge:

- only to the extent that it is a charge for water planning and water management activities
- only to the extent that the charge relates to Basin water resources or other matters set out in s. 91(2) of the Water Act, and
- not to the extent that s. 91(3) applies.⁶

This means that the scope of information that can be required to be published can only cover the water planning and management activities to which the charge relates and the costs of those activities:

- where these activities are undertaken in relation to Basin water resources, infrastructure or water access entitlements or other specified matters; and
- where the charges relate to activities in respect of non-urban water supply activities or to urban water use prior to the point at which the water has been removed from the Basin water resource.

In other words, the Rules compel entities to publish information on the water planning and management charge to the extent that it is regulated under the Water Act, i.e. to the extent that it relates to matters listed in s. 91(2) and excludes charges referred to in s. 91(3).

Existing water planning and management charges may not recognise the distinction made in the Water Act between water planning and water management activities and non-water planning and water management activities, and Basin and non-Basin areas. For these charges, publication of information relating only to the regulated aspects of the charge may result in information that is incomplete, impractical or misleading. The ACCC also recognises that it could be extremely resource intensive to disaggregate the information on the charge relating to the regulated and non-regulated components.

⁶ S.91(2) refers to Basin water resources; water service infrastructure that carries Basin water resources; water service infrastructure that carries water that has been taken from a Basin water resource; and water access rights, irrigation rights or water delivery rights in relation to Basin water resources. s. 91(3) excludes charges in respect of urban water supply activities beyond the point at which the water has been removed from a Basin water resource.

In these circumstances, the determining entity may elect, for reasons of transparency, practicality and accuracy, to publish the required information as it relates to the entire charge (including both regulated and non-regulated components). At least during initial implementation of the rules, the ACCC would welcome this approach where it is necessary to achieve a practical outcome; however it also encourages entities to separately identify the regulated components of the charge (especially where it concerns the costs of activities and the region or catchments to which the activities relate) to the extent possible.

The ACCC expects that entities determining water planning and management charges will improve the quality and detail of information that will be published for particular charges as they move toward more consistent charges for water planning and management in line with their NWI commitments and with the adoption and implementation of the NWI pricing principles.

Illustration 15

The water conservation charge (see illustration 12) is considered to be a regulated charge for the purposes of the Rules. It recovers the costs of activities that are undertaken both with respect to Basin water resources and non-Basin water resources.

For this charge, the Department of Water Resources (the entity determining the charge) will need to identify the water planning and water management activities funded by the charge that are undertaken in relation to Basin water resources.

Once these activities have been identified, the Department will be required to publish the information specified in rule 5(2) on the charge to the extent that it relates to activities to provide environmental flows for stressed rivers and river health research and innovation – the activities considered to be in relation to Basin water resources. The Department is not required to publish information on the charge in relation to the activities for improving groundwater management to the extent that these activities are undertaken in respect of groundwater in the Great Artesian Basin. However, the Department could elect to include this information in the published material where it considers this would be appropriate.

3.2.2 In what format must information be published?

The Rules do not prescribe a specific format for published information.

Can existing published information satisfy the Rules?

The ACCC recognises that for many water planning and management charges entities already publish a range of documents containing some or all of the information required by the Rules. The aim of the Rules is to improve the transparency and availability of this information by improving its availability and accessibility.

Where existing information is consistent with the information requirements in rule 5(2), this information does not necessarily need to be reformatted or re-published. However, determining entities must ensure that, for each charge, all the required information is

published and that the information is published consistently with the requirements of sub-rules 5(4), 5(5) and 5(6).⁷

In many cases, existing published information will not meet all the requirements of 5(2) or will not be published in accordance with rule 5(4) (i.e. available on the one website). As a result, determining entities will need to amend or modify the format or availability of existing documents to capture or refer to the outstanding information.

Where existing information is not suitable for amendment or cannot be easily adapted to include the additional requirements under the Rules, it will generally be preferable to prepare a new standalone document. A standalone document will be particularly beneficial where existing information is contained in multiple documents for which the format cannot be easily amended to accommodate additional requirements of the Rules. However, this is not a formal requirement of the Rules.

The standalone document could be prepared so that it contains all of the required information or, alternatively, it could be prepared in the form of an overview document which indicates where the information on the charge can be located in existing material and which provides links to those documents. This may be the most straightforward and least resource intensive option for determining entities, and will improve the accessibility and level of transparency for those paying the charges.

One issue which might arise with respect to adapting existing information is that such information will not always be published by the same person formally responsible for publishing information under the Rules. The Rules allow for the person determining the charge to arrange for another person to publish information on their behalf. This enables arrangements where the person responsible for publishing existing information may publish information under the Rules as the agent for the person determining the charge.

Can information about a range of regulated charges be published in the same document?

If an agency has a range of transaction fees or administrative charges that will be regulated charges under the Rules, depending on the volume of information to be published about each charge, it may be appropriate to compile the information required about each regulated charge into a single, consolidated document.

3.3 When must the information be published?

Rule 5(3) sets out when information on regulated charges must be published.

These Rules commenced on 24 July 2010. From this date until 30 June 2011 a transitional period applies.

When information must be published will depend upon the operation of the transitional period and when the regulated charge has taken effect.

⁷ These sub rules are discussed further in the guide in section 3.4.2.

3.3.1 When is a charge considered to have taken effect?

To determine when information must be published under the Rules for a particular charge, it is necessary to determine when the charge has ‘taken effect’. Similarly, if there is a change to the charge it is necessary to determine when that change has ‘taken effect’.⁸

A charge, or a change in a charge, will be considered to have taken effect when the charge has been determined by the relevant authority and the period during which the charge is valid has commenced. In the case of charges set by regulators, the period will commonly commence on, and relate to, a financial year. In the case of charges set under regulations or statutory rules, it will be the relevant commencement date of the rules or regulations.

Illustration 16

The Water Resource Regulations 2008 specify a commencement date of the 4 October 2008 for fees associated with an application to access, trade or transfer a water access entitlement. The charges set out in the regulations at that date are considered to have taken effect on that date.

3.3.2 Frequency of publication

Once information has been published on the regulated charge, there is no requirement in the Rules for determining entities to update this information on an annual or other basis. The only time published information will need to be updated, or amended, is when there is a change to the name, description or amount of the charge. If there is a change of this type to the charge after the transitional period, and after the information on the charge has been published, that information must be updated and re-published to reflect the change (this will also require publication of notice of the change in relevant newspapers).

For changes to other elements of the required information, republication is at the discretion of the determining entity.

Change to the amount of the charge

The requirement to republish information as a result of a change in the amount of the charge may depend upon how the amount of the charge is expressed in the information that was previously published.

A change to the amount of the charge will include instances where the amount has been adjusted to account for movement in the Consumer Price Index (CPI). However, if the amount of the charge is expressed in the published information in a way that enables the person to determine the amount of the charge including any CPI adjustment, it is unlikely that information on the charge will need to be updated.

⁸ Publishing information on the costs and details of the activities associated with the charge (as required in rule 5(2)) at the point at which the charge takes effect will possibly require the information published on costs and activities to be prospective in nature and will require information to be published based on estimates.

If the amount of the charge has been expressed as a fee unit or a formula it is also unlikely that the published information will need to be updated to account for changes in the amount, provided that the inputs used to calculate the amount of the charge are clear.

Illustration 17

The fee imposed by MDW, on behalf of the Minister, to recover the costs associated with issuing an application for a groundwater licence is published in the following manner:

- for the financial year 2009-10, the fee imposed in respect of an application for a groundwater licence is \$1200.00.

If, in subsequent financial years, there are any changes in the amount of the charge (for example, changes resulting from an annual increase in CPI), the Rules require the information on the charge to be republished to reflect the change(s).

However, republication is not required if the charge was previously expressed as an amount providing for annual adjustment in accordance with CPI, for example:

- The fee imposed for an application for a groundwater licence is \$1200.00 (as at July 2009, adjusting each financial year for CPI).

MDW also imposes a fee to search the water register. At the time the charge is set the amount of the charge is \$20. However, the amount of the charge is expressed in the published information in the following manner:

- Fee to search the water registry: 2 fee units.

The amount (2 fee units) is set under the Water Resources Regulations 2008. The Treasurer declares the value of a fee unit to be \$10 by way of a notice published in the Gazette in accordance with the Monetary Instruments Act 2006.

If the Treasurer declared a new value for a fee unit (for example, at the start of a new financial year), the Minister determining the search fee would not be required to republish information on this charge. This is because the number of fee units remains the same. Conversely, if the Minister altered the number of fee units to 3, the Minister would be responsible for publishing details of the change in the charge.

3.3.3 What is the purpose of the transitional period?

From the date the Rules are registered, a transitional period applies prior to the Rules taking full effect to assist those determining regulated charges to understand and implement their responsibilities under the Rules.

The ACCC anticipates that persons determining regulated charges may need assistance with clarifying their responsibilities under the Rules. The transitional period provides an opportunity to clarify issues and to take steps to comply with the Rules.

The ACCC also recognises that, in the case of information on many existing charges for water planning and water management, the information required to be published under the Rules is likely to be wider in scope and more detailed than the information currently made available.

The transitional period provides agencies with an opportunity to:

- review charges and identify those that will be regulated charges
- modify and adapt existing published information to meet the requirements of the Rules; and
- update and strengthen accounting and reporting systems if necessary.

3.3.3 How will the transitional period apply?

The Rules will apply differently depending on whether the regulated charge is:

- an existing charge that will continue to apply after commencement of the Rules; or
- a new charge taking effect during the transitional period.

Existing charges that will continue to apply beyond the transitional period

Where there is an *existing* charge that will be regulated under the Rules, and that charge has taken effect at the date of commencement of the Rules, information on that charge must be published by or **before the end of the transitional period**.

Illustration 18

On 1 July 2010, the Rules are registered and the 12 month transitional period commences.

Section 62 of the Water Resources Act 2006 provides that the Governor in Council may make regulations to fix fees payable to the Minister for processing an application to trade a water access entitlement.

The fees payable are set out in the Water Resources Regulations 2008.

The regulations are currently in force and will not be replaced until 2018.

As the fees have taken effect prior to the commencement of the Rules, the Governor in Council (or more likely the Department for Water Resources as the agent for the Governor in Council) must publish information on the charge before the end of the transitional period.

New charges that take effect during the transitional period

If a **new** charge takes effect during the transitional period, information on that charge must be published no later than three months after the date on which the regulated charge takes effect or before the end of the transitional period, whichever is the later date.

Illustration 19 – existing v new charge

On 1 July 2010 the Rules are registered by the Minister, and a 12 month transitional period commences.

The Department of Water Resources first determined the water conservation levy on 1 June 2011, which falls within the transitional period. The person determining the charge must publish information relating to this charge by 1 September 2011 – three months after the charge has taken effect as this is the later date.

3.3.4 After the transitional period

After the end of the transitional period, when a new regulated charge is introduced, the information required by the Rules must be published before the regulated charge takes effect.

If there is a change in the name, description or amount of a regulated charge after the transitional period, updated information must be published before the change takes effect.

3.4 Where must information be published?

3.4.1 Publication of information

Rule 5(4) sets out where information must be published.

The information must state that it is published in accordance with the Rules.

The information set out in rule 5(2) must be published, together with a statement that the information is published in accordance with these Rules, either:

- in the Australian Government Gazette; or
- while the regulated charge is current, on the Internet site of the person that determined the charge or the person to whom or agency to which the charge is payable.

Where information is published electronically, the information must be made available on the chosen Internet site while the regulated charge is current. The duration of this period will vary according to the regulated charge in question.

Publishing information on the Internet will make it cost-effective and widely accessible for many people. However, recognising that not everyone has access to the Internet and that the Internet is a transient repository for information, the Rules also allow for

publication of the information in the Australian Government Gazette as a supplementary or alternative measure to publication on the Internet.

In practice, most people paying charges will seek information about that charge from the agency responsible for billing or imposing the charge. For this reason, the rule provides for publication on the Internet site of either the person determining the charge or the person to whom the charge is payable. The decision about which website to publish the information on can be made by the person determining the charge.

Illustration 20

The water management levy is determined by the Department of Water Resources, and it is therefore the Department that is responsible for publishing information on the charge. However, the Independent Financial Regulator (IFR) undertakes a price determination process, including a detailed assessment of the water planning and management activities and costs. The IFR then publishes this information on its website. As a result, the Department of Water Resources may refer to the information on the IFR's website when fulfilling the requirements of the Rules.

3.4.2 Notice and availability of information

Rule 5(4) requires the information to be made available during business hours.

Rule 5(5) requires notice of the availability of information to be given.

Rule 5(6) requires information to be made available on request.

The information must be made available, while the regulated charge is current, during business hours at the principal place of business of the person that determined the regulated charge or the person to whom or agency to which the charge is payable.

As noted above, this recognises that people paying charges will seek information about that charge from the agency responsible for billing or imposing the charge. This requirement, together with the requirement in rule 5(6) to provide information on request, is to ensure that information is readily available for those people who do not have access to the Internet.

In addition to publishing the information on the Internet or in the Australian Government Gazette, a notice must also be published at or about the same time in a newspaper circulating generally in the areas where any person liable to pay the regulated charge resides or carries on business or, if there is no such newspaper, in such newspapers as circulate generally in each part of the area. This requirement to give notice helps create awareness that information about the regulated charge is available and will improve public understanding of the charges being imposed and the activities being funded through regulated charges.

If a person requests a copy of the information, a copy must also be provided to that person by the person that determined the charge (or by their agent) as soon as possible after the request is made.

Appendix 1

NWI Pricing Principles on Cost Recovery for Water Planning and Management⁹

Activity Framework

A framework for classifying water planning and management activities

This Appendix outlines a framework which classifies water planning and management activities. It is important to note that the costs of some of these activities will be allocated entirely to governments (e.g. water reform, strategy and policy). An asterisk (*) denotes the activities where this is the case.

It should be noted also that there will be capital and corporate services costs associated with each of the activities listed in the framework.

Capital costs can include the provision of infrastructure (e.g. physical works such as streamflow gauging stations, monitoring bores and control weirs) and systems (e.g. water registers and water accounting systems).

Corporate services can include the delivery of corporate services (e.g. legal, IT, communications, human resources, financial management and records management) and corporate planning functions (business and strategic planning and reviewing performance against these plans).

A. WATER REFORM, STRATEGY & POLICY (*)

1. Development of intergovernmental agreements

- a) e.g. the National Water Initiative, Murray-Darling Basin Agreement, Lake Eyre Basin Intergovernmental Agreement etc.

2. Development of broad strategies for managing water

- a) e.g. State Water Plan (Western Australia), Securing our Future Together – White Paper (Victoria), State Water Management Outcomes Plan (NSW).

3. Development and/or refinement of overarching statutory instruments

- a) e.g. Water Management Act 2000 (NSW), Water Act 2000 (Queensland).

⁹ Framework as released in the NWI principles. <http://www.environment.gov.au/water/policy-programs/urban-reform/nwi-pricing-principles.html>

Overarching legislation does not include statutory-based, catchment/valley/regional-level water plans or other secondary/subordinate legislation that operationalises water planning and management.

B. WATER PLANNING

1. Water resource planning

- a) Development of water resource plans:
 - i. Cross border water plans - sharing and management (inc. allocation) of water resources in cross-border areas;
 - ii. Regional water plans - sharing and management of water resources between catchments where interconnectivity occurs (either naturally, or as a result of infrastructure, i.e. a pipeline);
 - iii. Catchment scale water plans - allocation and sustainable management of water resources (strategic and operational), including planning for current and future water use, environmental flow arrangements;
 - iv. Localised water plans - plans developed to address specific water resource problems (quantity or quality) at a local level;
 - v. Other water plans - plans developed at a local or catchment level to address other water management issues, such as water or floodplain harvesting or drainage issues;
- b) Operationalisation and implementation of plans:
 - i. development of rules for water sharing (including environmental shares);
 - ii. determining water availability and distribution (e.g. announced/seasonal allocations);
 - iii. establishing system operating rules, monitoring and reporting requirements etc.;
 - iv. storage and delivery of water to achieve environmental outcomes;
- c) Monitoring and evaluation of planning outcomes and progress against targets (including compliance);
- d) Review of water resource plans / development of new plans.

2. Environmental and ecosystem management planning

- a) Development of environmental management plans where related to water resources (e.g. salinity, blue green algae, riverine management);

- b) Development of plans to manage water-dependent ecosystems (e.g. riverine zones, estuaries, wetlands).

C. WATER MANAGEMENT

1. Measures to improve water use

- a) Water use efficiency programs (irrigation, commercial, urban);
- b) Development of property level water management plans;
- c) Great Artesian Basin Sustainability Initiative;
- d) Flood Plain Management.

2. Construction of works (not significant water supply infrastructure)

- a) construction of weirs, replacement of bores etc., to achieve water management outcomes.

3. Environmental works

- a) Works to reduce or remediate environmental impacts arising from water use.

D. WATER MONITORING & EVALUATION

1. Monitoring and evaluation of water resources

- a) Water resource monitoring:
 - i. Streamflow gauging;
 - ii. Groundwater bore monitoring (pressure and levels);
 - iii. Water quality monitoring (surface and groundwater resources).
- b) Water use monitoring:
 - i. Collection of water use information (metering, surveys).
- c) Water resource assessment:
 - i. Hydrological and hydraulic assessment;
 - ii. Water quality assessment (e.g. turbidity, nutrient monitoring, salinity, algal blooms etc);
 - iii. Surface water / groundwater interconnectivity;
 - iv. Effects of land use change, land clearing, climate change, etc.

2. Monitoring and evaluation of water dependent ecosystems

- a) Monitoring and evaluation of riverine health (flow and non-flow elements), wetland health, estuary health.

E. INFORMATION MANAGEMENT & REPORTING

1. Water resource accounting

- a) Development of frameworks and systems;
- b) Data collection and processing.

2. Publication of water resource information

- a) Water use statistics, water trading statistics, resource condition and assessment reporting, etc.

F. WATER ADMINISTRATION & REGULATION

1. Administration of entitlements and permits

- a) Granting of water allocations, entitlements and permits to users (incl. bulk water entitlements);
- b) Processing of applications and transactions;
- c) Management of bulk water entitlements;
- d) Ensuring compliance with licence and other conditions;
- e) Regulation of water-related works or developments (e.g. dams, bores, pumping equipment);
- f) Benchmarking costs and standards of water planning and management activities (where applicable).

2. Development of entitlement frameworks

- a) Overland flow, interception, non-use 'entitlements'.

3. Administration of water trading arrangements

- a) Development and regulation of trading frameworks;
- b) Facilitation and administration of water trading.

4. Business administration

- a) Pricing review and implementation;
- b) Financial management and reporting (e.g. costing, revenue monitoring);
- c) Billing and debt management.

5. Administration of water metering arrangements

- a) Development of metering requirements and standards;
- b) Implementation of metering requirements;
- c) On-going management of metering activities.

G. WATER INDUSTRY REGULATION

1. Oversight of water businesses

- a) Review of water business operations to ensure compliance with statutory requirements.

Appendix 2

Information requirements

Table 1

Information Requirement	Explanation	Illustrations
5(2)(a) the name or a description of the regulated charge	This should be the formal name of the charge as expressed in legislation or, where the charge does not have a formal name, the name by which the charge is commonly identified. In cases where the charge has no name, a description may present the only method of identifying the charge.	<ul style="list-style-type: none"> • Water conservation levy imposed under the <i>Use of Water Act 2009</i> <hr/> <ul style="list-style-type: none"> • Water management charges with respect to Running River Catchment Management Plan area <hr/> <ul style="list-style-type: none"> • Transaction fees made under the Water Resources Regulations 2008, including: <ul style="list-style-type: none"> • Fee for transfer or trade of a water access entitlement (etc)
5(2)(b) the amount of the regulated charge (whether expressed as a dollar amount or as fee units) or details of rates, fixed and variable components and all other details necessary	<p>This rule requires that the amount of the charge (or information sufficient to enable calculation of the amount a person will be required to pay, such as rates, basis for calculation, variables, etc) is specified in the published information.</p> <p>Where an amount is given, the rule provides that the charge can be expressed as a number of dollars or as a number of fee units as some</p>	<ul style="list-style-type: none"> • The amount of the water conservation levy is \$10 a year for each connection, with the charge payable at a rate of \$2.50 for each quarter. Of the total annual charge, \$8.00 (\$2.00 each quarter) relates to the recovery of the costs of water planning and water management activities carried out in the Basin.

Information Requirement	Explanation	Illustrations
to determine the amount.	<p>charges set by legislation are expressed in fee units. Where an amount is expressed in fee units, the published information should inform the reader where information on the current value of the fee unit can be obtained.</p> <p>In the case of some charges, the amount will vary depending on whom the charge is levied on, the volume of water use, the costs of activities recovered in different years or other variables. To account for this variation, the rule provides that the details of the charge can be specified effectively as a formula provided that the formula would enable the person facing the charge (given key variables or inputs) to calculate the amount they would be required to pay. In these circumstances the different rates and variables should be clearly identified to the extent possible.</p>	<ul style="list-style-type: none"> The water management charge in the Running River Catchment Water Management Plan is a flat fee of \$60 and variable fee per ML of water access entitlement held (at rates varying according to class of entitlement). [The published information would list the different rates for each class of water access entitlement.] The fee for a transfer or trade of a water access entitlement is 20 fee units. (Note: fee units are set by the Treasurer in accordance with the <i>Financial Units Act 1998</i> and their value is adjusted at the beginning of each financial year to account for increases in the CPI. At the time of publication, a fee unit had the value of \$10. The current value of a fee unit can be checked at www.governmentinfo.gov.au)
5(2)(c) the legislative, contractual or other authority for the regulated charge	This rule requires that the information published sets out the basis for imposing the charge. For instance, this could be a section or part of an Act of Parliament, subordinate or delegated legislation or orders, or a contract or other arrangement that authorises an entity to impose a charge for a particular service or a range of activities.	<ul style="list-style-type: none"> The Minister for Water Resources sets the water conservation levy under s. 23 of the <i>Use of Water Act 2009</i>. Under s. 23(2), the purpose of the levy is to fund water planning and water management activities that address the environmental effects of the use of water and to include an amount to reflect its scarcity value. The Running River Catchment Water Management Plan is prepared by the Department of Water Resources in accordance with Part IV of the <i>Water Resources Management Act 2005</i> and the Independent Financial Regulator has the power to set charges for each declared plan area under s. 73 of that Act. The water management charge is declared in the Water Resources Management (Running River Catchment Fees) Declaration 2007.

Information Requirement	Explanation	Illustrations
5(2)(d) a description of the process applied in determining the regulated charge including: the cost allocation principles; and whether the regulated charge has been the subject of consultation, a review or audit and, if it has, a description of the process and a summary of the outcome	<p>The information published on the process for determining the charge should include material relating to both the substantive and procedural steps in determining the charge. Substantive steps refer to the principles applied in the process for determining the charge, while procedural steps refer to the administrative stages of the process.</p> <p>Substantive steps will include the basis on which the charge is determined, including a description of the cost allocation principles (if any) applied to determine the charge. Principles of cost allocation include:</p> <ul style="list-style-type: none"> • impactor pays approach – the allocation of costs to individuals or groups according to the contribution they make to creating the need for the activities (which subsequently generate the costs) • beneficiary pays approach – the allocation of costs according to those who benefit from the provision of a particular good or service should pay for it. <p>The description of cost allocation principles should provide information that identifies why and on what basis costs are being attributed to those paying the charge. The published information should also make clear how the principles have been applied to determine the amount of the regulated charge.</p>	<ul style="list-style-type: none"> • S. 54 of the Water Resources Act 2006 sets out the steps for processing an application to trade a water access entitlement and provides that a fee may be payable to the Minister for Water. S. 62 provides that the Governor in Council may make regulations to fix fees payable to the Minister under that Act. The Governor in Council has made the Water Resources Regulations 2008, with the fee for a trade set by regulation 7. • The water conservation levy is set by the Minister for Water Resources. In practice, the Department of Water Resources proposes the amount of the levy to the Minister, who obtains approval for the levy from Cabinet. • The Levy is based on the recovery of 80 percent of the actual costs of undertaking a specified set of water planning and water management activities. The costs are recovered retrospectively. The activities funded by the levy and carried out in the Basin are on behalf of all water users across the jurisdiction, regardless of whether the water user lives within the Basin. The cost allocation principle used is a beneficiary pays approach, where the costs are allocated to those who benefit from the provision of the activities. • The proposed expenditure and amount of the levy are subject to normal budgetary processes, involving scrutiny of the proposed expenditure and approval by cabinet, but are not subject to any external review or consultation. Following minor modifications to the amount of the charge, cabinet approved an increase in the levy for the current financial year from \$7.50 to \$10. (etc)

Information Requirement	Explanation	Illustrations
	<p>The description of the charge-setting process should set out all significant steps in that process. The requirement to describe any consultation, review or audit (and, if relevant, a summary of the outcome of that process) relates to the procedural steps for determining the charge.</p> <p>The rule is intended to capture publication of information across a broad range of processes (including review by an external party including consultants, a budget review or a report by the Auditor-General's office) that have been implemented to provide for scrutiny of the charge and to assess the validity or appropriateness of the charge and/or the costs that charge is recovering.</p>	<ul style="list-style-type: none"> • The water management charge is determined by the Minister for Water Resources. However, the Independent Financial Regulator (IFR) undertakes a price determination process and assesses the costs that the Department of Water Resources estimates will be incurred over a five year period in preparing, implementing, monitoring and enforcing the Water Management Plan. • The IFR is required to apply the impactor pays principle in allocating the costs for identified activities between government and water access entitlement holders in accordance with the State Government's Principles for Cost Recovery for Water Planning and Management. The IFR engages independent consultants to review the cost allocation proposed by the Department of Water Resources, including the designation of the costs of some activities as legacy costs to be allocated in full to government. • The cost allocation ratio varies for each activity, and therefore the ratio between government's contribution and the water user's contribution to the costs varies depending on the activity. • For developing policies to manage the resource the ratio is 80% water user and 20% government • For developing strategies to remediate problems such as salinity and blue green algae that ratio is 40% water user and 60% government • The ratios are subject to stakeholder consultation in the form of draft reports setting out detailed information on the estimated costs and proposed charges. The IFR accepts submissions from interested

Information Requirement	Explanation	Illustrations
		<p>members of the public in response to these drafts and publishes submissions received on its website. The IFR also conducts open public hearings.</p> <ul style="list-style-type: none"> • The IFR then publishes its price determination and a maximum charge. • The Minister considers the proposed maximum charge and either adopts the charge; or imposes a charge of a lesser amount; or no charge at all. If the minister deviates from the IFR's maximum charge, the minister will take into consideration the following: <ul style="list-style-type: none"> ○ short and long term government objectives and goals ○ the likely amount of water allocated to water access entitlement holders in the forthcoming periods ○ the likely impact of price variability on water access entitlement holders

Information Requirement	Explanation	Illustrations
		<ul style="list-style-type: none"> • The fee for transfer or trade of a water access entitlement is set by the Governor in Council on the recommendation of the Minister for Water Resources. • The Department of Water Resources submits a proposal for fees to be made under regulations to the Minister. The Department's proposed fees reflect a commitment to recover a set amount and do not reflect the costs of activities; accordingly, the fees are not based on the application of cost allocation principles. • Regulations are prepared by Parliamentary Counsel. An exposure draft of the regulations is consulted on with key stakeholders and a regulatory impact statement (RIS) is prepared. Submissions are invited on the RIS. • The draft regulations are considered and endorsed by the Minister and provided to the Governor in Council for review and approval. • The Governor in Council signs and proclaims the regulations and they come into force on a day specified.

Information Requirement	Explanation	Illustrations
5(2)(e) the class of persons by whom the regulated charge is payable	<p>The rule requires a description of who pays the charge. By way of example, the ‘class of persons’ liable to pay a charge could be:</p> <ul style="list-style-type: none"> • water access entitlement holders across a jurisdiction • water access entitlement holders in a particular area • commercial water users • water users more generally or • some other category of persons such as landowners within a rates district. <p>In practice, this information may already be provided in order to specify information required under another rule (such as rule 5(2)(b) where the details of the amount of a charge may be specified by reference to the different classes of person who pay the charge).</p>	<ul style="list-style-type: none"> • The water conservation levy is payable by all rural and urban water authority customers, and is payable based on the number of domestic, irrigation or commercial connections to the water authority’s works. • The water management charge for the Running River Catchment Water Management Plan area is payable by holders of water access entitlements for all water resources, including groundwater, within the declared catchment area. • The fee for transfer or trade of a water access entitlement is paid by the applicant(s) for a transfer or trade of a water access entitlement.
5(2)(f) the person to whom or agency to which the regulated charge is payable	<p>Charges are often made payable to or collected by agents acting on behalf of the person with the power to impose the charge. This can cause confusion about who is imposing the charge and who benefits from the revenue raised through the charge. Information to satisfy this requirement will identify the person or agency to whom the charge is payable and, in cases where a charge is collected by one agency on behalf of another entity that legally imposes the charge, will describe the arrangements under which that intermediary or agent collects a charge on behalf of the person imposing the charge.</p>	<ul style="list-style-type: none"> • The relevant urban, rural or regional water authority to which the customer is connected collects the water conservation levy on behalf of the Minister for Water Resources. • The water management charge is payable to the Department of Water Resources. • The fee for a transfer or trade of a water access entitlement is payable to the approving authority (in this case being MDW) which collects the charge on behalf of the Minister.

Information Requirement	Explanation	Illustrations
5(2)(g) when the regulated charge is payable and, if payable by instalments, the number of instalments and intervals at which they are payable	The timing of the payment of the charge will depend on whether the charge is ad hoc or ongoing. If the liability to pay the charge is consistent across the customer class, then information on when the charge is to be paid should be provided for this rule. Alternatively, if the payment dates for customers vary, a brief explanation of the trigger for payment, the number and intervals of instalments (if relevant), and how such payment timeframes are determined, would be sufficient.	<ul style="list-style-type: none"> • The water conservation levy is an annual charge, payable in advance in quarterly instalments which are identified on the bills issued by, and payable to, the relevant water authority in July, October, January and April of each year. • The salt water interception scheme charge (see illustration 10) is determined by the Minister for Water Resources on an annual basis. However, the issuing of invoices and due date for payments is controlled by the MDW, which is the billing agency and sets when the charge is payable. • The fee for a transfer or trade of a water access entitlement is payable on application for trade or transfer. • The environmental management levy is payable annually in arrears with an invoice issued at the end of the declared water season. Water access entitlement holders may negotiate arrangements with the Department of Water Resources to pay by instalment.
5(2)(h) if applicable, the water resource, catchment or district, and the water resource plan or other plan, to which the regulated charge relates	The Rules require the details of the specific water resource, catchment, district and/or relevant water resource plan to be identified where this information is relevant to the charge. This information will not be relevant in all cases as not all charges relate to specific water resources (etc)	<ul style="list-style-type: none"> • For the water conservation levy, as the charge is calculated by reference to connections to a water authority's works and not by reference to a particular water resource or catchment, this criterion will not apply to information published on this charge. • The water management charge relates to the Running River Catchment Water Management Plan and, specifically, to water resources identified in section 2.3 of that Plan.

Information Requirement	Explanation	Illustrations
		<ul style="list-style-type: none"> The urban water charge relates to two catchments including the Flowing River Catchment and the Trickle River Catchment. The Flowing River Catchment is considered to be a Basin water resource because it falls within the area described in the plan referred to in section 18A of the Water Act.. The fee for transfer or trade of a water access entitlement applies across the whole jurisdiction and does not relate to a particular water resource or plan; therefore this requirement will not apply to this charge.
5(2)(i) if applicable, the class of water access right, water delivery right or irrigation right to which the regulated charge relates	The Rules require the details of the class of water access right, water delivery right or irrigation right to which the regulated charge relates to be identified where this information is relevant to the charge. This information will not be relevant in all cases.	<ul style="list-style-type: none"> For the water conservation levy, as the charge is calculated by reference to connections to a water authority's works and not be reference to the class of water access right etc. being held by the customer, this criterion will not apply to information published on this charge. For the water management charge, it would be appropriate to include information on the different classes of water access entitlement to which the charge applies (it is likely that this information would already have been specified in describing the amounts for the different classes of water access entitlement in 5(2)(b)). For the fee for transfer or trade of a water access entitlement, the relevant class would be water access entitlements.

Information Requirement	Explanation	Illustrations
<p>5(2)(j) a description of the water planning and water management activity or activities to which the regulated charge relates including, in relation to each activity:</p> <p>the financial year or other period during which the activity is being, or is to be, carried out</p> <p>the actual or estimated operating, capital and corporate service costs of the activity in respect of the financial year or other period</p> <p>whether the costs of the activity have been the subject of consultation or a review or audit</p> <p>the relationship between the costs of the activity and the calculation of the regulated charge</p>	<p>The information on the charge should identify the water planning and water management activities to which it relates and, in relation to each of those activities, the costs of each activity.</p> <p>To assist with identifying and classifying activities, refer to the NWI principles framework (Appendix A). The information published should identify the character of the activity in addition to the specific activity: e.g. Preparing Running River Catchment Water Management Plan (Water Planning).</p> <p>The level of detail to be published on the activities to which the charge relates will vary depending on the charge and how directly the charge and the costs of the activities are connected.</p> <p>Generally, regulated entities should publish information on activities at the most detailed level for which information is available, although judgment will be required on this issue depending on the number of activities to which the charge relates.</p> <p>With respect to the information on the costs of each of these activities, the published information should identify the financial year or other period in which the activity is being carried out, the cost information with respect to that period and the period over which such costs are proposed to be recovered. The information should also identify whether the costs are actual or estimated.</p> <p>Where charges recover the specific actual or estimated costs of activities, the rules require cost information to be broken down into operating, capital and corporate services costs.</p> <p><i>Operating costs</i> are costs involved with maintaining property or assets (e.g., paying property taxes, utilities, running costs and insurance); they do not include depreciation or the cost of financing or income taxes.</p> <p><i>Capital costs</i> are costs incurred on the purchase of land, buildings, construction and equipment to be used in the production of goods or the rendering of services.</p>	<ul style="list-style-type: none"> • This information relates to the activities funded by the water conservation levy during the 2007-08 financial year (the actual costs of which are being recovered over the 2009-10 financial year). Activities carried out in the Basin by which were funded by the levy include: <ul style="list-style-type: none"> • Stabilisation of water courses (including streambeds, stream banks, and gullies) to halt erosion and reduce sediment and nutrient inputs. [water management – environmental works] • Capital costs for 2007-08 were \$602,000 including [...] • Operating costs for 2007-08 were \$10,033 including [...] • Corporate services costs \$50,320 including [...] • Total cost: [...] • Coordination of on-ground activities to reconnect floodplain wetlands to waterways [water management – environmental works] <ul style="list-style-type: none"> • Capital costs for 2009-10 were \$602,000 including [...] • Operating costs for 2009-10 were \$10,033 including [...] • Corporate services costs \$50,320 including [...] • Total cost: [...]

Information Requirement	Explanation	Illustrations
	<p><i>Corporate services costs</i> include common costs that occur at the corporate level and cannot be easily allocated to specific projects. Explanation for the allocation of corporate services costs across</p> <p>The information should identify whether or not the costs of the activity have been subject to some form of scrutiny or review. Depending on the charge, this material may overlap with some of the information provided to satisfy the requirement for a description of the process for setting the charge (r.5(2)(d)).</p> <p>The rules also require a description of the relationship between the costs of the activity and the calculation of the charge. The 'relationship' refers to the level of connection between the costs of the activities and the end charge. Essentially, this requires a description of whether the charge is formulated based directly on the costs of the activity, whether the costs only indirectly influence the rate (or rates) of the charge, or whether there is no relationship between the costs of the activity and the regulated charge. This information will illustrate the degree to which principles of cost recovery are being achieved through regulated charges.</p>	<ul style="list-style-type: none"> • Floodplain management, including advice to landholders on flood planning [water management – measures to improve water use – floodplain management] • Capital costs for 2009-10 were \$602,000 including [...] • Operating costs for 2009-10 were \$10,033 including [...] • Corporate services costs \$50,320 • Total cost: [\$...] • The costs of the activities have been reviewed by Treasury and expenditure signed off as part of the government budget. Accounts for the costs incurred have been prepared by the Department and audited by an independent auditor. A copy of accounts is available on the government website: www.governmentinfo.gov.au. • The charge recovers 80% of the cost of the identified water planning and water management activities carried out by the Department.

Information Requirement	Explanation	Illustrations
		<ul style="list-style-type: none"> • The water management charge relates to the following activities (and the estimated costs) relating to preparing, implementing, monitoring and enforcing the Water Management Plan which is to be carried out by the Department of Water Resources over a five year period from 2009-2014, including: <ul style="list-style-type: none"> • Preparing catchment scale water plan for Running River Catchment (including peer review by specialist hydrological consultant): \$500,000 • Development of rules for water sharing (including stakeholder consultation): \$50,000 • Streamflow gauging –gauge replacement program: \$100,000 (Capital) • Groundwater monitoring bores: <ul style="list-style-type: none"> • Installation: 5 x \$100,000 (Capital) • Monitoring: \$80,000 / year (Operational) • (etc) • The estimated costs on which the water management charges are based have been subject to review by the IFR (and by an independent consultant engaged by IFR), and by stakeholders, as part of the charge setting process. • The water management charge largely reflects the recovery of those water planning and management costs allocated to water users. .

Information Requirement	Explanation	Illustrations
		<ul style="list-style-type: none"> The fee for trade or transfer of a water access entitlement relates to the following activities: <ul style="list-style-type: none"> Processing of applications and transactions (water administration and regulation - administration of entitlements and permits) Facilitation and administration of water trading (water administration and regulation - administration of water trading arrangements) The cost of processing an application for trade or transfer has been assessed for the financial year 2009-10 to be an average of approximately \$1000 per transaction depending on the complexity of the specific trade or transfer. This is based on an estimate of 3 full-time equivalent staff employed for the duration of the year to process applications... The fee, being set at 20 fee units (equating to \$200 in FY09-10), does not recover the full cost of administering each transfer or trade, and the fee is not formulated in a cost reflective manner. <hr/> <ul style="list-style-type: none"> The urban water charge funds two key water planning and water management activities being the urban water treatment program and the salt interception scheme. The urban water treatment program is outside the scope of the rules, however the salt interception scheme is not. The salt interception scheme reduces the amount of salt entering the Flowing River Catchment, and in particular the natural waterway of the Flowing River which forms part of the Basin water resources.

Information Requirement	Explanation	Illustrations
		<ul style="list-style-type: none"> • Capital costs for 2008-09 were \$1.2 million • including [...] • Operating costs for 2009-10 were \$800,320 including [...] • Corporate services costs \$200,000 • Total cost: [...]
5(2)(k) any other information the person determining the charge considers necessary or desirable to explain the regulated charge	Information published under this sub-rule is included at the discretion of the person determining the charge and is intended to explain features of the charge, or of the information published about the charge, that is not otherwise captured or explained by the other sub-sections of the Rules.	<ul style="list-style-type: none"> • For the water conservation levy, it may be appropriate to provide details of the scarcity component of the levy, including identifying the amount of the charge attributable, and a description of the methodology for determining, the scarcity component. • For the water management charge, it may be appropriate to include information on the proportion of the costs of preparing the plan that are being recovered from water access entitlement holders and the proportion being funded by government on behalf of the community. • For the fee for transfer or trade of a water access entitlement, it may be appropriate to identify how the charges for trading a water access entitlement differ from those for trading a water allocation and provide an explanation of the difference in charges (including details of additional costs incurred, and cost allocation).

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Callers who are deaf or have a hearing or speech impairment can contact the ACCC through the National Relay Service www.relayservice.com.au

For other business information go to www.business.gov.au

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