



Office of
Environment
& Heritage

DOC16/112143

Australian Competition and Consumer Commission (ACCC)
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Melbourne, Victoria, 3001
waterchargerules@acc.gov.au

Dear Sir/Madam

Submission to the ACCC - Water Charge Rules Review, Draft Advice, November 2015

Thank you for the opportunity to make a submission on your draft advice for the Water Charge Rules Review.

The NSW Office of Environment and Heritage (OEH) manages water that is allocated to the environment to improve the health of rivers, wetlands and floodplains in partnership with local communities and government agencies. This includes both environmental water allowances under the relevant water sharing plans and NSW environmental water licence holdings of approximately 176 GL of regulated and 10.6 GL of unregulated entitlements across the Gwydir, Macquarie, Lachlan, Murrumbidgee, Murray and Lower Darling valleys, and the Barwon Darling. Managing the licensed holdings can include direct water orders, trading allocated water to enable the delivery of water to rivers and wetlands, and water market trading for partial cost recovery and to maximise environmental benefits across the portfolio. OEH works in partnership with the Commonwealth Environmental Water Office and the Murray Darling Basin Authority to deliver allocations under CEWH and The Living Murray environmental water holdings.

OEH is also responsible for advising the NSW Minister for the Environment on his concurrence role to the making of water sharing plans under the *NSW Water Management Act 2000*.

OEH supports the principle of having all licence holders share operational, monitoring, and water management cost as well as other charges. As an environmental water holder, OEH currently pays the same fixed and variable charges as other water licence holders to Water NSW, as well as fees to DPI Water for infrastructure, planning and management activities and related services. This benefits consumptive water users, as environmental water licence holders pay a portion of the DPI Water planning and management costs of mitigating the environmental impacts caused by consumptive use. We do not receive any reimbursements from DPI Water to cover our costs in managing water allocated to the environment.

Addressing specific draft advice

Enhanced non-discrimination rules (draft advice 5B-D, rule 10(1, 2, A)):

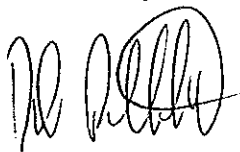
OEH supports the proposed amendments limiting an infrastructure operator's ability to make discriminatory charges, or limit service availability, based on licence holdings, use or trade. As a

licence holder, OEH is subject to the same water sharing plan rules and conditions as all other licence holders in the same categories, and does not support discriminatory treatment based on the purpose the water is used.

As a market participant, OEH trades allocation to partially recover the costs of holding and using water licenses for the environment. We support methods for charging customers that do not affect the ability or the incentive of a potential customer to trade, by being as price neutral as possible. The water charge rules should provide for the distribution of water charges that minimises impacts on water use and trade decisions.

Should you require further information please do not hesitate to contact Justen Simpson, Senior Team Leader, Environmental Water Governance on 6229 7140

Yours sincerely



11/3/16

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