

Information on water planning and management charges levied and determined by Lower Murray Water

Information requirement	Relevant information
The name or a description of the regulated charge	<p>Transaction fees for applications to Lower Murray Water made under the <i>Instrument of Delegation dated 27 October 2014</i> for Victorian Water Register related activities including:</p> <ul style="list-style-type: none"> • application fee for a water use licence • application fee for a water use registration • application fee for a works licence or bore construct licence • application fee for a ground water licence • application fee to establish a tagged interstate entitlement • application to place an order against a tagged interstate entitlement • application to issue, amend or transfer a bundled entitlement • application fee to issue a delivery share • application fee to vary a water use licence • application fee to vary a works licence • application fee to vary a ground water licence • application fee to transfer a works licence • application fee to transfer or amend annual use limit • application fee to cancel a water use licence • application fee to cancel a water use registration • application fee to cancel a works licence • application fee to cancel a ground water licence • application to vary or cancel a delivery share • water register administration fee (ID check, ABA creation, ASIC extract) • Subdivision of Water Entitlements (associated with a subdivision of land)
	<p>Transaction fees for applications to Lower Murray Water made by way of under the <i>Instrument of Delegation dated 27 October 2014</i> under section 264 of the Water Act 1989 (Victoria) for management of licencing conditions including:</p> <ul style="list-style-type: none"> • fee for special meter reading • fee for meter investigation

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	<p>Regulated tariffs payable to Lower Murray Water made by way of the <i>Instrument of Delegation dated 27 October 2014</i> under section 264 of the Water Act 1989 (Victoria) for administration and management of licencing conditions including:</p> <ul style="list-style-type: none"> • service charge • operational fee
<p>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</p>	<p>From 1 July 2020;</p> <ul style="list-style-type: none"> • the application fee for a water use licence is \$201.00 • the application fee for a water use registration is \$201.00 • the application fee for a works licence or bore construct licence is \$201.00 • the application fee for a ground water licence is \$387.45 • the application fee to establish a tagged interstate entitlement is \$168.65 • the application fee to place an order against a tagged interstate entitlement is \$89.50 • the application fee to issue, amend or transfer a bundled entitlement is \$201.00 • the application fee to issue a delivery share is \$89.50 • the application fee to vary a water use licence is \$89.50 • the application fee to vary a works licence is \$201.00 • the application fee to vary a ground water licence is \$201.00 • the application fee to transfer a works licence is \$201.00 • the application fee to transfer or amend annual use limit \$201.00 • the application fee to cancel a water use licence is \$89.50 • the application fee to cancel a water use registration is \$89.50 • the application fee to cancel a works licence is \$89.50 • the application fee to cancel a ground water licence is \$89.50 • the application to vary or cancel a delivery share is \$89.50 • the water register administration fee (ID check, ABA creation or ASIC extract) is \$28.30 • the fee for special meter reading is \$47.10 • the fee for meter investigation is \$375.30 (refundable on the outcome of the investigation) • the service charge is \$100.00 per assessment being a fixed charge • the operational fee is \$2.56 per ML of annual use limit stipulated on the water use licence • the subdivision of water entitlements (associated with a subdivision of land) is \$103.00

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<p>The legislative, contractual or other authority for the regulated charge</p>	<p>Under section 306 of the Water Act 1989 (Victoria), the Minister of Water may delegate, by instrument, to any person or class of persons any power, discretion, function, authority or duty of the Minister under this or any other Act.</p> <p>The Minister for Water has delegated Lower Murray Water functions and responsibilities as set out in the Instrument of Delegation dated 27 October 2014 which include;</p> <ul style="list-style-type: none"> • prescribing fees that are for the issuing, varying or cancellation of a water use licences or water use registrations (under section 64P(d), 64R, 64AI(1)(d) and 64AR(2)(d) of the Water Act 1989(Victoria). • prescribing fees that are for the issuing, varying or cancellation of a works licence. (under section 67(2)(c)(i), 72(2)(c), 73A(3)(d), 74(4)(c) and 74AA of the Water Act 1989 (Victoria). • the management of ‘take and use’ water or groundwater licences. (under section 51 (2)(a), (b), 56(1)(a)(iv), 57, 58 (2)(a),(b), 62 (4)(a),(b) of the Water Act 1989 (Victoria). • the management of ‘construction works’ licences. (under section 65 (2), 66 (1), 67 (2)(a),(b), 72 (2)(a), (b), 74 (4)(a),(b) of the Water Act 1989 (Victoria) <p>Under section 259 of the Water Act 1989 (Victoria), Lower Murray Water may impose fees under a tariff on a serviced property within its district.</p> <p>Under section 264 of the Water Act 1989 (Victoria), Lower Murray Water has the power to set charges for anything it does in the performance of its functions, including any function delegated to it.</p> <p>The Water Industry Regulatory Order 2014 provides the framework for which Lower Murray Water diversion services are regulated by the Essential Services Commission (Australian Competition and Consumer Commission appointed agent for the rural business).</p>

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<p>A description of the process applied in determining the regulated charge including:</p> <ul style="list-style-type: none"> • 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>Fee units for applications in relation to Lower Murray Water functions delegated to determine on Victorian Water Register transactions and licence management transactions have been set to be comparable to other fees and charges that are imposed and prescribed in Water (Resource Management) Regulations 2017 for the Victorian Water Register applications. The fees are based on the user pays principle and are set to recover the processing costs and to cover a portion of the annual water trading administration costs of Lower Murray Water.</p> <p>A Pricing Submission is prepared by Lower Murray Water, for the Essential Services Commission (ESC) as part of the requirements for water industry regulation detailed by the Water Industry Regulatory Order (WIRO). The document details the needs of the business for the regulatory period, the latest being the 1st July 2018 to 30th June 2023. The ESC makes a pricing determination for this regulatory period based on the data provided in this document. The Fee units for applications in relation to Lower Murray Water functions delegated to determine on Victorian Water Register transactions and licence management transactions are categorised as non-prescribed miscellaneous charges within this Pricing Submission.</p> <p>The regulated tariffs of the operational fee and service charge have been designed to recoup costs associated with the provision of the service provided. Where direct expenses are incurred to provide the service, these expenses are allocated directly to the cost of the service. Indirect expenses, i.e. corporate related costs such as finance and human resources, are allocated 52.5:47.5 to the urban and rural business areas respectively, while IT and billing costs are allocated 90:10 to the urban and rural businesses, respectively.</p> <p>The indirect costs allocated to the rural services are then allocated based on the number of assessments throughout the services provided.</p> <p>A Pricing Submission is prepared by Lower Murray Water, for the Essential Services Commission (ESC) as part of the requirements for water industry regulation detailed by the Water Industry Regulatory Order (WIRO). The document details the needs of the business for the regulatory period, the latest being the 1st July 2018 to 30th June 2023. The document is developed in consultation with LMW’s customers for agreed service levels which influence service cost. The document is published on the ESC website in which the ESC invites the community to make submissions in response to the Pricing Submission. The ESC makes a pricing determination for this regulatory period based on the data provided in this document after the consultation period.</p>

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The class of persons by whom the regulated charge is payable	All legal entities making an application in relation to Lower Murray Water functions delegated to determine on Victorian Water Register transactions and licence management transactions must pay the associated application fees. These include Government bodies, irrigators, companies and others making application.
	All legal entities receiving the private diverter service with a current water use licence attracting the operational fee or service charge which are regulated tariffs in relation to Lower Murray Water functions delegated by the Minister must pay the associated regulated tariff fees.
The person to whom or the agency to which the regulated charge is payable	Fees for applications in relation to Lower Murray Water functions delegated to determine on Victorian Water Register transactions and licence management transactions are payable to Lower Murray Urban and Rural Water Corporation, trading as Lower Murray Water.
	Fees for regulated tariffs in relation to Lower Murray Water functions delegated by the Minister are payable to Lower Murray Urban and Rural Water Corporation, trading as Lower Murray Water.
When the regulated charge is payable and, if payable by instalments, the number of instalments and intervals at which they are payable	Fees for applications in relation to Lower Murray Water functions delegated to determine on Victorian Water Register transactions and licence management transactions are payable on application for the relevant transaction. Application fees and transaction fees can only be paid in whole.
	Fees for regulated tariffs in relation to Lower Murray Water functions delegated by the Minister are payable in four instalments being due on the 30 th September, 31 st December, 31 st March and 30 th June or the next business day if the due date falls on a public holiday or weekend.
If applicable, the water resource, catchment or district, and the water resource plan or other plan, to which the regulated charge relates	Fees for applications in relation to Lower Murray Water functions delegated to determine fees for the Victorian Water Register transactions and licence management transactions are applied uniformly across the Lower Murray Water rural customer base. Lower Murray Water's rural customer base stretches from Nyah through to the South Australian boarder along the Victorian side of the Murray River.
	Fees for regulated tariffs in relation to Lower Murray Water functions delegated by the Minister relate to the private diverter customers from Nyah through to the South Australian boarder along the Victorian side on the Murray River.

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If applicable, the class of water access right, water delivery right or irrigation right to which the regulated charge relates	<p>Fees for applications in relation to Lower Murray Water functions delegated to determine on Victorian Water Register transactions and licence management transactions refer to high and low reliability water shares, the allocation derived from these water shares and the licencing instruments for these water shares.</p> <p>Fees for regulated tariffs in relation to Lower Murray Water functions delegated by the Minister refer to high and low reliability water shares, the allocation derived from these water shares and the licencing instruments for these water shares.</p>
<p>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> <ul style="list-style-type: none"> • 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 service 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 	<p>Fees for applications in relation to Lower Murray Water functions delegated to determine on Victorian Water Register transactions and licence management transactions contribute towards covering the respective costs in processing applications including a share of the corporate overheads. Lower Murray Water has a dedicated business unit for water trading and licencing activities for which these fees offset the cost to provide the service.</p> <p>The Corporation take applications throughout the entire season. The Victorian Water Register has a cut off date and time of 5.00 pm 30 June for the Corporation to process the received applications in the current water season.</p> <p>The fees have been set so as to be comparable with the fees that have been set by Office of Water for the Victorian Water Register. Their fees have been independently reviewed by the Victorian Competition and Efficiency Commission. The governance committee overseeing the Register have also reviewed the fees and cost sharing arrangements. The governance committee includes senior representation from the partner water corporations, the Water Registrar and is convened by the Office of Water within the Department of Environment and Primary Industries (previously known as Department of Sustainability and Environment)</p> <p>Fees for regulated tariffs in relation to Lower Murray Water functions delegated by the Minister in administering and the management of the private diverter licencing and operation services, are for a wide range of water planning and water management activities. The key activities include;</p> <ul style="list-style-type: none"> • licence management • meter reading • meter maintenance and renewal • water information/management guidance

between the costs of the activity and the calculation of the regulated charge

- customer record management
- billing
- information statements
- water ordering
- overseeing government policy compliance (environmental plans, water quality reporting, biodiversity plans, drought management plans, water supply demand strategy, customer charter etc)
- external agency reporting (annual report, corporate plan, water plan, Bureau of Meteorology, Essential Services Commission)
- corporate management (Energy and Water Ombudsmen of Victoria, Customer Service Advisory Committee, Essential Services Commission, Department of Environment and Primary Industries, Australian Taxation Office)

The cost for Lower Murray Water to perform these activities (including indirect corporate overheads) vary from year to year however are in the vicinity of;

Operational and Maintenance \$550,000

Administration \$705,000

Environmental Levy \$335,000

Depreciation Charge \$460,000 (Return on and of the Regulatory Asset Base)

Capital \$295,000 (yearly average based on current Pricing Submission)

The costs associated with delivering the service via the activities as described above are directly attributed to the calculation of the fees. The fees are subject to an independent review. A Pricing Submission is prepared by Lower Murray Water, for the Essential Services Commission (ESC) as part of the requirements for water industry regulation detailed by the Water Industry Regulatory Order (WIRO). The document details the needs of the business for the regulatory period, the latest being the 1st July 2018 to 30th June 2023. The document is developed in consultation with LMW's customers for agreed service levels which influence service cost. The document is published on the ESC website in which the ESC invites the community to make submissions in response to the Pricing Submission. The ESC makes a pricing determination for this regulatory period based on the data provided in this document after the consultation period.