

Lachlan Customer Advisory Group

Minutes of Meeting



Location: Condobolin Agricultural Research & Advisory Station

Date: 25 February 2020

Time: 10.00am

Present: Dennis Moxey (Chair), Gordon Turner, Michael Payten, Nick Turner, Tom Green, Michael Storrier, Joanne Lenehan, Bruce Campbell, Tim Bell, Gavin Rhodes, Mary Ewing (observer), Olivia Bush (observer), David Stockler, Jonathan Dickson, Sri Sritharan, Sonia Townsend, Enrico Proietti and Toni Hayes (minutes).

M Clayton attended for agenda items 2.2, 2.3, 3.1, 3.2.

R McDonald from NRAR attended for agenda item 5.2.

Meeting Opened: 10.00am.

1. Introduction:

1.1 Welcome and introductions

1.2 Apologies

- Andrew Stalley, Paul Devery, Jock Coupland, Brett Lewis, Hilton Taylor.

1.3 Confirmation of Agenda Items

1.4 Declaration of Interest(s)

- Declarations of interest were sought from attendees in relation to the meeting's agenda items. No interests were declared. Items included in the agenda are not considered confidential unless declared as such.

1.5 Minutes of Previous Meeting, 29 October 2019:

- Resolved the minutes of meeting held on 29 October 2019 be confirmed as a correct record.
Taken as read.

G Turner/N Turner
carried

1.6 Actions arising from minutes

- See action sheet attached.

2. Presentations/Consultation

2.1 Regulatory Economics – Pricing Determination Engagement (J Dickson)

Rural Pricing Submission:

- WaterNSW has heard from customers about the deep and lasting impact of ongoing drought, and as a result we believe delaying the timing of the IPART Rural Pricing Determination is in the best interest of our customers. With support from the CAGs, we will seek to defer the current timeline.
- WaterNSW is proposing a 2-year deferral with no change to proposed revenue for the two years (excluding the impact of inflation); and the application of the updated 20-year rolling average, which, due to lower volumes, would lead to an approximate 5% average bill increase. Discussed.

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- The Lachlan CAG is supportive of the proposal to defer.

Customer Juries:

- In line with the deferred timeline, WaterNSW will commence engagement with Customer Juries in the next calendar year. Customer Juries will be a core component of engagement on the Rural Pricing Determination and will be in addition and complementary to CAG meetings.
- Members raised concerns of the impact the juries will have on paying customers. Concerns that the time requirement and geographical location of 7 jury meetings will impact availability of some jury members and make it difficult for people who represent the irrigator component to attend, particularly those who run their own business, therefore limiting a good cross-section of customers.
- The CAG recommended that WaterNSW reconsider using CAGs as the basis for consultation, acknowledging additional meetings would be required and additional stakeholders would need to participate. Concerns that the juries will be made up of people who have an opinion but not the experience.
- WaterNSW emphasised that the CAGs will remain a foundation of our engagement for IPART Pricing Submissions. CAGs are not being removed from the equation, the jury process will add to the CAGs feedback, involving a wider group of WaterNSW customers. The jury will be independently managed and will include a broad cross-section of our customer base not currently represented on the CAGs.
- WaterNSW is keen to identify a jury that is truly representative of our customers. We will revisit planning of dates and locations later in the year and will notify CAGs of plans for recruitment when finalised.
- Members believe WaterNSW has misrepresented feedback from IPART in relation to CAGs not being representative of customers.
- WaterNSW will take member feedback on board. We are committed to the jury process however will address customer concerns throughout the process.

WAMC (Water Administration Ministerial Corporation) Determination:

- A new IPART WAMC pricing determination will be in place from 1 July 2021. The Determination applies to the WAMC services provided by WaterNSW, DPIE-W and NRAR.
- WaterNSW's objective for our customers in the 2021 determination is to ensure new charging arrangements lead to efficient, cost reflective charges at lowest cost providing transparency to customers on what their charges are paying for.
- As discussed at the October/November 2019 CAG round, current charging does not provide transparency of the functions and costs for WAMC services across the three water agencies. WaterNSW is working with DPIE-W and NRAR to develop charging arrangements to increase transparency and improve cost reflectivity.
- Feedback received from the October/November 2019 CAG round highlighted broad consistency from customers on the key messages around transparency, cost reflectivity and value for money.
- Members support WaterNSW's proposal to separately identify the costs for each organisation.
- In relation to the proposed move to fully cost-reflective fee-for-service charges, members are cautiously supportive, however want to understand examples from additional information, what costs are involved and want to hear from NRAR and DPIE-W prior to supporting this.

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2.2 Projects Update (M Clayton)

WaterNSW provided an update on emergency drought projects and critical water activities underway across the state:

Critical State Significant Infrastructure (CSSI) Projects (M Clayton):

- In October 2019, the Prime Minister and NSW Premier announced the planning and delivery of three new or augmented dams in NSW (Wyangala Dam raising, and construction of new dams on the Mole River and Dungowan Creek). These projects have been identified as Critical State Significant Infrastructure (CSSI) projects in the Water Supply (Critical Needs) Act 2019.
- The projects have been mobilised with project delivery planning underway, shovels expected in ground October 2020 and construction commencement expected October 2021. There will be more detailed consultation with CAGs and community groups as the projects progress.
- Members keen to know how WaterNSW will manage community engagement, if a portfolio management partner has been appointed for Wyangala Dam raising works and the timeline for works and engagement. Customers want to be involved from the beginning.
- WaterNSW advised that an EOI and tender request has gone out and a consultant has been brought in to start delivery planning. We expect a delivery partner will be appointed around April 2020. The project has been fast-tracked so things will happen quickly.

Action LAC2002.01: WaterNSW to provide further information on Wyangala Dam raising works to the Lachlan CAG as soon as possible, including timeframes, engagement and consultation plan, available reports, impacts etc.

Responsibility: A Fisher

- For more information on the Wyangala Dam raising project, please visit <https://www.waternsw.com.au/projects/regional-nsw/wyangala-dam>

2.3 Major Projects – partner update (M Clayton)

- WaterNSW is currently planning and delivering a \$10billion portfolio of Water Infrastructure, most of which is on a fast-tracked delivery timetable. This will require WaterNSW and Industry to form strategic partnerships. The three dams in the CSSI project are an important part of this broader portfolio.
- We have gone to the market to seek a Portfolio Delivery Management Partner (PDMP) to boost our capability and capacity and manage the development and delivery of critical projects.
- There has been a huge response to the EOI process. Now shortlisted, with request for tender (RFT) to go out shortly. WaterNSW expects the awarding of contract to be around April 2020.

2.4 Water Reform Implementation Plan (WRIP) – metering update (J Dickson)

- WaterNSW provided an update on metering reform including current timelines for compliance and work in progress on meter transfer, meter ownership and pending information on telemetry.
- Customers are encouraged to check Works Approvals, confirm installations are compliant with Works Approvals and understand the pathway to compliance. This may differ from customer to customer.
- The Data Acquisition Service (DAS) and Duly Qualified Person (DQP) Portal is due for release end March 2020.

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2.5 Fixed Fee Rebate update (J Dickson)

- As previously advised, the government has repeated the rebate for the current water year. WaterNSW continues to advocate for further rebates to assist those with no access to water.
- An additional \$1M has been provided to valleys where High Security and S&D access has been unavailable.
- Issuing of regulated Q1 bills was delayed as a result of the extension of the rebate and the impact from the bushfires across NSW.
- For more information go to <https://www.dpi.nsw.gov.au/climate-and-emergencies/droughthub>

3. Assets:

3.1 Maintenance update (M Clayton)

- Asset performance and maintenance in the Lachlan valley presented and discussed, including routine preventative and corrective maintenance delivery.

3.2 Annual Capital Plan update (M Clayton)

- WaterNSW provided an update on current projects under the 2018-21 Determination, including forecast expenditure and completed and in progress projects.
- Wallamundry Weirs project – members requested more information on cost/benefit prior to the project going ahead. WaterNSW advised there are some projects we have a regulatory requirement to continue/progress, including WHS requirements, and this is one of them. We may know cost/benefit prior to going to execution phase.
- Fishways discussed. The Taskforce has not yet reached an outcome on this and is seeking government funding. Best case is that the strategy gets fully funded so the project can continue.
- The pricing submission for FY22-23 is currently being drafted. There are 3 existing DSU fishway offset obligations in the Lachlan, to be commenced in the next determination (Lake Brewster Weir, Condobolin Weir and Jemalong Weir). Members noted that if WaterNSW is still looking to transfer the fishway to Wyangala Dam then it is essential to consult with NSW Fisheries. WaterNSW advised the offset will be a mutually agreed alternative to building at the structure.

Fish Passage update (M Clayton):

- The new Taskforce has been set up to run for another 2 years. Previously asked for funding to develop a final business case, which was rejected. The last meeting of the Taskforce in November 2019 was intending to go to both Ministers (Water and Fisheries) seeking government support for a whole package, which ticked a lot of boxes for a lot of groups and there was a reasonable chance for funding. Unfortunately, this was derailed due to environmental factors (bushfires, drought etc). It is expected this approach will continue.
- Members questioned whether organisations within the valleys could advocate to the Minister on the issue. WaterNSW advised that this could be helpful and noted that John Culleton (NSWIC) is the Chair of the Taskforce.

4. Business Papers:

- Noted and taken as read.

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5. General Business:

5.1 Real Time Data/WaterLive

- Members noted that Real Time Data (RTD) has become increasingly unreliable - is slow, is a safety issue, timely information is not available. Customers are using the gauges to make decisions, so information needs to be reliable and accurate. WaterLive does not have all RTD data points available currently. Customers support ongoing investment in improving data services.
- WaterNSW advised that we are investing heavily in the WaterLive app, with some key changes including the ability for customers to choose the alerts/gauges they want, receive alerts without having to open the app, stop it loading the whole state etc. Customers are also encouraged to subscribe to the EWN.
- Cost share/funding discussed. Members indicated strong support for WaterNSW to continue investment in RTD and WaterLive however customers don't feel they should pay full cost as all of community benefits from the data reports.

5.2 WAMC update from NRAR (R McDonald)

- NRAR was invited to present its WAMC plans to customers and use the opportunity to answer questions on IPART submission planning. NRAR provided an update on allegations and investigations to date (statistics), services, IPART processes, agency roles, objectives and functions and compliance management.
- Members raised the following questions/issues that NRAR responded to in meeting:
 - What penalties do NRAR issue (PIN)?
 - Do you get revenue from penalties/prosecutions?
 - Does proactive monitoring include working with other agencies?
 - Does resource determine where you work, eg the West?
 - NRAR commissioned Aither to look at compliance data. What did you pay for the report that was so wrong (using ABS data)?
 - Looks like a significant portion of allegations are not supported. You seem to run up quite a few dry gullies – can you improve to reduce the costs?
 - Where is the compliance of meter required to match – Works Approval or meter in ground?

6. Water Delivery:

- Water Delivery and Operational Drought Update was presented as part of the ROSCCo meeting following the CAG. For copies of presentations and meeting notes please visit <https://www.waternsw.com.au/supply/regional-nsw/roscco>.

Meeting Review and Close

Next Meeting: Tuesday 30 June 2020

Meeting closed: 2.00pm

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Lachlan Customer Advisory Group – Actions – 25 February 2020

Carried forward actions			
Action No.	Action	Responsibility	Status
LAC1808.02	WaterNSW to communicate to customers the current water order procedures in the Lachlan and reiterate compliance with these procedures.	S Sritharan/D Berry	Ongoing. New discussions have commenced with relevant NRAR managers.
LAC1910.01	WaterNSW to continue to provide updates on the Wyangala Dam raising project at the CAG meetings as the project progresses.	A George	Complete. Refer to agenda item 2.2.
LAC1910.02	WaterNSW to liaise with DPIE-W to confirm the current process for announcement of AWDs after end of water year and seek an opportunity to speed up the process in the future.	D Stockler (R Cocks)	Complete. WaterNSW works with the Department in terms of prioritising which groundwater water sources need to be read as part of their ongoing resource allocation and announcements. We are planning to engage with them by the end of February 2020 re their requirements for the rest of this water year. As you can appreciate, WaterNSW has limited resources, but as usual, will endeavour to complete water take assessments as soon as it can post 1 July. WaterNSW welcomes any ideas or suggestions that CAG members have in improving this.

New actions			
Action No.	Action	Responsibility	Status
LAC2002.01	WaterNSW to provide further information on Wyangala Dam raising works to the Lachlan CAG as soon as possible, including timeframes, engagement and consultation plan, available reports, impacts etc.	A Fisher	

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