

# Namoi-Peel Customer Advisory Group

## Minutes of Meeting



**Location:** Video Conference

**Date:** 15 April 2021

**Time:** 9.00am

**Present:** Ian Coxhead (Chair), Bruce Logan, Brendon Warnock, Chris Howes, Jane Humphries, Huw Morgan, David Gowing, Ildu Monticone, Andrew Watson (observer), Hannah Frost (observer), Jonathan Dickson, Emma Oates, Enrico Proietti, Sonia Townsend, James Piggott and Toni Hayes.

The following attended for specific agenda items: B Mayhew (2.1), C Braddock, A Burke (2.2), S Boyd, A Walker, A McKenzie-McHarg (3.4-3.5) G White, N Palmer, K Reynolds, S Flowers, S Pritchard, C Kirkby, I Reinfeld, I Bernard, R Johnston (3.6), A Fraser (5.2), C Boys (5.3).

**Meeting Opened:** 9.00am.

### 1. Introduction:

#### 1.1 Welcome and introductions:

#### 1.2 Apologies: Paul Keyte, Lindsay White.

#### 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, 3 December 2020:

- Resolved the minutes of meeting held on [3 December 2020](#) be confirmed as a correct record. Taken as read.

*J Humphries  
carried*

#### 1.6 Actions arising from minutes

- See action sheet attached.

### 2. Assets

#### 2.1 Asset Maintenance (B Mayhew)

- Asset performance and maintenance in the Namoi and Peel valleys presented and discussed, including routine preventative and corrective maintenance delivery.
- The fishway at Mollee Weir was put into service around 5 weeks ago. The construction work is delivered by the project team then handed over to WaterNSW to operate and maintain. It is currently in a 'proving' period to ensure it is operational, then will be signed off. The maintenance and project teams work collectively to identify any issues.

#### 2.2 Rural Pricing Submissions: Capital Plan FY22-25 update (C Braddock)

- WaterNSW presented an overview of the proposed rural pricing submission FY22 capital works for the Namoi and Peel valleys, including Mollee Weir electrical renewals and a pilot fish lock fishway at Gundigera Weir.

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- There are no projects being initiated in the Peel valley in the 2022 financial year. Renewal of the hydraulic cabinet at Chaffey Dam will commence later in the FY22-25 determination period.

### **3. Presentations/Consultation:**

#### **3.1 Major Projects update (taken as read)**

- The next public webinar for Dungowan Dam will be held on 4 May 2021.
- Tamworth Regional Council advised the pipeline route has been chosen and is close to being finalised, with discussions continuing with affected landholders. Looking to start construction on the pipeline in July (Dungowan to Calala water treatment plant). The detailed design is from Calala to the new Dungowan Dam, following closely to the existing pipeline route to Calala village, then some divergence after.
- For up to date information on the Dungowan Dam Project join the monthly public webinars, visit [www.waternsw.com.au/dungowandam](http://www.waternsw.com.au/dungowandam) or email [dungowandamproject@waternsw.com.au](mailto:dungowandamproject@waternsw.com.au)

#### **3.2 Regulatory Economics – Pricing Determination Engagement (J Dickson)**

- WaterNSW presented an update on the rural and WAMC pricing submissions, proposed price changes and WaterNSW's comments on IPART's draft report, which was released on 16 March 2021. A public hearing was held on 30 March 2021, with new pricing to take effect 1 July 2021.

##### **Rural Pricing Determination**

- WaterNSW will respond to IPART with a number of comments and questions and seek to understand some of the recommendations in the draft report, including opex reductions, catch up efficiencies approach, insurance, fishways, capex reductions, cost allocation, WACC and inflation.
- The draft report, [Review of WaterNSW's Rural Bulk Water Prices](#), is available on IPART's website.
- Tamworth Regional Council advised they will be making a submission to IPART, stating the net cost to Council will increase by 42%. Council will continue to raise with IPART and seek local member intervention.

##### **WAMC**

- WaterNSW/DPIE/NRAR's proposal to cap fees at +5% has been reduced by IPART to +2.5%.
- The draft report, [Review of Prices for the Water Administration Ministerial Corporation](#), is available on IPART's website.
- WAMC proposed price changes over the 4-year determination presented. WaterNSW is responding to IPART on the methodology IPART has proposed on consent transactions (20% reduction), water take assessment charges (reduced), WACC (set at 1.3%), customer management charges (reduction of \$5M) and opex and capex reductions (top-down reductions) and will go back to IPART to seek to understand this more..

##### **Metering**

- WaterNSW submitted its proposal to IPART on 30 November 2020 (delayed from 30 June due to developing regulations). IPART has not yet confirmed its final position on the proposal, recognising costs for implementation of metering reforms will need to be covered. A final report is due in June 2021.
- Obligations for compliance to the non-urban metering reforms is the responsibility of the work approval holder. There are ongoing obligations for the majority of all works in terms of recording and reporting and for metered works and regular maintenance to ensure the equipment is working accurately.
- WaterNSW's submission was designed to support water users in meeting their compliance obligations and minimise any risk of non-compliance and seeks to provide water users value for

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money and remove barriers to the uptake of telemetry. Our ability to support water users as we had planned and priced in our submission is contingent on funding.

- Proposed costs and inclusions/benefits presented and discussed, including government-owned meters. Costs were allocated by licence and meter rather than by entitlement as water user obligations are similar irrespective of pump or entitlement size.
- WaterNSW is continuing to work with IPART in a detailed manner, understanding Regulations, clarifying assumptions and working on ways WaterNSW can reduce costings to customers.
- Customers questioned why metering charges are going up when water users have spent so much money installing telemetry. WaterNSW noted the costs of setting up the system is throwing out what the perceived benefits will be. IPART Cost Shares discussed. The IPART draft decision considered the non-urban metering reform to be in the metering and compliance category, which is 100% user share. All costs were allocated to metering and compliance and 100% user share. Corporate systems more generally is 80% user share (but does not apply in this case).
- Customers noted the increase to the user share component for fishways to 80:20, stating there are a lot of others who benefit from fishways. Impactor pays pushes costs to customers as opposed to government share. WaterNSW noted IPART is still taking submissions on this and customers are encouraged to make their own submissions.
- Customers noted that small users in the Peel with multiple meters are heavily impacted on a per meter charge, with a substantial increase. WaterNSW recognises the significant changes the metering reforms have on water users. Making meters inactive may also reduce costs, however there is a process involved to reactivate.
- Submissions to IPART close on 16 April 2021.

### **3.3 Engagement Landscape – Customer Conversations (J Dickson)**

- As presented at the previous meeting, WaterNSW proposes to broaden its engagement for the next pricing proposal (FY25-FY29) which is due in 2024. CAG membership will be first of those engaged, with the addition of a wider community of customers and water users to ensure that what we propose in terms of investment reflects our customers' views.
- Engagement will commence in three stages, with WaterNSW producing a 'conversation kit' for small groups to talk and respond online to questions on trade-offs WaterNSW manages. Meetings will then follow on emerging and common themes discussed. We anticipate this will contribute to a more informed pricing discussion on the areas Customers believe WaterNSW should spend their time on leading to the potential of a customer supported pricing determination submission.
- Customer Conversations will be launched in the next month.

### **3.4 Water Reform Implementation Plan (WRIP) - Implementing Non-Urban Metering Rules (J Dickson)**

- WaterNSW provided an update on the non-urban metering reforms, including a recap on the roll out dates, conditions that apply now for all water users and pathways to compliance.
- From 1 April 2019, conditions that apply for **all water users**, regardless of rollout date, include requirements for faulty metering equipment (self-report within 24 hours on S91i, manually record take, repair/replace within 21 days), new or replacement meters (pattern approved, tamper proof and validated by DQP, LID) and inactive works (check approval).
- There are currently 15 pattern approved meters [listed on the MDBA website](#) ranging from 25mm to 1800mm.
- DPIE maintains the [list of compatible data logging and telemetry devices \(LIDs\)](#), which is designed to help water users and DQPs understand which devices have been tested and meet requirements

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of the DAS. It is the responsibility of water users to ensure they purchase a fit-for-purpose device that meets their needs.

- To find a local DQP please see the [Irrigation Australia website](#).
- For DQP Portal enquiries, email [DQP.Enquiries@waternsw.com.au](mailto:DQP.Enquiries@waternsw.com.au). For questions on Government-owned meters, email [Meter.Maintenance@waternsw.com.au](mailto:Meter.Maintenance@waternsw.com.au)
- DPIE and NRAR have a number of resources available to help water users understand the new metering rules, including a [Metering Guidance Tool](#), [metering leaflet](#) and [compliance fact sheets](#).
- DPIE recognises that progress around supply and implementation of telemetry is slow. Advice to all water users is to take steps and act early. Even if it is not possible to immediately install a telemetry device, water users are strongly encouraged to take the first step to contact a meter installer (list available on [Irrigation Australia website](#)). It is important to note that every time an installer conducts activities on your behalf, it will be recorded in the DQP portal and is evidence that you have taken steps to be compliant. NRAR also has access to this information.

### **3.5 Department of Planning, Industry and Environment (A Walker/A McKenzie-McHarg)**

#### **Floodplain Harvesting Measurement (FPH) Rules**

- Volumetric licensing and accounting rules will soon be implemented in the northern basin river valleys, with the key to FPH take, being the ability to accurately measure it. Water users will need to install a variety of equipment to enable take.
- The Floodplain Harvesting Measurement Policy was released in July 2020, with regulations to enact the policy expected late April 2021. To support this policy and regulatory development, DPIE has developed [guidelines for water users as well as DQPs to install systems to be measurement ready](#).
- It is the responsibility of water users to ensure they are compliant with regulations, engage a DQP to install measurement equipment and establish survey benchmarks and secondary measurement devices (ie gauge boards). DPIE noted the recent flooding has slowed some of this work.
- The DQP Portal is continuing, with a new release scheduled each month. DPIE has worked hard to get as many trained as possible, 28 have completed the IAL training with the 4<sup>th</sup> round recently completed.
- A lot of consultation has been done through webinars with suppliers, installers and landholders. DPIE has completed roadshows in the 5 northern valleys, A “what we heard” is due for release soon.
- Some of the main issues captured include the list of sensors and LIDs available. 11 sensors suitable for FPH exist with 4 LIDs still in testing (see DPIE website).
- Timeframes are tight and a lot of feedback has been received on this. DPIE is very aware and is working with different parts of government to see what can be done.
- DQP and supplier availability is a known issue. There is a lag time with orders for LIDs (up to 4-8 weeks) and DQP availability is scarce. Training for DQPs continues.
- Functionality of accounting systems and operation – DPIE has heard clearly that even though data is collected hourly, it is only uploaded daily. More near-real-time data is preferable, and DPIE is encouraging the market to come up with a product, working actively with suppliers, government and NRAR.
- If you have any questions on FPH Measurement, email [FPHmeasurement@dpie.nsw.gov.au](mailto:FPHmeasurement@dpie.nsw.gov.au)

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### 3.6 Natural Resources Access Regulator (NRAR)

#### NRAR's use of discretion in the compliance process (G White)

- NRAR approaches investigations on a case by case basis and uses discretion to determine its response, with consideration to harm, culpability, history and attitude. Serious, substantiated and wilful acts of non-compliance will face the full force of the law. Where non-compliance occurs out of ignorance, with little harm caused, other tools or educational measures may be used.
- NRAR's approach to water compliance model presented and discussed.
- NRAR has a range of tools at its disposal for regulatory response and uses discretion to apply them. Punitive measures include statutory direction, penalty infringement notices, civil action, licence action and prosecutions. Other tools include education and awareness campaigns, advisory letters, written and verbal warnings, cautions, enforceable undertakings and corrective action requests.
- The Floodplain Harvesting (FPH) disallowance created some uncertainty, with FPH licences to be issued in 2021. Until that time, water taken must be in accordance with an access licence, works/use approval, exemption or basic landholder right. NRAR will use discretion to investigate suspected breaches and will take action against wilful, harmful and serious non-compliance. NRAR will consider the ambiguous environment the disallowance has created alongside key regulatory principles.
- Many issues arise when water users don't know or are unsure of the rules. NRAR is creating a suite of education resources to help water users, including a new video [Know the Rules – Licences and Approvals](#). Other [NRAR education resources](#) can be found on NRAR's website.
- A full list of NRAR actions, including prosecutions, can be viewed on the [NRAR Public Register](#).
- Customers noted there are a number of new landholders in the area who are ignorant to the rules and don't want to comply until forced to do so, so NRAR's boots on the ground is a good approach. Compliance is important but needs to be consistent for all. NRAR welcomes suggestions from water users on what more can be done.
- To contact NRAR, please email [nrar.enquiries@nrar.nsw.gov.au](mailto:nrar.enquiries@nrar.nsw.gov.au) or call 1800 633 362

#### Satellites in water monitoring and compliance (I Bernard)

- In NSW NRAR monitors, audits and regulates water take across >800,000 sq/km; >42,000 water access licenses and >33 000 works approvals for irrigation alone, therefore technology and innovation are crucial.
- Water take assessments play a key role in proactively assessing where and whether potential non-compliance may be occurring. A water take compliance assessment framework is applied to determine if the water take is lawful with regard to timing, volume and location.
- NRAR uses technology systematically to monitor and assess compliance across vast areas on almost any water issue in NSW, with technology and capability improving all the time.
- NRAR has access to many technologies, tools and expertise, including Sentinel and Landsat satellite imagery, Planet satellite imagery, SkySat, nearmap and drones, as well as external agency expertise such as MDBA, DPIE and Geoscience Australia.
- Examples of how NRAR uses satellite imagery and technology to detect potential unapproved irrigation presented.
- To ensure compliance, water users should be proactive, notify WaterNSW of errors or omissions, understand and follow the terms and conditions of your Works Approvals, Access Licences and Water Sharing Plans and contact NRAR if you are unsure.

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- NRAR's use of this technology is to highlight areas where there may be potential issues or where further investigation may be required on ground, not necessarily that an offence has occurred. This is a good way to maximise resource and focus on the problem areas.
- Tamworth Regional Council noted they look at stormwater reuse in urban areas and questioned how the 10% run off rule translates to urban areas. NRAR noted that its role is as an independent regulator, so doesn't set the rules however there has been some investment by DPIE to look at town water supply. NRAR will provide contact details.

#### **4. Business Papers:**

- Noted and taken as read.

#### **5. General Business:**

##### **5.1 IPART Economic Framework (J Dickson)**

- IPART has started a review on its approach to regulating water pricing and licensing in monopoly water businesses in NSW. The review will provide an opportunity for stakeholders to help shape the future performance of the water sector.
- The review, released in November 2020, is available on [IPART's website](#).

##### **5.2 Regional Water Strategy Update (A Fraser)**

- In late 2019, WaterNSW consulted with customers on options for inclusion in the 20-Year Infrastructure Options Study (20YIOS), which we were intending to take to IPART to seek funding for customer preferred infrastructure options in the valley.
- In early 2020, DPIE commenced work on the Regional Water Strategies (RWS), which included broader options that go beyond the asset options identified by WaterNSW in the 20YIOS, including river operations, rules of the valley, and environmental water and Aboriginal water use.
- In June 2020, WaterNSW was requested to cease work on developing the 20YIOS and provided our findings to DPIE to incorporate into the RWS work. WaterNSW has since reviewed original costings of the 38 options and developed to delivery status, (more detailed accurate costings), and provided to the department for consideration and further development.
- DPIE is now leading this project, with WaterNSW input. DPIE met with stakeholders to identify and develop a long list of options for these valleys. The RWS is progressing an assessment tool to identify options and priorities, producing stochastic models for climate change impacts on water availability and progressing with Aboriginal consultation.
- DPIE has engaged ARUP to cost the options for the whole state and is about to commence the second stage of the RWS to narrow the list of options to be progressed. A document will then be produced for further discussion to move to the next phase in the process.

##### **5.3 NSW Fisheries (C Boys)**

###### **Fish Screens: better farming, better fishing**

- NSW Fisheries has been working on research to create a new design criteria to protect Australian native fish species and has been installing modern screens to create showcase sites in the Macquarie and Lachlan valleys, which has been possible through collaboration with water users, engineers, manufacturers and anglers.
- NSW Fisheries has been working on the research to create new design criteria to protect Australian native fish species and through this has created [Fish Screens Australia](#), which is hosted by the angling peak body OzFish.

##### **5.4 iWAS/Supplementary Water (A Watson via email)**

- Customers stated iWAS fails to give correct balance of supplementary water available when putting orders in (ie relates to % percentage of pumping allowed at that time). Taken on notice.

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**Action NP2104.01:** WaterNSW to look into customers concerns around iWAS failing to give correct balance of supplementary water available when putting in orders.

Responsibility: S Keough

### 5.5 Real Time Data (A Watson via email)

- Customers highlighted issues with the real time data website being unavailable at critical times for water users (ie flooding).
- WaterNSW is aware of the recent issues, which have now been corrected, and will continue to monitor. The high volumes of requests and a number of concurrent network level requests resulted in intermittent outages and slow response times for users accessing Real Time Data and WaterLive applications.
- It is important to note that although WaterNSW publishes water level and flow information during flood events, it is recommended that the public follow and respond to floods based on flood warnings from the BOM as the primary agency responsible for providing flood warning to local communities.
- Much of our focus turns to ensuring this river level data is provided to them in a timely fashion during flood events. During the recent event WaterNSW was able to keep the data feeds to BoM and SES close to real time for most of the gauging stations across the state, and this data was publicly available through the BOM website and Apps.

### 5.6 Meter revalidation for battery replacement (A Watson via email)

- Customers stated that to get out of a S91i meter failure report, water users must get the meter revalidated, even if only replacing a battery. This is very costly for water users. Larger businesses with a fleet of meters may want to consider getting their own DQP certified through Irrigation Australia.
- WaterNSW noted this is a requirement of the new rules which came into effect on 1 April 2019 and will pass on customer concerns to DPIE. If a meter is opened for correction the seal needs to be reapplied by a DQP and a new validation certificate submitted. Only a DQP (and CFO and NRAR) is permitted to break a seal.

**Action NP2104.02:** WaterNSW to follow up customer concerns around the need for meter revalidation after a battery is replaced.

Responsibility: M Brooks

### Meeting Review and Close

**Next Meeting:** 15 July 2021 in Gunnedah (TBC)

**Meeting closed:** 12.10pm

## Namoi-Peel Customer Advisory Group – Actions – 15 April 2021

### Carried forward actions

Action No.	Action	Responsibility	Status
<b>NP2007.03</b>	WaterNSW to review approvals for fractured rock bores as raised by Peel Valley Water Users and provide a response out of session.	A Fuller	<b>Complete.</b> WaterNSW advised that a detailed response has been prepared by DPIE and WaterNSW and forwarded to the Minister.
<b>NP2007.04</b>	Provide specific application details of permanent dealings to WaterNSW to review. WaterNSW to liaise with member out of session.	D Gowing / A Fuller	<b>In progress.</b>
<b>NP2012.01</b>	Clarify how many tension cables there are across the wall at Keepit Dam.	B Mayhew	<b>Complete.</b> The Keepit Dam post-tensioned anchor work includes: <ul style="list-style-type: none"> <li>• 47 vertical anchors, each installed down through the dam from the crest into the foundation rock, with individual anchors up to 90m long and averaging 70m long</li> <li>• 20 pier anchors, each 22m long and installed at an angle of 35 degrees from horizontal across the dam through the spillway bridge piers, and</li> <li>• 32 bar anchors made from 50mm diameter macalloy steel bars, up to 17m long and installed at an angle of 10 degrees from horizontal across the dam through the spillway section</li> </ul> The vertical and pier anchors are fabricated with either 65 or 91 "strands". Each strand is made up of 7 steel wires. The process is generally similar for the pier anchors and the macalloy steel bar anchors except that they are installed at an angle, not vertically, requiring some extra setup for drilling and tensioning.
<b>NP2012.02</b>	Provide a copy of the projects and cost codes for capital projects in the Namoi.	C Braddock	<b>Complete</b> (provided with business papers for April 2021 meeting).

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#### New actions

Action No.	Action	Responsibility	Status
NP2104.01	WaterNSW to look into customers concerns around iWAS failing to give correct balance of supplementary water available when putting in orders.	S Keough	
NP2104.02	WaterNSW to follow up customer concerns around the need for meter revalidation after a battery is replaced.	M Brooks	

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