

Lachlan Customer Advisory Group - Minutes of Meeting

Location: Video Conference

Date: 21 July 2021

Time: 10.00am

Present: Ed Fagan (Chair), Nick Turner, Gordon Turner, Tom Green, Mary Ewing, Michael Storrier, Joanne Lenehan, Bruce Campbell, Tim Bell, Michael Payten, Jonathan Dickson, Sri Sritharan, Enrico Proietti, Emma Oates, Sonia Townsend, Sarah Boyd and Toni Hayes.

The following attended for specific agenda items: B Mayhew, C Braddock, D Swift-Hoadley, A Walker, G Abood, G White, S Pritchard, S Flowers, P Gidney, A Fraser.

Meeting Opened: 10.00am.

1. Introduction and Acknowledgement of Country:

1.1 Welcome and introductions

1.2 Apologies: Hilton Taylor, Gavin Rhodes.

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, 20 April 2021:

- Resolved the [minutes of meeting held on 20 April 2021](#) be confirmed as a correct record. Taken as read.

*E Fagan/M Ewing
carried*

1.6 Actions arising from minutes

- See action sheet attached.

1.7 Election of Chairperson

- Ed Fagan was nominated and elected Chairperson unopposed.

*M Ewing/G Turner
carried*

2. Assets:

2.1 Asset Maintenance update (B Mayhew)

- Asset performance and maintenance in the Lachlan valley presented and discussed, including routine preventative and corrective maintenance at Wyangala Dam, Jemalong Weir and Offtake Regulator, Lake Cargelligo seepage project, Brewster Weir Conduit Regulator, Lake Brewster storage and outlet, Lower Lachlan regulating structures, Bumbuggen Creek Weir and Willandra Creek Regulator.
- Customers advised the Merrowie Creek Trust has funds available, initially set aside for maintenance of Ganowlia Weir near Hillston. Due to WaterNSW assuming operation of those trust assets, the Trust is looking to reallocate the funds and queried if WaterNSW has suggestions for possible projects in the Merrowie Creek offtake or infrastructure for future consideration.

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Action LAC2107.01: Merrowie Creek Trust to provide information to WaterNSW to liaise out of session on possible projects for consideration.

Responsibility: G Turner/C Braddock

- Customers questioned if the seepage monitoring at Lake Cargelligo is showing any changes in seepage rates. WaterNSW advised there is nothing significant, the risk we are monitoring is water passing through the embankment and if in a concentrated path can scour a hole through the embankment. WaterNSW measures seepage as a routine part of our dam safety program.
- Customers questioned if the monitoring of seepage will affect the proposed \$12M project planned in the current determination for Lake Cargelligo. WaterNSW advised this is an ongoing dam surveillance activity and will continue before and after the dam safety project. Seepage will not affect the project.

2.2 Capital Plan FY22-25 Update (C Braddock)

- WaterNSW provided an update on proposed changes to the Fishway Projects and Lachlan Discretionary Project.
- There has been a new agreement with NSW Fisheries to move the DSU obligation from Lake Cargelligo Outlet Regulator to Lake Cargelligo Inlet Regulator, which has been a good outcome. WaterNSW is progressing this as one of the pilots for fishway construction and will be progressing this year.

2.3 Regional Water Security Project: Wallamundry Weirs Project Update (C Braddock)

- The budget allowance includes an upgrade of Woolshed and Nerrathong Weirs. NSW Fisheries advised under s218 that a fishway may be required. WaterNSW's regulatory submission did not include provision for a fishway in capex.
- There are operational safety concerns with the weirs in the current configuration (medium term safe, reliable operation is at risk). The remoteness of the structures means operations are infrequent (operated by staff at the Lake Cargelligo office). There is no long-term scenario where we are able to continue to keep Wallamundry Weir as part of the regulated system without upgrading these structures (the three weirs are required to allow us to control flow through that structure).
- WaterNSW is still investigating and assessing options. There are also ownership issues associated with the structures.

2.4 Major Projects Update (J Dickson)

- As part of broader reforms of the NSW Water Sector, a new water infrastructure agency, Water Infrastructure NSW (WINSW) has been established within DPIE-Water. Progressively from 1 July 2021, WINSW will now lead the planning and delivery of Government funded water infrastructure projects in NSW, including the transfer of 8 projects previously led by WaterNSW (including Wyangala Dam Wall Raising).
- The majority of project staff have moved to WINSW with the projects. WaterNSW and WINSW are working together to ensure the transition is a swift and seamless process.
- WaterNSW will retain a role in the projects as owner and operator or existing land and assets for some projects and service provided to existing and future customers.
- Project updates going forward will be provided by WINSW and can be found on WINSW's website at <https://water.nsw.gov.au/water-infrastructure-nsw>

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- For project updates on Wyangala Dam Wall Raising, to sign up for monthly webinars and for further information, see <https://water.nsw.gov.au/water-infrastructure-nsw/dam-projects/wyangala-dam>
- Customers stated that WaterNSW was previously the proponent for some of the projects, submitting EIS and approvals with conditions etc and engaging contractors. If WINSW is now part of DPIE-Water and they have WSP proponents, how will this work (how will it impact WSPs)? Details of governance arrangements taken on notice.

Action LAC2107.02: WaterNSW to provide further information/detail on governance arrangements of transitioning major projects to WINSW.

Responsibility: J Dickson

3. Presentations/Consultation:

3.1 Water Reform Implementation Plan (WRIP) Update (D Swift-Hoadley)

- 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.
- If you are not using your water supply works you can make the works **inactive**, which then exempts those works only from the new metering rules. Once inactive, you will not be able to use the works to take any water (including BLR) and will be billed on a one-part tariff (full entitlement charge). To make a works active again, licence holder will need to submit an application, pay the application fee and provide evidence that the works adheres to the metering regulations. For more information visit our website at www.watnsw.com.au/amendapproval
- There are currently 15 pattern approved meters [listed on the MDBA website](#), ranging 25mm-1800mm. A list of compatible data logging and telemetry devices and solutions are listed on [DPIE's website](#). Customers are encouraged to speak to their DQP in relation to appropriate fit for purpose equipment.
- The NSW Government recently announced \$23.6M to assist and encourage water users in the northern MDB in transitioning to telemetry-based metering, including an \$18M rebate available per meter as a \$975 credit applied to customer bills (refer below). Government-owned meters are not eligible.
- Customers sought clarification on an approval that authorises a 300mm pump but a 200mm pump is installed, are water users required to amend the approval? NRAR advised yes, this is the case. Despite historical practice, approvals are absolute and must reflect what is on ground. This can be the difference between being captured by the rules or not. Water users should contact WaterNSW (or their licensor) to make necessary changes.
- Customers questioned if they will be able to continue to access the two-part tariff if they make a works inactive. WaterNSW advised that it depends what else is attached to the works and will be determined on a case-by-case basis. Unregulated and groundwater will be billed on a one-part tariff. Customers would like further clarification as there is a lot of confusion around this.

Action LAC2107.03: WaterNSW to provide clarification on whether customers will still have access to the two-part tariff if they make their works inactive.

Responsibility: D Swift-Hoadley

- If customers have a bore and want to deactivate the irrigation portion of it and detach the WAL, do they deactivate the work or amend the work approval (so it remains a BLR bore). Taken on notice.

Action LAC2107.04: WaterNSW to confirm if customers need to deactivate a work or amend a work approval if they want their bore to remain a BLR bore.

Responsibility: D Swift-Hoadley

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- Customers questioned if their work approval is for 300mm but they have a 12 inch pump which pre-dates the approval (therefore when converted is slightly higher than 300mm), do they need to amend the approval. NRAR advised that the measurement is the outlet of the pump - as long as the outlet of the pump does not exceed the works approval.
- Customers queried what has been done to streamline the S91i process (eg a simple battery replacement requires a DQP to revalidate the meter, which seems to be a lot of paperwork for a simple battery change and limited DQP availability). WaterNSW advised that if a meter is out and the battery is not working an S91i is required and will need to be submitted every 21 days until a DQP revalidates the meter. We are updating the website and a maintenance version for validation is in place now. The DQP can do the validation online remotely if they have the details (serial number on tag etc).
- With potential delays and issues with Covid, customers questioned if timelines will be altered if it becomes problematic to get works done due to delays etc. Refer to NRAR agenda item 3.2.

Non-Urban Metering Rules Update (\$ Lykos – DPIE-Water)

- The NSW and Australian Governments have committed to fund a \$36.1M suite of metering programs, to commence in the 2021-22 financial year, including:
 - \$18M telemetry rebate, for those who have installed telemetry (both mandatory and voluntary), applied retrospectively for all accounts in the DAS
 - \$14.6M government-owned meter capital upgrade program
 - \$1M program First Nations metering traineeship program
 - \$2.5M field program
- Many water users were captured by the rules in the 1 December 2020 rollout simply because their approval details did not reflect what is 'on ground' (eg installed smaller works or inactive works). What is on your approval **MUST** match what is on ground, is absolute (refer above). The key message to water users is to ensure details are up to date. This can be the difference between being captured by the rules or not. Contact WaterNSW to make any changes.
- The DQP portal is the central source of information about the steps water users are taking to become compliant. WaterNSW is upgrading the portal to allow more steps to be recorded and to improve access for water users.
- Upcoming communication and engagement activities for the 1 December 2021 rollout include: mailout to all affected water users in June-July 2021; outbound phone calls to all affected water users in July-August 2021; metering roadshow planned for September 2021; and a second mailout in October-November 2021.
- Works solely used to take water for domestic and stock under a basic landholder right (BLR) are exempt from the metering rules. The exemption **does not** capture water taken under a domestic and stock access licence.
- The Department has extended timeframes for **some water users** to comply with existing metering conditions in five water sharing plans (Hunter, Richmond, Lachlan, Murrumbidgee and Murray-Lower Darling) - [click here for more information and to see if this affects you](#). The extension does not affect existing regional roll out dates.
- DPIE and NRAR have a number of resources available to help water users understand the new metering rules, including a [Metering Guidance Tool](#), [Non-Urban Water Metering In NSW: what water users need to know leaflet](#) and [compliance fact sheets](#).

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3.2 Natural Resources Access Regulator (NRAR)

Update on Metering Compliance Campaign – tranche 1 (G Abood)

- NRAR provided an update on tranche 1 compliance rates for affected works under the non-urban water metering framework, including state-wide statistics and regional breakdown for the Lachlan. NRAR has conducted a number of programs looking at water users through targeted sampling via desktop assessments, phone calls and site inspections. Results were then ground-truthed by NRAR site visits.
- To be fully compliant, water users must have accurate, tamper-proof and approved meters installed; should have those meters validated by a DQP; and could be connected to the DAS. The on-ground installation must exactly match the work approval. NRAR will focus efforts on those users who have not progressed far through the compliance pathway (who have the most ground to cover).
- Tranche 1 covered 1126 affected works in the system (active works that have the ability to pump water). There were 715 works remaining after exclusions (including active investigations, government owned meters and COVID restrictions), half of which were either smaller than 500mm or inactive, therefore not subject to the regulation.
- Results showed that state-wide, 23% of affected works are fully compliant; 32% are on the pathway to compliance, having made reasonable efforts to comply; and 45% of affected works are non-compliant and subject to enforcement action.
- For the Lachlan, 13% are fully compliant; 29% are on the pathway to compliance and 58% are non-compliant (24 works). Of the 58% non-compliant, around 50% have shown best endeavours. Customers stated it would be good to see the statistics reflect this to paint a more accurate picture of compliance in the valley. NRAR stated they take into account best efforts when responding to non-compliance and the key message to water users is to act now on the things in their control – know what's on your approval, know the rules and engage a DQP early. NRAR does not have discretion – users are either compliant or non-compliant. They only discretion is in how they respond.
- Tranche 2 water users must act now. If water is taken in the Macquarie, Gwydir, Namoi, Border Rivers and Barwon-Darling users may need to comply by 1 December 2021. Customers should review their licence and approval details on the [NSW Water Register](#) and use the [NSW Metering Guidance Tool](#) to confirm if this applies to them and then engage a DQP to commence work. The Lachlan valley will be in tranche 3.
- Lachlan Valley Water advised they will be running some field days for those users captured by the December 2022 deadlines, however there are some users captured by the December 2021 deadlines with MDB groundwater being considered part of northern rollout and also some users in the Lachlan requiring a meter.
- Customers stated there is still no clear pathway for water users on what is required in relation to groundwater so how is it possible to show best endeavours. NRAR advised the first step is to confirm your status, speak to your DQP or licensor. If you do that early on this will be noted by NRAR when making decisions. If it is confirmed you are out of scope, you should speak to your licensor - does your work on ground reflect what is in your approval?
- NRAR advised from a compliance perspective, if a works is made inactive it must not be used to move water for the purpose it was permitted for that works. When customers are contemplating reactivating the works, the works must be fitted with the meter/system per the reforms before it can be used.

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- The key messaging from NRAR is for water users to check if you are in or if you are out of the next tranche. If in, contact the DQP, if out contact licensor (likely WaterNSW). Customers stated there is still confusion around groundwater, where most would have a WAL attached with multiple use. NRAR stated if you detach a WAL, you are out. If it is inactive, water can only be used for the purpose of the approval. Water users need to check their approval.
- There is a flow diagram on the DPIE-Water site <https://www.dpie.nsw.gov.au/nrar/how-to-comply/metering/guidelines-for-water-metering> and customers can check the [Metering Guidance Tool](#).

Introduction to NRAR's Quarterly Reporting Tool (G White)

- NRAR has released results of its campaigns to help water users understand what they do and to build public confidence that water is being regulated fairly in NSW. [Quarterly Compliance Reports](#) are an easily accessible summary of NRAR's activities for water users and the community and are publicly available on NRAR's website.
- Key activities and non-compliance trends across the state presented (Jan-Mar 2021), including [regional compliance breakdown](#) for the Lachlan.
- NRAR has recently released its [regulatory priorities for 2021-22](#) for water metering and DQPs, irrigated agriculture, overdrawn accounts and extraction limits in at risk water sources, which will be focus over the coming months, as well as enduring priorities.
- [Subscribe to NRAR's newsletter here.](#)
- Customers questioned if NRAR has found any overdrawn accounts in the Lachlan (taken on notice) and are environmental licences subject to the same checks. Yes, NRAR does not make a distinction between who owns a licence with the expectation that whoever owns the licence should be acting within the law. Samples are random.
- WaterNSW receives a lot of requests during high flow and wet weather in relation to rafts and debris in the river, with water users expecting WaterNSW to correct. Our response is that we don't do anything unless it may affect our infrastructure, otherwise it is the landholders' responsibility. Does the landholder require approval from NRAR to do this? Landholders should refer to the guidelines for [Controlled Activities](#).
- Customers questioned if there is an allowance for accounts that are overdrawn by 0.4ML or 0.8ML. NRAR stated that compliance is absolute and water users should not take more than what is allowed. NRAR will take a granulated response however the expectation is that people will comply with the law. If your licence conditions state there must be a complying water order in the system prior to taking water, you must do so otherwise will be in breach of licence conditions and subject to enforcement. The key is to order what you need and take what you order.
- Customers stated there needs to be clarity on water orders and where this sits under legislation - under the WaterNSW Operating Licence in terms of volume, or the Water Act? Licences state there must be a valid water order placed with WaterNSW, nothing about volume. It doesn't say the water order must match what is extracted. We know what is intended but the intent of the legislation doesn't reflect the practicality of implementation. Previously everyone over-ordered to ensure they wouldn't over-pump.
- NRAR will work with WaterNSW to come to a position on this and advise customers. NRAR stated that most compliance to date has been users not ordering, not around the margins.

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Action LAC2107.05: NRAR and WaterNSW to discuss and provide clarity on where water order activity sits in relation to legislation and how users in the Lachlan should work with the water order process.

Responsibility: S Sritharan/G White

3.3 Town Water Risk Reduction Program (P Gidney – DPIE-Water)

- DPIE provided an overview of the Town Water Risk Reduction Program, which is exclusive to local water utilities (LWU). The program is a 2-year reform program with a dedicated team and resources with the objective to establish a new partnership approach to work with the sector and to design and implement long-term solutions to the key barriers LWUs face in managing risk to town water and sewerage services.
- The scope of the project is to identify opportunities where risk can be significantly reduced by enabling LWUs to draw on the scale or skills in State Government entities and pilot these new support models to build a case for potential future change.
- The program will focus on improving the regulatory framework, reviewing skills shortages across the sector, encouraging greater collaboration between utilities, investigating alternative funding models and facilitation of greater State Government support.
- DPIE will be hosting an online workshop on 2 August. For those LWUs interested in getting involved in the program, please email regional.town.water@dpie.nsw.gov.au

3.4 Regulatory Economics – Pricing Determination Engagement (J Dickson)

- IPART has decided to defer the release of its final reports on WaterNSW's rural bulk water and WAMC's water management prices by 3 months in order to assess WaterNSW's non-urban metering proposal and consult on draft metering prices.
- This decision means the current prices will continue to apply from 1 July to 30 September 2021, with new prices to apply from 1 October 2021.
- Submissions to IPART's supplementary reports close on 23 July 2021. For more information and to view reports, submissions, proposals and consultation, visit [IPART's website](#).

Metering

- IPART's [Supplementary Draft Report on Metering](#) was released on 22 June 2021, seeking customer and stakeholder feedback by 23 July 2021. The report sets out the draft maximum charges that WaterNSW can recover for implementing the NSW Government's metering reforms over the next four years.
- WaterNSW will introduce new charges to recover the costs of metering, including a scheme management charge (annual fee per licence); a telemetry charge (annual fee per meter); a non-telemetry charge (annual fee per meter); and two additional meter service charges will apply to customers with government owned meters.
- 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.
- IPART will consider all feedback provided in submissions when making its final decision to be published in September 2021.
- Customers sought an explanation of what "value for money" means in terms of metering. WaterNSW stated this relates to providing the services we are expected to deliver under the new reforms. We are

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seeking to provide appropriate services to customers to ensure that what we provide is fit for purpose whilst also being cost effective from a customer point of view.

4.3 Engagement Landscape (J Dickson)

IPART Customer Engagement

- IPART is reviewing the way it regulates water utilities and how it sets prices and licence conditions for the monopoly businesses it regulates. Three sessions on future water assessments have been held, including customer engagement, where all NSW water utilities provided input.
- Stakeholder feedback on [Discussion Paper 2 – Promoting A Customer Focus](#) was due on 20 July 2021.

Customer Conversations

- WaterNSW is taking a new approach to customer engagement on future water and services pricing to ensure that what we propose in terms of investment reflects our customers' views. newDemocracy has been engaged to start a conversation, which will inform WaterNSW's submission to the regulator for the 2025 Rural Pricing Determination.
- newDemocracy will work with WaterNSW to deliver three key pieces of community engagement: Kitchen Table Discussions; Paired Conversations; and Concise Themes. These projects will take place throughout 2021 and ultimately lead into a deeper engagement process that addresses the question: "how can we best meet our need for water? And, what is a fair way to pay for it?".
- CAG members were sent a copy of the Kitchen Table Discussion Kit in June, inviting them and their water user group to take part, with feedback due by 30 August 2021. Engagement is open to all stakeholders who have an interest in water.
- For more information or to download a copy of the Kitchen Table Discussion Kit, please visit <https://www.newdemocracy.com.au/water/>
- Customers raised concerns with this approach, stating it is very difficult at a high level to be able to provide specific information and answers on complex pricing and management issues, with an example being fixed:variable tariff options. Stakeholders will be unable to provide a position if they don't know the detail, whereas the CAG may be a better mechanism for this type of discussion. WaterNSW advised this is an opportunity for that discussion to occur and is open to anyone to direct where we go with that. Diving into detail is difficult under this framework, however this is just the starting point. WaterNSW is hoping to get feedback specific to issues customers want to discuss, then will look to hold further meetings to discuss options etc. The conversation won't go into immediate detail but will provide the platform for further discussion.
- Customers questioned how WaterNSW will manage the response and analyse the data, stating a group that has no attachment to water could get involved. WaterNSW advised that it will be easy to identify those who are not water users or those not engaged in water. We are looking for valued and considered comment from people who know about water.
- Customers support wider engagement and agree with starting the conversation early however are weary of the process.

5. Business Papers:

- Noted and taken as read.

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6. General Business:

6.1 Lachlan Valley out of hours water ordering trial

- WaterNSW provided a recap on the Lachlan Valley out of hours water ordering trial. The issue arose when it was identified that water users could not amend or cancel orders out of hours within iWAS.
- With more water now in the valley, WaterNSW intends to revisit the trial which was on hold due to drought. The trial will enable after-hours access to WaterNSW ordering systems, with users required to register for the trial in order to take part. Demand for this functionality will determine a review for iWAS for rollout to all valleys.
- **To join the trial**, water users should contact WaterNSW's call centre to register interest (1300 662 077). WaterNSW will communicate reactivation of the trial via email to those we have contacts for and liaise with Lachlan Valley Water on appropriate communication to other users within the valley.

Meeting Review and Close

Next Meeting: Tuesday 19 October 2021

Meeting closed: 1.25pm

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Lachlan Customer Advisory Group – Actions – 21 July 2021

Carried forward actions

Action No.	Action	Responsibility	Status
	Nil carried forward actions.		

New actions

Action No.	Action	Responsibility	Status
LAC2107.01	Merrowie Creek Trust to provide information to WaterNSW to liaise out of session on possible projects for consideration.	G Turner/ C Braddock	Information provided to WaterNSW, for liaison out of session.
LAC2107.02	WaterNSW to provide further information/detail on governance arrangements of transitioning major projects to WINSW.	J Dickson	
LAC2107.03	WaterNSW to provide clarification on whether customers will still have access to the two-part tariff if they make their works inactive.	D Swift-Hoadley	
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LAC2107.05	NRAR and WaterNSW to discuss and provide clarity on where water order activity sits in relation to legislation and how users in the Lachlan should work with the water order process.	S Sritharan / G White	

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