

# Border Rivers Customer Advisory Group

## Minutes of Meeting

**Location:** Video Conference

**Date:** 13 October 2021

**Time:** 9.00am

**Present:** Daryl Cleeve (Chair), Michael Owen, David Coulton, Andrew Hynes, Anub Nair, Ian Coventry (observer), Roland Heatley (observer), David Preston (observer), Tim Napier (observer), Elizabeth Webb (observer), Jonathan Dickson, Emma Oates, Enrico Proietti, Sonia Townsend, Anne-Maree Burke and Toni Hayes.

The following attended for specific agenda items: B Mayhew, C Braddock, R Cocks, M Brooks, A Walker, G Abood, K Andersen.

**Meeting Opened:** 9.00am.

### 1. Introduction and Acknowledgement of Country:

#### 1.1 Welcome and introductions:

1.2 Apologies: Matthew Miles, Daryl Albertson, Lindsay White, Jane Humphries.

#### 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, 14 July 2021:

- Resolved the minutes of meeting held on [14 July 2021](#) be confirmed as a correct record. Taken as read.

M Owen/D Cleeve  
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 Border Rivers presented and discussed, including routine preventative and corrective maintenance delivery.
- Customers questioned why the hydro plant isn't running while the dam is spilling. AGL operates the plant and advised WaterNSW they have temporarily suspended operation of their NSW small hydro sites. It is our understanding they are undertaking an internal review of operation and maintenance of small hydros. Any time water is being discharged from the dam we offer the water to various operators of small hydro sites at our structures so they can use the water. At the moment AGL has chosen not to.
- Customers questioned who is responsible for the recreation sites at Pindari Dam, stating the area is very basic and there appears to have been no planning or preparation for recreational facilities when the dam was enlarged. Inverell Shire Council operates the camping area, public toilets and showers and WaterNSW operates the small recreation area adjacent to the office. Due to the geology of the site, raising the dam wall limited the area available for recreation.

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## 2.2 Capital Plan Update (C Braddock)

- WaterNSW provided an overview on the capex component of the final IPART determination (proposed by WaterNSW vs approved by IPART), including Border Rivers capital plan changes and FY22 initiated projects.
- There have been no changes made to the capital plan however there has been some consideration as to whether the Pindari Dam butterfly valve 10-year overhaul may have to be put back for commencement FY26.
- WaterNSW is currently initiating the FY22 projects – Pindari Dam electrical cable tray renewal at the low-level outlet works and Pindari Dam 610mm HL FCD 10-year mechanical refurbishment and protective coating.

## 3. Presentations/Consultation:

### 3.1 Regulatory Economics – Pricing Determination Update (J Dickson)

- IPART has released its [final determinations](#) for WaterNSW Rural Bulk Water and WAMC prices to apply from 1 October 2021 and included new charges to recover the costs of non-urban metering reform.
- IPART's decision on rural bulk water charges resulted in increases of about 30% on average across all valleys, with tariff structures largely maintained. For WAMC charges, the result was increases in total water management charges over the 2021 period by, on average, 16% for regulated customers, 8% for unregulated customers, and 3% for groundwater customers. Due to affordability concerns, IPART has capped WAMC increases at 2.5% per annum with any shortfall recovered from Government.
- IPART reviewed WaterNSW's proposed costs and found that WaterNSW needs higher levels of operating expenditure to maintain its assets to an acceptable quality and that increased infrastructure investment is prudent and efficient.
- MDBA and BRC pass-through charges have been set at full cost recovery for both determinations.
- IPART has also introduced several new charges to recover the prudent and efficient costs of implementing the non-urban metering reforms, including a scheme management charge, a telemetry charge, a non-telemetry charge and two additional charges to apply to customers with Government-owned meters. IPART's modelling suggests some charges will decrease over time as voluntary telemetry uptake increases.
- In the Border Rivers, Opex has increased by 17.6% (13.6% less than proposed by WaterNSW) and Capex has increased by 123.73% (26.8% more than proposed by WaterNSW). The pass-through cost for Border Rivers Commission (BRC) has decreased by 3.6% (and is 39.8% lower than proposed by BRC). Forecast usage volumes are also 5.9% lower than those used for the 2017 Determination, which puts upward pressure on prices. Offsetting these factors are a lower cost of capital (WACC), which has decreased from 3.1% to 1.8%.
- Breakdown of the decision on customer share of revenue requirement for the Border Rivers over the 2021 Determination and drivers for change since the 2017 determination period presented.
- Customers commented it appears they are paying a lot more for any metering application that is required. WaterNSW advised there are a number of items that put upward pressure on pricing, including that IPART changed the list of activities covered by Opex an increase of NSW Government expectations on WaterNSW and the IPART Cost Share review changes being applied.
- Customers expressed strong negative sentiment over price rises, noting they feel Government is pushing more and more price on farming operations.

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### 3.2 Water Reform Implementation Plan (WRIP) Update (R Cocks/M Brooks/A Walker)

#### Non-Urban Metering Reform Update

- WaterNSW provided an update on the non-urban metering reforms, including a recap on the roll out dates, metering requirements for surface water, groundwater and at-risk groundwater sources and **what water users need to do now** (check details, see if the rules apply to you, and engage a DQP).
- Customers can choose to **make an authorised work inactive** to be exempt from the metering rules. This does not mean surrendering it. To make a work inactive, customers must complete the [application form](#) and pay an administration fee. Once inactive, customers will not be able to use their work to take any water, including basic landholder rights. Unregulated and groundwater customers will be billed on a one-part tariff (full entitlement charge).
- **All works captured by the metering rules** will need to be fitted with a pattern-approved meter by the regional rollout date. It may be possible to keep an existing meter if it was installed before 1 April 2019. For more information, please refer to the DPIE leaflet [Non-Urban Water Metering in NSW: what water users need to know](#).
- The rules require **all meters** to have a local intelligence device (LID) even if not connecting to telemetry and the LID must be registered in the DAS. It is the water user's responsibility to ensure they purchase a fit-for-purpose device that meets their needs. A list of compatible data logging and telemetry devices can be [found here](#).
- **Faulty metering equipment** must be reported within 24 hours by completing the [online s91i form](#) on WaterNSW's website and must be repaired within 21 days or submit a [request for an extension](#).
- 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](#).
- DPIE has conducted a number of communication and engagement activities to ensure affected water users are aware of their obligations under the new rules, including >10,000 letters, 4,000 emails, 2,500 text messages and 4,000 direct phone calls, and will be conducting virtual field days on 28 and 29 October 2021.
- There are a number of programs available to support uptake of telemetry and metering including a telemetry rebate of \$975 per device for eligible water users, applied as a credit on a water bill against invoiced telemetry costs. DPIE expects this to be formally commenced by end of year and will be applied retrospectively when connected to the DAS. Water users do not need to do anything for the rebate to be applied.

#### What's New:

- There is a **new exemption for small domestic and stock users** that applies to pumps <100mm or bores <200mm that are **used solely** to take water under a domestic and stock water access licence; do not take water from an 'at risk' groundwater source; and are not on properties with other works captured by the metering rules. DPIE expects to have the amendments in place before 1 December 2021. Water users who have been affected by this exemption will be contacted by DPIE.
- **Policy Clarification:** Through the rollout it became apparent there is a technical legal situation where if a water user has installed a work that is smaller than stated in the work approval then technically, they are in breach. The NSW Government is in the process of making policy changes to clarify that a water user **can install a work that is smaller than authorised on a work approval**. Once passed into law, water users will be required to inform their licensing authority if this is the case. This will negate the need to amend a work approval and will not incur a fee. Further information will be provided as soon as available.
- It is recognised there are **mobile blackspots** in parts of the state where telemetry does not work appropriately. WaterNSW is in the process of engaging a satellite provider to provide a telemetry service in these areas and DPIE is developing a toolkit to help DQPs determine whether a site is a

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blackspot. Water users can apply for a **temporary exemption** under clause s233 of the Water Management (General) Regulation 2019 if this applies to them.

- Customers questioned where the measurement for GW bores <200mm is taken. DPIE advised the measurement is the external diameter of the bore casing.
- Customers queried the difference between telemetry and an LID. Essentially an LID is a datalogger – a physical device that records water take. The difference is an LID with telemetry has a modem. All approved LIDs have built in modem/telemetry capability. The minor difference is about how it's used rather than what components it has. If a GW pump <200mm doesn't have telemetry, then the main functionality of the LID will be recording water take. If no telemetry, there are monthly self-reporting requirements that will apply and there will also be an annual meter read undertaken by WaterNSW.
- Customers stated this is the first time in 12 months it has been clarified that the external bore casing is the measurement. For surface water, the discharge size of the pump is relevant. The external casing is hardly relevant to what you will pump and seems extraordinary that this is the measurement. Taken as a comment. The specifications are set out in the [NSW non-urban metering framework](#). DPIE will look at the rationale and come back to the CAG with advice to provide clarity.

**Action BR2110.01:** DPIE to look at the rationale on the measurement of external bore casings and provide clarity to CAG members.

Responsibility: A Walker (DPIE)

- Customers questioned the measurement for a smaller pump of <100mm. DPIE advised the formal position is that it is measured at the outlet. The source of truth for the diameter is what is listed in your work approval, not what is on ground. NRAR stated that water users should ensure that what is on their approval matches what is on the ground. If a work is smaller than what is authorised on a work approval, water users should notify their licensing authority to note this on the record to avoid having to amend the work approval (refer What's New, above).
- WaterNSW highlighted that if a water user chooses to amend their work approval to the smaller size (100mm to 80mm) to take them out of scope of the metering rules, the process for increasing the size in future is the same as a new application. The new policy clarification (What's New) gives flexibility and avoids having to amend the work approval as long as the licensing authority has been made aware.
- It is important to note that if what is on your work approval captures you in the metering rules but you have a pump lower in size, you are still required to comply with the metering rules, regardless of whether your pump is lower in size. The metering rules are captured by what is listed on your work approval. If you don't want to be captured by the rules, you will need to amend the work approval.
- Customers noted that border closures have wreaked havoc in border communities – unable to hold meetings, DQPs can't cross the border – and suggested the deadline for compliance should be extended. DPIE advised this is recognised, however there is no intention to change the timeframes. NRAR will be looking at customers' 'best endeavours' when reporting on compliance. If water users can show they have done everything possible they shouldn't be penalised (refer to NRAR presentation below).
- Customers commented that the issue is with water users' social licence and the negative image in the media and on social media when NRAR publishes statistics on non-compliance. People will use any excuse in the media to attack irrigators when there are factors are out of their control.

### **3.3 NRAR Compliance Update (G Abood - NRAR)**

- NRAR provided an update on tranche 1 compliance rates for affected works under the non-urban water metering framework, including work previously done, state-wide statistics and NSW regional breakdowns. The compliance rates are works that are actively pumping water and above size threshold.

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- State-wide compliance increased from 23% in July to 54% in September (rates only apply to active works in tranche 1, >500mm surface pumps). For the Border Rivers, compliance increased from 13% to 28%.
- To show reasonable effort towards compliance, NRAR expects all water users who need to comply by 1 December 2021 to have a formal engagement with a DQP before 1 December 2021 or have commenced one of the alternative pathways to compliance.
- The tranche 2 compliance approach will be on a risk-based approach to monitoring compliance, focussed on high volume water users. Compliance will be monitored in a variety of ways including from the DQP portal and the DAS. Reporting will be on compliance rates as major milestones.
- Over the coming weeks and months, NRAR will celebrate the compliant, enforce the laws and ensure fairness for the compliant, monitor changes in compliance rates, check up on DQPs and get tranche 2 and 3 water users to act.
- Customers questioned if the statistics presented are based on the % of works or if it is volumetric, stating there would be a lot more compliance based on volume and would give more meaningful information to the public. NRAR advised they report on the number of works (which is what is recognised by the law). There may be an avenue around that for reporting on tranche 2.
- Customers questioned if the statistics presented are based on 100% of the works in the Border Rivers or just a sample size. NRAR advised the September statistics are based on 100% of the work approvals however the July figures were based on a sample. NRAR is not required to report 100% every time and the sample size was credible to make a statement. Customers stated if this is the case then the comparison is not an accurate representation. NRAR advised the active works in the Border Rivers as at September that are in the tranche is 71, in July it was 62.

### **3.4 Floodplain Harvesting Update (K Andersen – DPIE Water)**

- On 30 April 2021, amendments to the Water Management (General) Regulation 2018 were proposed to give legal effect to the Floodplain Harvesting (FPH) Measurement policy (licensing process, measurement requirements and exemption for rainfall runoff collected in a tailwater return drain). On 6 May 2021 these amendments were **disallowed** in the Upper House of NSW Parliament, however the NSW Government remains committed to policy implementation and FPH regulation.
- An inquiry was announced in June 2021 and a Select Committee formed to report on the Government's management of FPH, including the legality of FPH practices, the water regulations published on 30 April 2021, and how FPH can be licensed, regulated, metered and monitored so that it is sustainable and meets the objectives of the WMA (2000) and the Murray-Darling Basin Plan. The final report is due 30 November 2021.
- Hearings for the inquiry took place recently, with a range of stakeholders called over 3 days. A significant issue is how surface water legal limits on water take are defined. NSW operates under 3 separate extractions limits – cap on surface water diversions (the average volume of water that could have been taken with rules and infrastructure in 1993/94), long term average annual extraction limit (LTAAEL) and the sustainable diversion limit (SDL). **FPH is included in each of these limits** and the issuing of FPH licences will **not change** the legal limits, which already account for FPH.
- The FPH Measurement Policy was released in August 2020 with the key principles being that the measurement requirements must be accurate, auditable and tamper proof. All storages used for FPH must be fitted with accurate metering equipment and be validated by a DQP.
- DPIE has released a [fact sheet](#) to explain some myths regarding the north/south divide. Only 14% of inflows at Wentworth (the confluence) come from the northern basin, meaning the northern contribution to the southern basin is relatively small. 86% of inflows at Wentworth come from the Murrumbidgee and Murray rivers.
- In reality, the total impact of FPH licensing on average Murray inflows will likely be undetectable for 2 key reasons – floodplain flows provide localised benefits within a valley and FPH licensing won't

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change the water source limits. If FPH was to completely cease in the northern basin, it will give room for other forms of take to take its place and would have less than 1% increase in total inflows to the Murray.

- For more information visit <https://www.industry.nsw.gov.au/water/plans-programs/healthy-floodplains-project/nsw-floodplain-harvesting-policy>. Questions can be directed to [floodplain.harvesting@dpie.nsw.gov.au](mailto:floodplain.harvesting@dpie.nsw.gov.au).

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

- As advised at the last meeting, feedback on the Kitchen Table Kit has been extended to 30 October 2021. We are seeking grassroots feedback from irrigators and are keen to hear from you on what things you think we should spend time on.
- For more information or to download a copy of the Kitchen Table Discussion Kit, please visit <https://www.newdemocracy.com.au/water/>

### **3.6 CAG Charter Update (J Dickson)**

- As part of IPART's audit process, WaterNSW was asked to amend wording in the CAG Charter to elaborate on the types of issues discussed at the CAG. Proposed changes included with business papers.
- The Border Rivers CAG supports the proposed amendments to the Customer Advisory Groups Charter as tabled.

### **3.7 CAG Term of Office (J Dickson)**

- The current term of office for the CAG ends on 30 June 2022. WaterNSW will call for nominations for the 2022-25 term during February and March 2022.
- Letters will be sent to all existing members and water user groups in February 2022, as well as advertising in The Land, The Farmer Magazine and local media.

### **3.8 WaterInsights Update (J Dickson)**

- Recent enhancements to the Water Insights Portal include hourly reporting on all active gauges, all water quality (and special water quality view), limited download function, schematics for all regulated valleys and for the Barwon-Darling, volumetric view of resumption of flow.

### **3.9 WAVE – Coming Soon**

- In coming months, WaterNSW will be progressively releasing functionality on an online Customer Portal to support customers with lodging applications, viewing account balances, paying and accessing bills, updating contact details and communication preferences and will also include links to the water register, WPS and interactive maps.

## **4. Business Papers:**

- Noted and taken as read.

## **5. General Business:**

### **5.1 Water Resource Plans Update (J Dickson)**

- At the recent CAG Representatives meeting, questions were tabled suggesting the MDBA had rejected some NSW WSPs. WaterNSW reached confirmed with DPIE that the MDBA has not rejected any WSPs but indicated some issues with some WRPs which were sent back to DPIE for review and comment. DPIE is now considering its response to concerns raised as the MDBA believed they didn't meet the basin plan requirements.
- Customers stated there were also some other factors in relation to the Border Rivers plan. At the end of June there was a delay in enacting the new Border Rivers plan due to lack of concurrence at the time, which has now been overcome. A court case is now being brought by the Nature

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Conservation Council and the Environmental Defenders Office against the Government about the Border Rivers WRP, with the allegation that the numbers don't take into account the impacts of climate change. They are seeking to change the SDLs and LTAAELs contained within those plans. If successful will affect every other plan, with the Border being used as an example.

## 5.2 Eastern Recharge allocation (M Owen)

- Customers stated there was an increase in allocation on 24 September in the Eastern Recharge system. Some water users are concerned the 5-year average extraction limit will be drawn down due to the compliance trigger being reached. There was no consultation and customers questioned the process for this. The change was noticed on the website a week after it happened. Taken on notice for DPIE.

**Action BR2110.02:** WaterNSW seek comment from DPIE on the increase to allocation in the Eastern Recharge system and confirm if the 5-year average extraction limit will be drawn down due to the compliance trigger being reached.

Responsibility: T Hayes

- Customers can subscribe to receive water allocation statements direct from DPIE's website at <https://www.industry.nsw.gov.au/water/allocations-availability/allocations/statements>. Water allocation statements for the current year and past six years can be accessed.

## 5.3 Comments/Feedback:

- Supply shortage for meters, difficulty getting DQPs, border issues with COVID – there are a lot of issues for irrigators and there are instances where the ability to be compliant is out of irrigator hands. Customers understand the need for 'reasonable effort' however NRAR needs to present the correct information and reflect this very clearly in any media.
- Customers noted WaterNSW has done a great job in getting the metering information out there.
- The big thing missing is that no-one is articulating our case in the media and irrigators are getting no support. We need the government to get behind us, we are not getting support from those who are meant to lead us. It is also difficult to test for compliance when there is no water in the river, which has not been taken into consideration.
- WaterNSW noted it is championed the case to government and changes have been made. WaterNSW is also a meter-owner with ~182 meters in tranche 1 and many more in tranche 2. We have also faced the same difficulty as irrigators in meeting the compliance requirements.

## Meeting Review and Close

**Next Meeting:** 6 April 2022 (TBC)

**Meeting closed:** 1.15pm

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**Border Rivers Customer Advisory Group – Actions – 13 October 2021**

**Carried forward actions**

Action No.	Action	Responsibility	Status
	Nil carried forward actions.		

**New actions**

Action No.	Action	Responsibility	Status
<b>BR2110.01</b>	DPIE to look at the rationale on the measurement of external bore casings and provide clarity to CAG members.	A Walker	
<b>BR2110.02</b>	WaterNSW seek comment from DPIE on the increase to allocation in the Eastern Recharge system and confirm if the 5-year average extraction limit will be drawn down due to the compliance trigger being reached.	T Hayes	

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