

Murrumbidgee Customer Advisory Group

Minutes of Meeting

Location: Video Conference

Date: 26 October 2021

Time: 9.00am

Present: Tanya Thompson (Chair), Ian Lugsdin, Peter Sheppard, James Maguire, Glenn Lok, Justin Sutherland, Bruce Campbell, Paul Maytom, Mark Brettschneider, Bede Spannagle (from 10.30am), Trevor Clark (observer), Jenny McLeod (observer), Matt Woodward (observer), Jonathan Dickson, Enrico Proietti, Sonia Townsend, Emma Oates, Chris Shaw, Daniel Bailey, Lachlan Browne, Shane Whelan, Shaun Mills and Toni Hayes.

The following attended for specific agenda items: D Swift-Hoadley, M Brooks, J Wilson, N Bell, R Lindsay, E Taylor, L Zaw, (WaterNSW), J Douglas, K Andersen (DPIE), G Abood, S Flowers, H Schokman, N James, D Gibson (NRAR).

Meeting Opened: 10.00am.

1. Introduction and Acknowledgement of Country:

1.1 Welcome and introductions:

1.2 Apologies: Hilton Taylor, Nick Maynard, Iva Quarisa.

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.
- I Lugsdin declared that his Toyota dealership services and sells cars to WaterNSW.

1.5 Minutes of Previous Meeting, 28 July 2021:

- Resolved the minutes of meeting held on [28 July 2021](#) be confirmed as a correct record. Taken as read.

*P Sheppard/P Maytom
carried*

1.6 Actions arising from minutes

- See action sheet attached.

2. Assets

2.1 Asset Maintenance (E Taylor)

- Asset performance and maintenance in the Murrumbidgee and Lowbidgee valleys presented and discussed, including routine preventative and corrective maintenance delivery. WaterNSW assets staff completed 475 preventative maintenance work orders and 127 corrective maintenance work orders between July and September 2021.
- Customers questioned if the extent of damage at Beavers Creek Weir was expected. WaterNSW advised that it was a surprise however some of the damage can be claimed on insurance. To mitigate future damage, WaterNSW would like to extend the actuators to stay out of flood level and also concrete the area that was washed out, as well as make some improvements to the trash rack.
- Customers questioned if WaterNSW still plans to build a baulk head at Yanco Weir (as discussed at last meeting) and if the maintenance that was proposed has been undertaken. WaterNSW advised

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the maintenance work has been done. A baulk head is still required for safety and ease of future maintenance however the project has been 'parked' pending the outcome of the Yanco SDLAM project.

2.2 Capital Plan Update (L Zaw)

- WaterNSW provided an overview on the capex component of the final IPART determination, including Murrumbidgee and Lowbidgee valleys capital plan changes and initiated projects.
- Changes to the Murrumbidgee capital plan include Yanco fishways works project removed due to SDLAM project and some works have been deferred to the next determination (Beremed Weir electrical upgrade, Sheepwash Weir, Molleys Lagoon Inlet Regulator erosion protection works and the thermister chain replacement at Burrinjuck and Blowering dams).
- WaterNSW is currently initiating the FY22 projects in the Murrumbidgee, including mechanical and coating renewals at Burrinjuck and Blowering dams and electrical renewals at Gogeldrie, Redbank, Beavers Creek and Berembled weirs.
- WaterNSW is currently initiating the FY22 projects in the Lowbidgee, including WHS access upgrades at Talpee, Jindeena and Narwhie bridge regulators and Breer Escape Regulator, and gate renewals at Athon to Redgum Forest Regulator.
- Customers questioned what effect deferring projects will have on the next determination in relation to budget. WaterNSW advised that work is prioritised based on risk and criticality and the capital plan is reviewed annually to ensure work is prioritised. There are some items that can be deferred (lower risk) and the funds redirected to other work (eg Yanco deferral). We look at what we need to do, what we can do now and what we can defer. We don't want to spend money where work is not immediately required just because it's on a list. Our budget is consistent with what has been applied for.

3. Presentations/Consultation:

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

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](#).
- Customers questioned where they can go to confirm that their meters have been validated by their DQP. WaterNSW advised that for privately-owned meters, customers should have received an

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email generated from the system with a validation certificate. Customers can also phone WaterNSW's customer service team to check (1300 662 077). For Government-owned meters, the validation certificates go to WaterNSW who will forward to applicable landholders.

- DPE 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](#).
- DPE 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. DPE 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. DPE expects to have the amendments in place before 1 December 2021. Water users who have been affected by this exemption will be contacted by DPE.
- **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 important to note that if customers **amend their work approval** to reduce a work so as not to be captured by the metering framework, increasing the size at a later date will require a new application. The policy clarification above creates the ability for customers to notify WaterNSW of a smaller work rather than apply to reduce a work, however what is listed on your work approval is what determines if you are captured by the metering reforms or not.
- Customers highlighted that imperial measurements do not convert exactly to metric measurements (ie a 12 inch pump does not convert exactly to 300mm, slightly over) and sought advice from NRAR on where this sits in relation to compliance. The policy clarification proposed gives flexibility to this circumstance when it comes into law. As a regulator, where there is a discrepancy with what is on ground vs what is on an approval, NRAR will use discretion. NRAR is not out looking for slight discrepancies, they will look at what will bring you inside or outside the metering laws.
- 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 DPE is developing a toolkit to help DQPs determine whether a site is a blackspot. Water users can apply for a **temporary exemption** under clause s233 of the Water Management (General) Regulation 2019 if this applies to them.

3.2 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.

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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 Murrumbidgee, compliance increased from 56% to 74%.
- 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 sought clarification on the decrease in compliance presented for the Murray, given many Murrumbidgee customers have infrastructure in the Murray system. NRAR stated that a large jump in the sample size from July to September resulted in the decreased compliance rate (in July 6 works were audited, in September 33 works were audited). Customers commented the variety of methods applied give misleading information.
- Customers questioned if WaterNSW is still taking a fleet approach to Government-owned meters for tranche 2 (regional rollout). This was the case for tranche 1, moving forward tranche 2 will be done by location.
- Customers questioned if there is restrictions on capacity of pump. Size matters but at the end of the day where the pump is situated in the river can make a huge difference. NRAR advised that from a regulatory perspective when they monitor what is on ground they also monitor the volume of water taken as per the licence.

3.3 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 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.
- Customers questioned if DPIE is seeing any improved understanding of what the regulation is trying to achieve. DPIE continues to release fact-based information backed up by evidence. There is still a public perception that does not align with this however the proof will be in the final inquiry report.
- Customers questioned if the people taking water from the floodplains are customers and if they are paying for the water. This is what DPIE is trying to achieve by bringing them into the regulated framework.
- Customers questioned if there has been any study into monetary loss and third-party impact. A final report on an economic study on pre- and post-policy intervention shows that FPH does contribute a significant amount to economies in the northern basin and reducing take back down to the limits does impact those communities.
- Customers questioned if there are plans to extend FPH regulation to the southern valleys. It is anticipated it will come once learnings from the north are realised.
- Customers commented that the return flows on the Murray in the modelling (less than 1% if no FPH) are much higher than what they seem to be in the northern basin. DPIE has done extensive return flow modelling which is detailed in a downstream impact report, which is updated as modelling for each valley is released, so it is cumulative. The Gwydir, Border Rivers and Macquarie has been included to date. A big limitation is that no river system is able to accurately model forgone diversions on the floodplains. The report assumes that 100% of foregone diversions return to the river (but in reality, it is less). DPIE has engaged independent consultants to determine the return rate more accurately.
- Customers asked if measurement of FPH is taken when going into a dam or coming out. DPIE advised that FPH is defined as water that is taken from a floodplain into a permanent storage, so it is measured when transferred into a storage (when taken out of the environment).

3.4 Engagement Landscape – Customer Conversations (J Dickson)

- As advised at the last meeting, feedback on the Kitchen Table Kit has been extended to 31 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/>

3.5 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 Murrumbidgee CAG supports the proposed amendments to the Customer Advisory Groups Charter as tabled.

3.6 CAG Term of Office – 2022-25 (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.

3.7 Future Focus (J Dickson)

Water Insights Portal Update

- 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.

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.

3.8 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, however costing for these charges has moved to a building block approach which led to determined charges being lower than the originally proposed pass-through charges.
- 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 Murrumbidgee valley, Opex has increased by 30.9% (6.3% less than proposed by WaterNSW) and Capex has decreased by 14.4% (14.6% less than proposed by WaterNSW). The pass-through cost for MDBA have increased by 1.2% but are 36.2% lower than proposed by the MDBA. Forecast usage volumes are also 11.8% lower than those used for the 2017 Determination, which puts upward pressure on prices.
- In the Lowbidgee valley, Opex has increased by 99.1% (18.5% less than proposed by WaterNSW) and Capex has decreased by 40.4% (5.9% less than proposed by WaterNSW).

- 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 Murrumbidgee and Lowbidgee valleys over the 2021 Determination and drivers for change since the 2017 determination period presented.
- Customers questioned what happens to the \$20M overspend in the previous IPART determination. WaterNSW bears the overspend.
- Customers questioned where they can go to see how much WaterNSW is paying to the NSW Government. This information is contained in the [WaterNSW 2019-20 Annual Report](#), which is published on our website.
- Customers commented that it is not sustainable for costs to continue to escalate at that rate (30%) into the next determination.

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 has confirmed with DPIE that the MDBA has not rejected any WSPs but indicated some issues with some WSPs 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 that many CAG members were part of the Stakeholder Advisory Panel (SAP) providing input into the draft WRP which was subsequently rejected by the MDBA. Since then, members have not received any feedback or been asked for further input, and feel there should be a SAP meeting convened to keep members informed. WaterNSW will pass customer sentiment on to DPIE.

Action MBG2110.01: WaterNSW to request DPIE meet with customers in the Murrumbidgee to discuss WSP/WRP.

Responsibility: J Dickson

5.2 IVT Feedback Update (J Dickson)

- WaterNSW received 20 submissions in relation to the IVT paper review. We are now working with DPIE on implementation of options that address the main issues raised (efficiency, transparency, equity) and customers will be updated in due course.

5.3 Better Bidgee Announcement

- Customers questioned what role WaterNSW will have in the Better Baaka and Better Bidgee programs, recently launched by the NSW Government. Taken on notice.

Action MBG2110.02: WaterNSW to provide information on what, if any, involvement it will have in the Better Bidgee program recently launched by the NSW Government.

Responsibility: J Dickson

Meeting Review and Close

Next Meeting: 23 March 2022

Meeting closed: 12.10pm

Murrumbidgee Customer Advisory Group – Actions – 26 October 2021

Carried forward actions

Action No.	Action	Responsibility	Status
	Nil carried forward actions		

New actions

Action No.	Action	Responsibility	Status
MBG2110.01	WaterNSW to request DPIE meet with customers in the Murrumbidgee to discuss WSP/WRP.	J Dickson	In progress.
MBG2110.02	WaterNSW to provide information on what, if any, involvement it will have in the Better Bidgee program recently launched by the NSW Government	J Dickson	Complete. WaterNSW has been engaged in initial discussions where WaterNSW is the Asset Owner and in our capacity as System Operator. DPIE are managing these programs.

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