

# Coastal-Hunter Customer Advisory Group - Minutes of Meeting



**Location:** Video Conference

**Date:** 5 May 2021

**Time:** 9.00am

**Present:** David Williams (Chair), Wayne Clarke, John Watson, Melissa Balas, Graham Kennett, Julia Wokes, Steven Crick, Chris Rooney, K Bray, Jonathan Dickson, Mahmood Khan, Georgina Tuaoimalii, Emma Oates, Sonia Townsend, Enrico Proietti and Toni Hayes.

The following attended for specific agenda items: B Mayhew (2.1), C Braddock, N Chowdhury (2.2), A Fraser (2.3), D Swift-Hoadley, S Boyd (3.1), G Abood, M Sexton, V Byrow (3.2), C Boys (3.3).

**Meeting Opened:** 9.00am.

## 1. Introduction:

### 1.1 Welcome and introductions

**1.2 Apologies:** Shane Gee, Stephen Osborn, Shaughn Morgan, Will Russell, Phillip Rudd, Graham Forbes.

### 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, 9 December 2020:

– Resolved the minutes of meeting held on [9 December 2020](#) be confirmed as a correct record. Taken as read.

*W Clarke/G Kennett  
carried*

### 1.6 Actions arising from minutes

– See action sheet attached.

## 2. Assets:

### 2.1 Asset Maintenance update (B Mayhew)

- Asset performance and maintenance in the Coastal and Hunter valleys presented and discussed, including routine preventative and corrective maintenance delivery.
- Work planned at Toonumbar Dam has been delayed by one week (originally scheduled to start 6 May). Downstream landholders have been notified. The dam is still spilling so should not be an issue.

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

– WaterNSW presented an update on the rural pricing submission capital plan FY22-25 for the Coastal and Hunter valleys, including water main at Toonumbar Dam, Glennies Creek trash racks, Lostock dissipator refurbishment, Glenbawn Dam valve refurbishment, road refurbishment and penstock tunnel access.

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- There are no projects being initiated in the South Coast in the 2022 financial year. Renewal of the Penstock actuators and intake tower crane at Brogo Dam will commence later in the FY22-25 determination period.

### 2.3 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.
- Customers questioned if renewables and recycling is part of the RWS. WaterNSW advised it is not part of WaterNSW's work in the 20YIOS provided to DPIE, however DPIE has included recycled water options in all the valleys.
- Customers queried whether the RWS has led WaterNSW to consider building more dams owned and operated by WaterNSW. WaterNSW has proposed new dams in the options submitted to DPIE, who will go through hundreds of options and confirm what they wish to progress. Analysis is different to the 20YIOS and at the moment we have no further information.

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

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- 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/DQP (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.
- WaterNSW is aware of recent issues in the Coastal valleys where meters have been impacted by flooding. If there are any concerns, please reach out to the Metering Team ([Meter.Maintenance@waternsw.com.au](mailto:Meter.Maintenance@waternsw.com.au)) to discuss requirements. For broken meters, customers need to lodge a S91i form.
- Customers noted that one of DPIE's 'selling points' on the metering framework was that by the time the Coastal valleys rollout date comes around the price of metering equipment may drop and questioned whether WaterNSW has seen any evidence of this to date. WaterNSW stated the price of LIDs has come down slightly in the last 6 months and would expect by 2023 other costs may also come down.
- Customers stated that meters were initially designed for one farm, one meter. Many users on the coast have more than one meter, yet costs are oriented to western NSW irrigation situations rather than coastal where numerous meters are needed. WaterNSW advised industry is considering an LID that can hook up to multiple meters to reduce costs. WaterNSW is working with two industry providers to see if this can be provided.

### 3.2 Natural Resources Access Regulator (NRAR)

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

- 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.
- 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](#).
- 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 (M Sexton)

- 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.

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- 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.

### **3.3 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.
- Customers questioned costing for small screens. NSW Fisheries advised this is typically around \$15K. The smallest one they have installed to date has been about 7ML/day.

### **3.4 Regulatory Economics – Rural 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.

#### **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.

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## 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 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.
- DPIE has extended compliance dates for some water users with **existing** metering conditions in 5 WSP areas, including the Hunter Regulated River Water Source and Richmond River Area Unregulated, Regulated and Alluvial Water Sources (**regulated water source only**). DPIE is in the process of writing to affected water users. Information can be found at:  
<https://www.industry.nsw.gov.au/water/metering/compliance-dates>  
[https://www.industry.nsw.gov.au/data/assets/pdf\\_file/0006/358161/wsp-metering-extensions.pdf](https://www.industry.nsw.gov.au/data/assets/pdf_file/0006/358161/wsp-metering-extensions.pdf)
- Customers queried how many of the approximately 60,000 meters across the state are in the coastal valleys and how many users have been advised of the metering reforms. WaterNSW, DPIE and NRAR have been providing information for some time. The rollout date for meters on the coast is 1 December 2023 and communications will increase leading up to this. There are also conditions in place for all water users from 1 April 2019 (*refer to agenda item 3.1*). It is the responsibility of every water user to know the conditions, rules and obligations of their individual water licence/s.

**Action CVH2105.01:** WaterNSW to provide information on how many meters are located in the coastal valleys.

*Responsibility: D Swift-Hoadley*

- WaterNSW advised that customers with government-owned meters may choose to opt out of the program, however this doesn't mean the meter will be handed back as WaterNSW may redeploy the meter within the fleet or there may be an option for customers to purchase the meter. All options will be open for discussion and done on a case by case basis. Either way, meters will be required to be compliant by the relevant rollout date.
- For any questions relating to metering reforms, please email [Meter.Maintenance@waternsw.com.au](mailto:Meter.Maintenance@waternsw.com.au).
- Customers stated the metering reforms result in a reasonable add-on cost for irrigators and questioned if there is any idea of the impact this will have on small irrigators along the coast (has anyone indicated they will give up their licence or make works inactive?). WaterNSW advised this has also been raised at other forums so we are aware of concerns but don't have figures. Customers may choose to make works inactive and only the active works will be required to be compliant however to reactivate, there is a process water users will have to follow.

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- To find out more about making works inactive and how that affects work approvals, visit [WaterNSW's Water Licensing webpage](#) or contact the WaterNSW licensing staff in your area to discuss options.

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

- Taken as read.

### **3.6 IPART Economic Framework Review (taken as read)**

- 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](#).

### **3.7 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.

## **4. Business Papers:**

- Noted and taken as read.
- Customers questioned the status of the Toonumbar 610mm Butterfly Valve (NC320003) stating they were of the understanding work was delayed due to divers not being available to do the work, not due to absence of dam spillage as stated in the report. Taken on notice.

**Action CVH2105.02:** WaterNSW to clarify the reason for deferral of the installation and commissioning of the Toonumbar Dam 610mm Butterfly Valve.

*Responsibility: C Braddock*

## **5. General Business:**

### **5.1 Real Time Data (raised by S Gee via email)**

- Customers noted Real Time Data and WaterLive would not regularly update during the recent flood events and customers could not connect to river sites, with WaterInsights also 24 hours behind.
- 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.

## **Meeting Review and Close**

**Next Meeting:** Thursday 29 July 2021

**Meeting closed:** 11.50am

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## Coastal-Hunter Customer Advisory Group – Actions – 5 May 2021

### Carried forward actions

Action No.	Action	Responsibility	Status
	Nil carried forward actions.		

### New actions

Action No.	Action	Responsibility	Status
<b>CVH2105.01</b>	WaterNSW to provide information on how many meters are located in coastal valleys.	D Swift-Hoadley	
<b>CVH2105.02</b>	WaterNSW to clarify the reason for deferral of the installation and commissioning of the Toonumbar Dam 610mm Butterfly Valve.	C Braddock	

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