

# Namoi-Peel Customer Advisory Group - Minutes of Meeting



**Location:** Skype Meeting

**Date:** 19 March 2020

**Time:** 9.30am

**Present:** Ian Coxhead (Chair), Brendon Warnock, Jane Humphries, David Gowing, Bruce Logan, Darren Swain, Jonathan Dickson, Enrico Proietti, Emma Oates, Anne-Maree Burke and Toni Hayes (minutes).

A Fisher attended via Skype for agenda item 2.2-2.3.

B Mayhew attended for agenda item 3.1.

C Braddock attended for agenda item 3.2.

T Gilbert and G Cameron attended for agenda item 5.1.

**Meeting Opened:** 9.30am.

## 1. Welcome and introductions

### 1.1 Apologies

- Paul Keyte, Ildu Monticone.

### 1.2 Confirmation of Agenda Items

- Nil new agenda items raised.

### 1.3 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.

### 1.4 Minutes of Previous Meeting, 21 November 2019:

- Resolved the minutes of meeting held on 21 November 2019 be confirmed as a correct record. Taken as read.

*D Swain/D Gowing  
carried*

### 1.5 Actions arising from minutes

- See action sheet attached.

## 2. Presentations/Consultation

### 2.1 Regulatory Economics – Pricing Determination Engagement (J Dickson)

#### Rural Pricing Determination:

- WaterNSW has heard from customers about the deep and lasting impact of ongoing drought, and as a result we believe delaying the timing of the IPART Rural Pricing Determination is in the best interest of our customers. With support from the CAGs, we will seek to defer the current timeline.
- WaterNSW is proposing a 2-year deferral with no change to proposed revenue for the two years (excluding the impact of inflation); and the application of the updated 20-year rolling average, which, due to lower volumes, would lead to an approximate 5% average bill increase.

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- Members noted the delay makes sense in principle, however worried about a catch-up at the end and whether there will be implications for customers. More information required.

#### **Customer Juries:**

- In line with the deferred timeline, WaterNSW will commence engagement with Customer Juries in the next calendar year. Customer Juries will be a core component of engagement on the Rural Pricing Determination and will be in addition and complementary to CAG meetings.
- Members stated they are not supportive of the jury process, noting that water is a complex issue and having members on the jury who may not understand the detail could be detrimental. Concerns that some members of the jury won't have the background to engage appropriately. Recommended that WaterNSW use people who are familiar with the process and the water sector.
- It is important to note that juries are not taking anything away from CAGs, CAGs will still be a key component of pricing submission consultation. CAG members are also able to apply for the jury. The jury will not be a decision-making body but hoping they will give a strong indication of what our customers want.

#### **WAMC (Water Administration Ministerial Corporation) Pricing Determination:**

- A new IPART WAMC pricing determination will be in place from 1 July 2021. The Determination applies to the WAMC services provided by WaterNSW, DPIE-W and NRAR.
- WaterNSW's objective for our customers in the 2021 determination is to ensure new charging arrangements lead to efficient, cost reflective charges at lowest cost providing transparency to customers on what their charges are paying for.
- As discussed at the October/November 2019 CAG round, current charging does not provide transparency of the functions and costs for WAMC services across the three water agencies. WaterNSW is working with DPIE-W and NRAR to develop charging arrangements to increase transparency and improve cost reflectivity.
- Feedback received from the October/November 2019 CAG round highlighted broad consistency from customers on the key messages around transparency, cost reflectivity and
- Members are supportive of WaterNSW's proposal to separately identify the costs for each organisation, stating it is important to know how costs are broken up and what money goes to which organisation.
- In relation to the proposal to move to fully cost-reflective fee-for-service charges over time, members stated it appears to be a good journey to go on, however need to see the impact of costs, why things cost what they do and value of return.

## **2.2 Projects Update**

WaterNSW provided an update on emergency drought projects and critical water activities underway across the state:

#### **Critical State Significant Infrastructure (CSSI) Projects (A Fisher):**

- In October 2019, the Prime Minister and NSW Premier announced the planning and delivery of three new or augmented dams in NSW (Wyangala Dam raising, and construction of new dams on the Mole River and Dungowan Creek). These projects have been identified as Critical State Significant Infrastructure (CSSI) projects in the *Water Supply (Critical Needs) Act 2019*.
- The projects have been mobilised with project delivery planning underway, shovels expected in ground October 2020 and construction commencement expected October 2021. There will be more detailed consultation with CAGs and community groups as the projects progress.

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- In relation to Mole River Dam, members noted the assumption of environmental benefits hasn't been proven as yet and the studies have not been done. Agreed, this will be looked at during EIS investigations.

#### **Dungowan Dam:**

- Members questioned if funding of the dam is separated from the pipeline. WaterNSW noted they are separate in terms of the budget allocated within the project, but that the commitment of \$480M includes both (nominally \$100M for the pipeline and \$380M for the dam), with the objective of the first stage of the pipeline construction commencing October this year. We are still working to identify and define the pipeline route selection to ensure there is minimal impact etc.
- Ownership of the dam has not yet been resolved. In the absence of this, WaterNSW is working closely with Tamworth Regional Council in delivery of the project so that regardless of who owns the final assets, both Council and WaterNSW are comfortable with the assets being delivered.

#### **Peel Pipeline:**

- The Peel Pipeline Project is progressing, with construction scheduled for completion in the coming weeks. With the pipeline now installed, construction is currently underway for the pumping station and commissioning will start shortly. The plan is to have it up and running by late-April.

#### **Western Weirs program (CSSI) (A Fisher):**

- The Western Weirs program involves a holistic approach to improving the management of the Barwon-Darling and Lower Darling rivers and includes assessing feasibility of modifying and changing the operation of river infrastructure; improving asset condition and capability of existing weirs; improving river health and reduction of no-flow events; provision of fish passage and implementation of a new ownership and maintenance regime.
- Development of hydrology and hydraulic models, project plan, community and stakeholder engagement/consultation plan and Interagency meetings are currently underway. Stakeholder engagement and consultation is forecast to commence February/March 2020.
- The question of asset ownership will form part of the project brief. We note that final funding is still unknown.
- A lot of modelling still to be done and a condition assessment. One of the outcomes is to understand this and better control the movement of water.

#### **2.3 Major Projects – partner update (A Fisher)**

- WaterNSW is currently planning and delivering a \$10billion portfolio of Water Infrastructure, most of which is on a fast-tracked delivery timetable. This will require WaterNSW and Industry to form strategic partnerships. The three dams in the CSSI project are an important part of this broader portfolio.
- We have gone to the market to seek a Portfolio Delivery Management Partner (PDMP) to boost our capability and capacity and manage the development and delivery of critical projects.
- There has been a huge response to the EOI process. WaterNSW expects the awarding of contract around April 2020.

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## **2.4 Water Reform Implementation Plan (WRIP) – metering update (J Dickson)**

- WaterNSW provided an update on metering reform including current timelines for compliance and work in progress on meter transfer, meter ownership and pending information on telemetry.
- Customers are encouraged to check Works Approvals, confirm installations are compliant with Works Approvals and understand the pathway to compliance. This may differ from customer to customer.
- The Data Acquisition Service (DAS) and Duly Qualified Person (DQP) Portal is due for release end March 2020.
- Members stated they have heard part of the problem with being able to read gauging systems online is because CARM in the south is needing a lot of bandwidth and slowing things down. Will WaterNSW systems be robust and modern at the back end to ensure success? WaterNSW is aware and working on this. Anticipating no issues.

## **2.5 Fixed Fee Rebate update (S Townsend)**

- As previously advised, the government has repeated the rebate for the current water year. WaterNSW continues to advocate for further rebates to assist those with no access to water.
- An additional \$1M has been provided to valleys where High Security and S&D access has been unavailable.
- Issuing of regulated Q1 bills was delayed as a result of the extension of the rebate and the impact from the bushfires across NSW.
- For more information go to <https://www.dpi.nsw.gov.au/climate-and-emergencies/droughthub>

## **3. Assets:**

### **3.1 Maintenance update (C Braddock for B Mayhew)**

- Asset performance and maintenance in the Gwydir valley presented and discussed, including routine preventative and corrective maintenance delivery.

### **3.2 Capital Plan update (C Braddock)**

- WaterNSW provided an update on current projects under the 2018-21 Determination, including forecast expenditure, completed projects and work in progress.
- The pricing submission for FY22-23 is currently being drafted. The Namoi valley renewal allowance per annum will be near identical to the current allowance and the Peel valley capital budget will be slightly lower than the current allowance.

## **4. Business Papers:**

- Noted and taken as read.

## **5. General Business:**

### **5.1 WAMC update from NRAR (T Gilbert)**

- NRAR was invited to present its WAMC plans to customers and use the opportunity to answer questions on IPART submission planning. NRAR provided an update on allegations and investigations to date (statistics), services, IPART processes, agency roles, objectives and functions and compliance management.

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- Members raised a variety of questions about NRAR costs, funding model and compliance activities including operating budget and percentage that comes from water users and revenue from prosecutions and fines.
- Members stated they did not think that water users should be paying for the costs of NRAR when they provide a whole of community benefit.
- The Commonwealth Environmental Water Office noted that it is a licensed water user and as such is not exempt from the same charges as other water users.

**6. Water Delivery:**

- Water Delivery and Operational Drought Update to be presented as part of the Namoi ROSCCo Skype meeting following the CAG. For copies of presentations and meeting notes for both Namoi and Peel ROSCCOs, please visit <https://www.waternsw.com.au/supply/regional-nsw/roscco>.

**Meeting Review and Close**

**Next Meeting:** Thursday 23 July 2020

**Meeting closed:** 11.40am

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## Namoi-Peel Customer Advisory Group – Actions – 19 March 2020

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### Carried forward actions

Action No.	Action	Responsibility	Status
	Nil carried forward actions.		

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### New actions

Action No.	Action	Responsibility	Status
	Nil new actions.		

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