

# Murrumbidgee Customer Advisory Group - Minutes of Meeting



**Location:** Skype Meeting

**Date:** 26 March 2020

**Time:** 9.00am

**Present:** Brendan Barry (Chair), Peter Sheppard, Hilton Taylor, James Maguire, Paul Maytom, Tanya Thompson, Nick Maynard, Bede Spannagle, Mark Brettschneider, Iva Quarisa, Jenny McLeod (observer), Jonathan Dickson, Sonia Townsend, Enrico Proietti and Toni Hayes (minutes).

A Fisher attended for agenda item 2.2-2.3.  
B Mayhew attended for agenda item 3.1.  
C Braddock attended for agenda item 3.2.  
S Ronan attended for agenda item 5.3.

**Meeting Opened:** 9.00am.

## 1. Welcome and introductions

### 1.1 Apologies

– Richard Stott.

### 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, 28 November 2019:

– Resolved the minutes of meeting held on 28 November 2019 be confirmed as a correct record. Taken as read.

*P Sheppard/J Maguire  
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.

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- 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.
- Discussed assumptions of current IPART cost share ratio and capital (will IPART do analysis of capital).
- Members are supportive of the proposal to delay for 2 years.

#### **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 expressed concern that the jury process could diminish the effectiveness of the CAG. Would like to see juries disappear and continue to consult with the CAGs on pricing, as has been done in the past. WaterNSW emphasised that the CAGs will remain a foundation of our engagement for IPART Pricing Submissions. CAGs are not being removed from the equation and the jury process will add to the CAGs' feedback, involving a wider group of WaterNSW customers.
- Recruitment of juries discussed. The jury will be independently managed by newDemocracy Foundation, who has a lot of experience in this process. It should be noted that CAG members can apply to juries, and WaterNSW encourages this.

#### **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 questioned how well the services provided are separated, is it clear for unregulated services (are they ring-fenced or is there still overlap?). There is some overlap in licensing approvals. From a legislative perspective, WaterNSW cannot licence its peers (hospital, council, school etc), so they are licensed by NRAR.
- WaterNSW had hoped to align the Rural and WAMC Determinations however, with the proposed delay due to drought, this is now out of step.
- Members stated it is frustrating from a stakeholder point of view that WaterNSW is not able to achieve the efficiency savings forecast by the Department prior to the transfer of functions in 2016.
- Members questioned where the cost is borne for the \$40-\$50M capital expenditure. This is built into the WAMC charge, so all customers under the WAMC determination (unregulated, groundwater etc).

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- The CEWO welcomes transparency, noting there is a misconception that environmental water holders are treated differently. They are a customer and are charged the same costs for the same services as all other customers.
- Members are supportive of WaterNSW's proposal to separately identify the costs for each organisation providing WAMC services, 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 in principle 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 (ensuring any benefit outweighs cost). Customers should be kept attached to the journey and provided examples of what cost reflectivity means to the cost of most frequent transactions as well as least used services.

## 2.2 Projects Update (A Fisher)

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

### Critical State Significant Infrastructure (CSSI) Projects:

- 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.
- Members questioned if the works will create new entitlements. WaterNSW advised that the primary driver is security, it is not about new entitlement or new customers.
- The delivery of these projects has been fast-tracked and timeframes are very tight. The traditional process is quite different to this due to the pace.

### Western Weirs program (CSSI):

- 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.
- There is still a lot of modelling to be done and a condition assessment. One of the outcomes is to understand this and better control the movement of water.
- We are just starting to mobilise community and stakeholder engagement plans, however COVID-19 has frustrated plans but not halted progress.
- Members queried where the MDBA objectives and Menindee reconfiguration fit in when connecting to a single system, stating the future state of Menindee is fundamental.

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WaterNSW stated that SDLs are making sure we are working to MDBA requirements, ensuring they are being achieved in the most effective way possible. Where Menindee fits in, we need to understand the SDL requirements and objectives to ensure they are working with the project and are not in conflict.

### **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.

### **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 questioned what is happening with Government-owned meters that don't currently comply with the new regulations and asked if customers are going to be advised. WaterNSW advised that the Taskforce is working with us on what is required. Some of the current trials in the south are looking into this. WaterNSW (on behalf of Government) is the largest owner of meters in the state, so we are invested in the outcome. Our principle is that we will engage with customers one-on-one. More information is expected soon.

### **2.5 Fixed Fee Rebate update (E Proietti)**

- 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 (B Mayhew)**

- Asset performance and maintenance in the Murrumbidgee and Lowbidgee valleys presented and discussed, including routine preventative and corrective maintenance delivery.
- Work currently being done at Balranald is to address WHS issues on the platform to improve safety of operation of the structure. Operation of the weir requires manual insertion and

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removal of panels which is done from a walkway on the weir. The walkway is old and has some safety challenges for staff. The scope is to do work on work platform, handrails and walks to make safe in order for staff to remove baulks safely.

- The fishway is a separate piece of work to this. The fishway has mechanical reliability issues in relation to the gates and the Asset Planning team will make a submission to address this in the next determination period.
- Members queried how WaterNSW goes about making decisions to change a structure's service capability. WaterNSW advised that when a potential project is in the initiation stage the Asset Planning team take the lead to define the problem/opportunity and look at conceptual options that might address it, prepare an early preliminary business case to see how it lines up, then we look at what is worth proceeding with.
- In the case of Balranald, we have an immediate need in providing capability to provide operations in a safe manner. We anticipate that customers will be involved in dialogue of respective priorities across the valley through Levels of Service meetings.
- Members sought information on schedule of outages for Nimmie-Caira structures so environmental deliveries can be scheduled around this. Question on notice.

**Action MBG2003.01:** WaterNSW to consider providing the schedule for outages at Nimmie-Caira structures to the environmental water holders.

*Responsibility: B Mayhew*

- Tarabah Weir is fully functional but is being manually operated. The project team is addressing some issues, so is operating in manual mode while work is being done. It is our understanding this will be short term and is actively being worked on.
- WaterNSW was asked to provide environmental water managers with a 12-month schedule (or quarterly update) that relates to environmental offtake works, in terms of maintenance to penstocks and valves. They would like to be aware of what is ahead to plan around scheduled maintenance work and would like input where appropriate. WaterNSW advised that we have an internal process where the Maintenance and Project teams work with the Operations team to schedule outages. We are making progress on our Maintenance Schedules and will look to share information when available.

### **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. Murrumbidgee capital budget will be reduced due to lower volume of renewal and replacement works being proposed than current. Lowbidgee capital budget will be significantly reduced due to the divestment of Nimmie-Caira assets for the SDL Project.
- Members queried what happens to the overspend. WaterNSW advised the organisation finances this from our earnings. There is no cost to customers as it is not in the determination.

### **4. Business Papers:**

- Noted and taken as read.

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## 5. General Business:

### 5.1 CAG vs ROSCCo

- Members questioned why WaterNSW is continuing to have both CAG and ROSCCo meetings. Now we are in a good space in the Murrumbidgee, do we need the ROSCCo? Members stated they are getting less value from the CAG than in the past and would prefer to go back to having one meeting inclusive of both service and operational issues.
- WaterNSW noted that ROSCCos were set up for drought operations and critical drought actions and includes additional stakeholders who are not part of the CAG. The ROSCCo is intended to address all stakeholders and provide a broader operations discussion. We note that a number of members are on both committees, so we try to align meetings on the same day to avoid duplication of information. Members stated that two meetings is not working for customers as it takes most of the day, and would like to see the operations discussion go back to the CAG. Members also noted that the discussions taking place at ROSCCOs should actually be in a CAG meeting.
- Members were of the impression that once we emerge from drought the ROSCCo would cease. WaterNSW advised that a decision has not been made on this, however we will take customer feedback back to the business. Members would like to be involved and have input into this discussion.

### 5.2 Cultural Access Licences (CAL)

- Members advised that LLS is unable to progress linking of CALs with Nimmie-Caira offtake works and sought help from WaterNSW to progress this to the new General Manager of LLS, highlighting the process and how it might progress on behalf of Nari Nari Tribal Council.
- To be discussed out of session with Enrico Proietti to move forward.

### 5.3 WAMC update from NRAR (S Ronan)

- 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.
- Members raised a variety of questions about NRAR costs, funding model and compliance activities including reasonable use guidelines, guidelines for users to self-monitor, % of Murrumbidgee related infringements and changes to licence conditions.
- It was noted that an infringement action started by an organisation will stay with that organisation until the conclusion of the activities in court (ie if WaterNSW commenced an action, it will stay with WaterNSW until finalised). All new compliance actions will be initiated by NRAR.

## 6. Water Delivery:

- Water Delivery and Operational Drought Update to be presented as part of the ROSCCo Skype meeting following the CAG. The Murrumbidgee Annual Operations Plans are available at <https://www.waternsw.com.au/supply/regional-nsw/operations>
- Presentations and notes from the ROSCCo will be available at <https://www.waternsw.com.au/supply/regional-nsw/roscco>

## Meeting Review and Close

**Next Meeting:** Thursday 30 July 2020

**Meeting closed:** 12.30pm

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## Murrumbidgee Customer Advisory Group – Actions – 26 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
<b>MBG2003.01</b>	WaterNSW to consider providing the schedule for outages at Nimmie-Caira structures to the environmental water holders.	B Mayhew	

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