

# Border Rivers Customer Advisory Group

## Minutes of Meeting



**Location:** Video Conference

**Date:** 14 April 2021

**Time:** 9.00am

**Present:** Daryl Cleeve (Chair), Jane Humphries, Michael Owen, David Preston (observer), Jonathan Dickson, Emma Oates, Enrico Proietti, Sonia Townsend and Toni Hayes.

The following attended for specific agenda items: B Mayhew, A Burke (2.1), C Braddock (2.2), S Boyd, A Walker, A McKenzie-McHarg (3.4-3.5) G White, N Palmer, K Reynolds, S Flowers, S Pritchard, C Kirkby, I Reinfeld, I Bernard, R Johnston (3.6), A Fraser (5.2), C Boys (5.3).

**Meeting Opened:** 9.00am.

### 1. Introduction:

#### 1.1 Welcome and introductions:

**1.2 Apologies:** David Coulton, Lindsay White, Matthew Miles, Tim Napier.

#### 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, [1 December 2020](#):

- To be carried over to next meeting.

#### 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.

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

- WaterNSW presented an update on the rural pricing submission capital plan for the Border Rivers, including proposed FY22 projects Capital Plan which consists of renewal of the electrical cable trays at Pindari Dam low lever outlet works and refurbishment, seal replacement and coating of the high level FDC valve at Pindari Dam.
- IPART has proposed no cuts for the valley

### 3. Presentations/Consultation:

#### 3.1 Major Projects update

- Taken as read. For up to date information on the Mole River Dam Project, see [www.waternsw.com.au/moleriverdam](http://www.waternsw.com.au/moleriverdam) or email [moleriverdamproject@waternsw.com.au](mailto:moleriverdamproject@waternsw.com.au)

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- Customers asked what the % of community support for Mole River Dam study is (as provided for Wyangala and Dungowan in the business papers). WaterNSW stated that currently Mole River Dam is just a study, there has been no commitment to build at this stage, so this information has not been collected.

### **3.2 Regulatory Economics – Pricing Determination Engagement (J Dickson)**

- WaterNSW presented an update on the rural and WAMC pricing submissions, including MDBA and BRC pass-through charges, 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.

#### **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.

### 3.3 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.

### 3.4 Water Reform Implementation Plan (WRIP) - Implementing Non-Urban Metering Rules (J Dickson/A Walker)

- 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)
- 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 (list available on [Irrigation Australia website](#)).
- 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.

### 3.5 Floodplain Harvesting Measurement (FPH) Rules (A McKenzie-McHarg)

- Volumetric licensing and accounting rules will soon be implemented in the northern basin river valleys, with the key to FPH take, being the ability to accurately measure it. Water users will need to install a variety of equipment to enable take.
- The Floodplain Harvesting Measurement Policy was released in July 2020, with regulations to enact the policy expected late April 2021. To support this policy and regulatory development, DPIE has developed [guidelines for water users as well as DQPs to install systems to be measurement ready](#).

- It is the responsibility of water users to ensure they are compliant with regulations, engage a DQP to install measurement equipment and establish survey benchmarks and secondary measurement devices (ie gauge boards). DPIE noted the recent flooding has slowed some of this work.
- The DQP Portal is continuing, with a new release scheduled each month. DPIE has worked hard to get as many trained as possible, 28 have completed the IAL training with the 4<sup>th</sup> round recently completed.
- A lot of consultation has been done through webinars with suppliers, installers and landholders. DPIE has completed roadshows in the 5 northern valleys, A “what we heard” is due for release soon.
- Some of the main issues captured include the list of sensors and LIDs available. 11 sensors suitable for FPH exist with 4 LIDs still in testing (see DPIE website).
- Timeframes are tight and a lot of feedback has been received on this. DPIE is very aware and is working with different parts of government to see what can be done.
- DQP and supplier availability is a known issue. There is a lag time with orders for LIDs (up to 4-8 weeks) and DQP availability is scarce. Training for DQPs continues.
- Functionality of accounting systems and operation – DPIE has heard clearly that even though data is collected hourly, it is only uploaded daily. More near-real-time data is preferable, and DPIE is encouraging the market to come up with a product, working actively with suppliers, government and NRAR.
- If you have any questions on FPH Measurement, email [FPHmeasurement@dpienew.gov.au](mailto:FPHmeasurement@dpienew.gov.au)
- Customers questioned whether the timeframe is still in place for the rules to be implemented with WRPs. DPIE advised that FPH measurement rules need an access licence and a works approval to work. The timing of the rules coming into effect depends on when licensing is finalised and brought into a regulatory framework. There needs to be an access licence and works approval for the rules to be attached to. In practice, it will be 1 July 2021 or when an access licence and works approval is issued, whichever is later.

### **3.6 Natural Resources Access Regulator (NRAR)**

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

- 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.
- The Floodplain Harvesting (FPH) disallowance created some uncertainty, with FPH licences to be issued in 2021. Until that time, water taken must be in accordance with an access licence, works/use approval, exemption or basic landholder right. NRAR will use discretion to investigate suspected breaches and will take action against wilful, harmful and serious non-compliance. NRAR will consider the ambiguous environment the disallowance has created alongside key regulatory principles.

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- 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
- Customers noted the FPH issues must be challenging given recent flows in the Border Rivers, Gwydir and Namoi valleys and questioned if there was any thought of trying to get a clear position as is currently very ambiguous for landholders. NRAR noted there will be some landholders who are able to undertake the activity, so can't give a blanket rule as will be case by case. Once the works and licences are approved it will be much clearer. Agreed that at the moment it is not a great position.

#### **Satellites in water monitoring and compliance (N Palmer)**

- 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.
- 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.
- Customers commented the presentation focusses on how 'bad' water users are and there is no mention of all the good that is happening with telemetry. The industry is trying to gain back social licence and NRAR should be part of the positive side of messaging as well.
- NRAR noted satellite imagery is used to identify 'sites of interest' that may require further investigation. It is not assumed that everyone is intentionally non-compliant.

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

- Noted and taken as read.

#### **5. General Business:**

##### **5.1 IPART Economic Framework (J Dickson)**

- 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](#).

##### **5.2 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

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preferred infrastructure options in the valley. This included about 40 options in the Border Rivers, including Mungindi Weir and Pindari fishway offsets. The Mole River Dam study is run under a different process and continues to progress to strategic business case.

- 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.

### 5.3 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 commented the presentation was very good and encouraged NSW Fisheries to present to local irrigator association meetings to get more exposure. Many water users lost or had damaged infrastructure resulting from the recent floods, which will need to be replaced, so this could be an opportunity people may be interested in.

### 5.4 Real Time Data portal

- Customers commented that the real time data portal has been dropping out a lot lately, which was of particular frustration during the floods. Customers contacted WaterNSW IT, who assumed it was fixed. WaterNSW is aware of the issue and believe it has now been corrected, with ongoing monitoring taking place.
- Customers highlighted that during the flood event the information is critical to water users. Water users knew water was coming but could not access any information from 2am on WaterNSW's portal. The BOM flood warnings gave river heights, but it's the flow volumes from the WaterNSW website that are critical. There are 3-4 tributaries that come together so water users use the information to try to understand what is coming.
- The local river operator was contacted by phone to request the volumes for the tributaries that are available on WaterNSW website ordinarily (but the RTD outage prevented access), however customers were told to contact the river operations manager. When contacted, customers received a response via email indicating that WaterNSW is not a flood warning agency and only provides the information to the BOM. Customers noted the BOM data and what was actual was quite different (out by 1.5m).
- The lack of available information resulted in loss of thousands of dollars of infrastructure and loss of livestock and property that could have been avoided if the information was provided/available.

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- Customers noted at no point were they asking WaterNSW to make a prediction, they needed the data in order to do their own analysis to prepare as best as possible. If the information is not made available online, customers need help manually.

**Action BR2104.01:** WaterNSW to register customer concerns in relation to lack of information being available during the floods into the complaints register.

*Responsibility: J Dickson*

## **5.5 CAG Attendance**

- Members noted the level of attendance at recent CAG meetings has been low and questioned what can be done to improve this. There is a lot of valuable information coming out that isn't reaching people who need it.
- WaterNSW noted there was a ROSCCo meeting scheduled for after the CAG, which was subsequently cancelled, which may have contributed to low attendance (people assuming both meetings cancelled).
- Customers suggested a follow up phone call to members or sending a reminder email the day prior to a meeting might be useful. Noted.

## **Meeting Review and Close**

**Next Meeting:** 14 July 2021 in Goondiwindi (TBC)

**Meeting closed:** 11.50am

## Border Rivers Customer Advisory Group – Actions – 14 April 2021

### Carried forward actions

Action No.	Action	Responsibility	Status
BR2012.01	WaterNSW to pass on customer concerns regarding community engagement on Mole River Dam to the Project Team.	T Hayes	Complete.

### New actions

Action No.	Action	Responsibility	Status
BR2104.01	WaterNSW to register customer concerns in relation to lack of information being available during the floods into the complaints register.	J Dickson	Complete.

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