

Coastal-Hunter Customer Advisory Group - Minutes of Meeting

Location: Video Conference

Date: 29 July 2021

Time: 10.00am

Present: Wayne Clarke, John Watson, Graham Kennett, Julia Wokes, Steven Crick, Chris Rooney, Shane Gee, Will Russell, Shaughn Morgan, Jonathan Dickson, Emma Oates, Sonia Townsend, Enrico Proietti, Mahmood Khan and Toni Hayes.

The following attended for specific agenda items: Brian Mayhew, David Swift-Hoadley, Aaron Walker, Greg Abood, Graeme White, Andrew Pulsford, Sarah Flowers, Andrew Fraser.

Meeting Opened: 10.00am.

1. Introduction:

1.1 Welcome and introductions

1.2 Apologies: David Williams, Ken Bray, Phillip Rudd.

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, 5 May 2021:

- Resolved the minutes of meeting held on [5 May 2021](#) be confirmed as a correct record. Taken as read.

*W Clarke/S Morgan
carried*

1.6 Actions arising from minutes

- See action sheet attached.

1.7 Election of Chairperson

- Nil nominations received. To be carried over to next meeting.

2. Presentations/Consultation:

2.1 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.
- If you are not using your water supply works you can make the works **inactive**, which then exempts those works only from the new metering rules. Once inactive, you will not be able to use the works to take any water (including BLR) and will be billed on a one-part tariff (full entitlement charge). To make a works active again, licence holder will need to submit an application, pay the application fee and provide evidence that the works adheres to the metering regulations. For more information visit our website at www.watersw.com.au/amendapproval
- There are currently 15 pattern approved meters [listed on the MDBA website](#), ranging 25mm-1800mm. A list of compatible data logging and telemetry devices and solutions are listed on [DPIE's website](#). Customers are encouraged to speak to their DQP in relation to appropriate fit for purpose equipment.

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- The NSW Government recently announced \$23.6M to assist and encourage water users in the northern MDB in transitioning to telemetry-based metering, including an \$18M rebate available per meter as a \$975 credit applied to customer bills (refer below). Government-owned meters are not eligible.

Non-Urban Metering Rules Update (A Walker – DPIE-Water)

- The NSW and Australian Governments have committed to fund a \$36.1M suite of metering programs, to commence in the 2021-22 financial year, including:
 - \$18M telemetry rebate, for those who have installed telemetry (both mandatory and voluntary), applied retrospectively for all accounts in the DAS
 - \$14.6M government-owned meter capital upgrade program
 - \$1M program First Nations metering traineeship program
 - \$2.5M field program
- Many water users were captured by the rules in the 1 December 2020 rollout simply because their approval details did not reflect what is 'on ground' (eg installed smaller works or inactive works). What is on your approval **MUST** match what is on ground, is absolute. The key message to water users is to ensure details are up to date. This can be the difference between being captured by the rules or not. Contact WaterNSW to make any changes.
- The DQP portal is the central source of information about the steps water users are taking to become compliant. WaterNSW is upgrading the portal to allow more steps to be recorded and to improve access for water users. When you engage a DQP, ensure they are progressively updating the steps you are taking in the DQP portal.
- Upcoming communication and engagement activities for the 1 December 2021 rollout include: mailout to all affected water users in June-July 2021; outbound phone calls to all affected water users in July-August 2021; metering roadshow planned for September 2021; and a second mailout in October-November 2021.
- Works solely used to take water for domestic and stock under a **basic landholder right (BLR)** are exempt from the metering rules. The exemption **does not** capture water taken under a domestic and stock **access licence**.
- The Department has extended timeframes for **some water users** to comply with **existing metering conditions** in five water sharing plans (Hunter, Richmond, Lachlan, Murrumbidgee and Murray-Lower Darling). The extended timeframes affect water users in these WSPs with an **existing condition (MW2452-00001)** on their works approval, to install AS4747 compliant meters - [click here for more information and to see if this affects you](#). The extension **does not affect** existing regional roll out dates.
- Under the extension, affected water users who have already installed a meter will have until their [regional rollout date](#) to ensure their meter meets the [standards](#) under the new non-urban metering rules. In the meantime, they must ensure their meter is operating properly and is accurate. Affected water users who have not already installed a meter will have until 1 December 2021 to install metering equipment that meets the [standards](#) under the new non-urban metering rules.
- DPIE 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](#).
- Customers questioned if WaterNSW/DPIE, when sending out customer communications, could provide customers with contact details of local water user groups to garner interest in joining. Taken on notice.

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2.2 Natural Resources Access Regulator (NRAR)

Update on Metering Compliance Campaign – tranche 1 (G Abood)

- NRAR provided an update on tranche 1 compliance rates for affected works under the non-urban water metering framework, including state-wide statistics and regional breakdown for the Murrumbidgee. NRAR has conducted a number of programs looking at water users through targeted sampling via desktop assessments, phone calls and site inspections. Results were then ground-truthed by NRAR site visits.
- NRAR's compliance approach is simple: to be compliant, water users must have accurate, tamper-proof and approved meters installed; should have those meters validated by a DQP; and could be connected to the DAS. The on-ground installation must exactly match the work approval. NRAR will focus efforts on those users who have not progressed far through the compliance pathway (who have the most ground to cover).
- Tranche 1 captured 1126 affected works in the system (active works that have the ability to pump water), with 715 works remaining after exclusions (including active investigations, government owned meters and COVID restrictions), half of which were either smaller than 500mm or inactive, therefore not subject to the regulation.
- Results showed that state-wide, 23% of affected works are fully compliant; 32% are on the pathway to compliance, having made reasonable efforts to comply; and 45% of affected works are non-compliant and subject to enforcement action.
- Tranche 2 water users must act now. If water is taken in the Macquarie, Gwydir, Namoi, Border Rivers and Barwon-Darling users may need to comply by 1 December 2021. Customers should review their licence and approval details on the [NSW Water Register](#) and use the [NSW Metering Guidance Tool](#) to confirm if this applies to them and then engage a DQP to commence work.

Introduction to NRAR's Quarterly Reporting Tool (G White)

- NRAR has released results of its campaigns to help water users understand what they do and to build public confidence that water is being regulated fairly in NSW. [Quarterly Compliance Reports](#) are an easily accessible summary of NRAR's activities for water users and the community and are publicly available on NRAR's website.
- Key activities and non-compliance trends across the state presented (Jan-Mar 2021), including [regional compliance breakdown](#) for the Coastal and Hunter regions.
- NRAR has recently released its [regulatory priorities for 2021-22](#) for water metering and DQPs, irrigated agriculture, overdrawn accounts and extraction limits in at risk water sources, which will be focus over the coming months, as well as enduring priorities.
- [Subscribe to NRAR's newsletter here.](#)

2.3 Regulatory Economics – Pricing Determination Engagement (J Dickson)

- IPART has decided to defer the release of its final reports on WaterNSW's rural bulk water and WAMC's water management prices by 3 months in order to assess WaterNSW's non-urban metering proposal and consult on draft metering prices.
- This decision means the current prices will continue to apply from 1 July to 30 September 2021, with new prices to apply from 1 October 2021.
- Submissions to IPART's supplementary reports close on 23 July 2021. For more information and to view reports, submissions, proposals and consultation, visit [IPART's website](#).

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Metering

- IPART's [Supplementary Draft Report on Metering](#) was released on 22 June 2021, seeking customer and stakeholder feedback by 23 July 2021. The report sets out the draft maximum charges that WaterNSW can recover for implementing the NSW Government's metering reforms over the next four years.
- WaterNSW will introduce new charges to recover the costs of metering, including a scheme management charge (annual fee per licence); a telemetry charge (annual fee per meter); a non-telemetry charge (annual fee per meter); and two additional meter service charges will apply to customers with government owned meters.
- 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.
- IPART will consider all feedback provided in submissions when making its final decision to be published in September 2021.

2.4 Engagement Landscape (J Dickson)

IPART Customer Engagement

- IPART is reviewing the way it regulates water utilities and how it sets prices and licence conditions for the monopoly businesses it regulates. Three sessions on future water assessments have been held, including customer engagement, where all NSW water utilities provided input.
- Stakeholder feedback on [Discussion Paper 2 – Promoting A Customer Focus](#) was due on 20 July 2021.

Customer Conversations

- WaterNSW is taking a new approach to customer engagement on future water and services pricing to ensure that what we propose in terms of investment reflects our customers' views. newDemocracy has been engaged to start a conversation, which will inform WaterNSW's submission to the regulator for the 2025 Rural Pricing Determination.
- newDemocracy will work with WaterNSW to deliver three key pieces of community engagement: Kitchen Table Discussions; Paired Conversations; and Concise Themes. These projects will take place throughout 2021 and ultimately lead into a deeper engagement process that addresses the question: "how can we best meet our need for water? And, what is a fair way to pay for it?".
- CAG members were sent a copy of the Kitchen Table Discussion Kit in June, inviting them and their water user group to take part, with feedback due by 30 August 2021. Engagement is open to all stakeholders who have an interest in water.
- For more information or to download a copy of the Kitchen Table Discussion Kit, please visit <https://www.newdemocracy.com.au/water/>
- Customers noted concerns from the Lower Hunter, stating the general consensus of what is discussed at water user group meetings is not often reflected in the documents that come out from WaterNSW and doesn't generate faith in the process and decisions made. WaterNSW stated this process is very different to previous engagement and is a genuine and deliberate democratic consultation process across 3 stages. We are not selling a preconceived idea and we believe this process will address concerns.
- Customers stated the Kitchen Table Kit approach is excellent and refreshingly different and the process should reflect what is happening on the ground with new ideas and better ways of doing it.

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2.5 Major Projects Update (J Dickson)

- As part of broader reforms of the NSW Water Sector, a new water infrastructure agency, Water Infrastructure NSW (WIN) has been established within DPIE-Water. From July 2021, WIN will now lead the planning and delivery of Government funded water infrastructure projects in NSW, including the transfer of 8 projects previously led by WaterNSW.
- The majority of project staff have moved to WIN with the projects. WaterNSW and WIN are working together to ensure the transition is a swift and seamless process.
- WaterNSW will retain a role in the projects as owner and operator or existing land and assets for some projects and service provided to existing and future customers.
- Project updates going forward will be provided by WIN and can be found on WIN's website at <https://water.nsw.gov.au/water-infrastructure-nsw>
- Customers questioned where the ongoing maintenance and running costs for the Lostock Dam to Glennies Creek pipeline project will come from. WaterNSW advised that IPART will determine what, if any, pass through costs will go to customers once the projects have been completed. The consultation process with customers has not been removed, the projects have just been transitioned to WIN. The same process will be followed and IPART will be the adjudicator on price. There is an engagement session planned for 5 August for this project, jointly organised by WIN and WaterNSW. Invitations have been sent and customers are encouraged to share details with interested parties.

2.6 Town Water Risk Reduction Program (A Fraser)

- WaterNSW provided an overview of DPIE's Town Water Risk Reduction Program, which is exclusive to non-metropolitan local water utilities (LWU). The program is a 2-year reform program with a dedicated team and resources with the objective to establish a new partnership approach to work with the sector and to design and implement long-term solutions to the key barriers LWUs face in managing risk to town water and sewerage services.
- The scope of the project is to identify opportunities where risk can be significantly reduced by enabling LWUs to draw on the scale or skills in State Government entities and pilot these new support models to build a case for potential future change.
- The program will focus on improving the regulatory framework, reviewing skills shortages across the sector, encouraging greater collaboration between utilities, investigating alternative funding models and facilitation of greater State Government support.
- DPIE will host an online workshop on 2 August. For those LWUs interested in getting involved in the program, please email regional.town.water@dpi.e.nsw.gov.au

3. Assets:

3.1 Asset Maintenance Update (B Mayhew)

- Asset performance and maintenance in the Hunter and Coastal valleys presented and discussed, including routine preventative and corrective maintenance delivery at Toonumbar Dam, Glenbawn Dam, Glennies Creek Dam, Lostock Dam and Brogo Dam.
- Tim Tanner has been appointed to the position of Regional Manager, Northern Region (Asset Maintenance and Services).

4. Business Papers:

- Noted and taken as read.

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5. General Business:

- Nil new business raised.

Meeting Review and Close

Next Meeting: Thursday 28 October 2021

Meeting closed: 12.05pm

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Coastal-Hunter Customer Advisory Group – Actions – 29 July 2021

Carried forward actions

Action No.	Action	Responsibility	Status
CVH2105.01	WaterNSW to provide information on how many meters are located in the coastal valleys.	D Swift-Hoadley	<p>Complete.</p> <p>There are currently 1,000 sites metered in the Coastal valleys (including 826 GOM).</p> <p>Potentially over 3,300 sites could need metering.</p>
CVH2105.02	WaterNSW to clarify the reason for deferral of the installation and commissioning of the Toonumbar Dam 610mm Butterfly Valve.	C Braddock	<p>Complete.</p> <p>The 610/600mm valves at Toonumbar were not a project impacted by the availability of divers, rather it was timed to cause least impact to customers during the irrigation period.</p> <p>Toonumbar Dam was below FSL for the majority of 2020 which would have required a 3-4 week disruption to customer water supply to install the 610mm valve. The preference was to defer the works until the dam was spilling to minimise the risk of impact to customers. The dam began spilling in late December 2020 which allowed the works to be completed without disruption to downstream customers.</p> <p>The works were scheduled to begin in late April following consultation with Water Operations. This period was identified as minimising the impact on customers if the dam stopped spilling, prior to the valve works beginning or during the valve installation. It was advised that expected demands would be low at the end of irrigation season, given the wet conditions. This lead time enabled alignment of contractors for this period.</p> <p>29/7/21 – customers requested further clarification on the above, indicating this response does not match what was presented to the CAG in 2018 and 2019 indicating there will be no interruption to supply. Resolved out of session with the customer by Operations/Assets.</p>

New actions

Action No.	Action	Responsibility	Status
	Nil new actions		

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