

Gwydir Customer Advisory Group

Minutes of Meeting



Location: Video Conference

Date: 13 April 2021

Time: 9.00am

Present: Mark Winter (Chair), Michael Seery, David Reibel, Jane Humphries, Jim Cush, David Preston, Zara Lowien, J Dickson, E Oates, E Proietti, S Townsend, J Piggott and T Hayes.

The following attended for specific agenda items: B Mayhew, C Braddock, D Swift-Hoadley, A Walker, A McKenzie-McHarg, G White, I Bernard, K Reynolds, S Pritchard, I Reinfels, S Common, A Fraser, T Rayner, C Boys).

Meeting Opened: 9.00am.

1. Introduction:

1.1 Welcome and introductions:

1.2 Apologies: Nick Gillingham, Lindsay White, Daryl Albertson.

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, 2 December 2020:

- Resolved the minutes of meeting held on [2 December 2020](#) be confirmed as a correct record. Taken as read.

*D Reibel/M Winter
carried*

1.6 Actions arising from minutes

- See action sheet attached.

2. Assets

2.1 Asset Maintenance (B Mayhew)

- Asset performance and maintenance in the Gwydir valley presented and discussed, including routine preventative and corrective maintenance delivery and impact to structures due to recent flooding.
- During the flood a log got stuck under one of the gates at Tareelaroi Weir, meaning the gate cannot be lowered or raised and has caused some damage to the walkway. WaterNSW is currently assessing the damage to ensure the walkway doesn't fall and cause further damage to the structure. Will have some impacts on water availability but should be rectified by the end of April. One of the gates remains open.
- WaterNSW is not aware of any damage to other structures post-flood however we will continue to monitor.

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- Customers questioned if any damage has been done to the erosion works at Mongyer Lagoon. Taken on notice.

Action GWY2104.01: WaterNSW to advise if there was any flood damage to the erosion repair works at Mongyer Lagoon.

Responsibility: B Mayhew

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 Gwydir valley, including overview of FY22 projects, DSU fishway projects and dam safety projects.
- The proposed Tyreel Weir Fishway pilot project has been deferred. The preference is to complete the pilot fishway in the Lachlan valley at Lake Cargelligo Inlet Regulator Structure which is being renewed. Gwydir fishways will proceed following pilots at Gunidgera Weir and Lake Cargelligo.
- Of the \$22M proposed for fishways in the Gwydir, WaterNSW believes it can deliver \$16M within the current period, subject to IPART's final report. Is a 4-year determination, so the pilot should be completed in this determination and we can deliver within this determination.
- Tyreel Weir and Tyreel Regulator, Tareelaro Weir and Boolooroo Weir are the 4 Gwydir offset sites.

3. Presentations/Consultation:

3.1 Major Projects update

- Taken as read.

3.2 Regulatory Economics – 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.
- Customers stated they would be interested in canvassing pricing structures under different tariff proposals. WaterNSW noted there has been no proposal to change existing 40:60 tariff structures, with the exception of the Lachlan valley. Customers are interested in getting the information in order to make a comparison. The concern for this valley has been the ongoing debate over the RTP and the impact on prices at a local level, so would be keen to look at alternatives. If customers are interested, WaterNSW is open to discussing and modelling for the 2024/25 determination submission.
- Customers stated they are seeing very little benefit from the metering reforms. The buffer is largely being paid for by customers, who believe it shouldn't be put back on them if WaterNSW is unable to match income and expenses. Customers are struggling to map what shareholder returns have gone to the government and questioned if WaterNSW reports on this and if it is available for perusal. Taken on notice.

Action GWY2104.02: WaterNSW to confirm where shareholder returns to Government are recorded.

Responsibility: M Martinson

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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.
- Customers questioned the benefit of telemetry if they are not getting a benefit in terms of cost. WaterNSW advised that there are additional costs for implementation and long-term benefits may not be realised until the implementation is complete.

3.3 Engagement Landscape (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) (D Swift-Hoadley/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.

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- 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.
- Customers stated there are issues with batteries going flat, with water users having to lodge a 91i and get DQPs back on site, then having issues with putting the validation forms into the DQP portal and questioned if this has been rectified. WaterNSW advised there were some teething problems initially but is now operating as planned. If problems reoccur, the DQP enquiries team in the best place to let us know. For DQP Portal enquiries, email DQP.Enquiries@waternsw.com.au.
- Customers questioned if there were any challenges with the supplementary event, given it was the first event with some elements of telemetry, and expressed frustration that water users with telemetry were not able to meet the supplementary requirement to manually enter reads into iWAS after pumping, as telemetry overrode the manual entry in iWAS. There must be functionality as the opportunity to share the unaccessed portion of a supplementary event is time sensitive. Taken on notice.

Action GWY2104.03: WaterNSW to review process of data steps from the DAS into iWAS.

Responsibility: R Cocks/M Barratt

- Customers also stated that if the DAS is only updating every 24 hours, this might be too slow in a supplementary event for DS users to gain benefit from the flow given 'cease pumping' information being delayed.
- 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](#)). 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.
- 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](#).
- **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 default storage curve will be uploaded automatically. If landholders have revised theirs through the assessment process, it is their responsibility to ensure it is uploaded to the DQP portal.
- 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

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devices (ie gauge boards). DPIE noted the recent flooding has slowed some of this work with full storages a challenge for installation of secondary measurement devices.

- 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 4th 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” document is due for release soon, with the most important theme being existing compliance dates and external factors in terms of market constraints and regulatory uncertainty around issuing of licences.
- 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). Our highest priority is to do everything we can to get these devices listed and are aware of customer concerns.
- 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. As soon as your site is registered in the DQP Portal and you have started on the path to compliance, all steps taken will be recorded as proof that you have made an effort to become compliant in all ways possible.
- 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.
- Customers questioned if there has been any further work on resourcing of listed qualified surveyors for benchmarking and if there been consideration for Government financial contribution, noting time is ticking and water users need progress and a clear guide as to what is required. DPIE advised the Government is still considering how it can support the coordinated rollout of benchmark installations and will take feedback back to Government.
- If you have any questions on FPH Measurement, email FPHmeasurement@dpienew.gov.au

3.6 Natural Resources Access Regulator (NRAR) (I Bernard/G White)

NRAR's use of discretion in the compliance process

- 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

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consider the ambiguous environment the disallowance has created alongside key regulatory principles.

- 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 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.
- 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 agreed with the approach and suggested this be part of an education video which can be shared with the public (with the identifying information removed).
- Customers questioned how NRAR thinks water users could have been compliant to their requirements over the last few months in relation to FPH, given the lack of process and limited information by the department which left water users exposed.
- NRAR noted there was an exemption which was voted down in the Upper House. As an independent regulator, NRAR does not set the rules and has a clear purpose to enforce the law. NRAR will take this into account and investigate on a case by case basis.
- Customers queried if NRAR publishes positive statistics on compliance to boost public confidence (eg 99% compliance in the last 3 months). NRAR noted, as with any regulator, it does not detect or report on compliance, only non-compliance.

4. Business Papers:

- Noted and taken as read.

5. General Business:

5.1 IPART Economic Framework Review (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](#).

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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 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.

5.3 NSW Fisheries (T Rayner/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.
- NSW Fisheries agreed that 'one size fits all' doesn't work and will continue to do work on pump efficiency and what it means for reduced maintenance.
- Customers commented it is fantastic to see this is happening and progressing. Would like to see more information on the benefits to industry and how it will improve. Will also be good to have information on the difference it could make to fish population etc. There is a paper coming out soon with additional information that can be circulated to the CAG.

Meeting Review and Close

Next Meeting: 13 July 2021, Moree

Meeting closed: 1.10pm

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Gwydir Customer Advisory Group – Actions – 13 April 2021

Carried forward actions

Action No.	Action	Responsibility	Status
	Nil carried forward actions		

New actions

Action No.	Action	Responsibility	Status
GWY2104.01	WaterNSW to advise if there was any flood damage to the erosion repair works at Mongyer Lagoon.	B Mayhew	
GWY2104.02	WaterNSW to confirm where shareholder returns to Government are recorded.	M Martinson	These documents are available on WaterNSW's website: WaterNSW Annual Report 2019-20 (Key Performance Indicators; Financial; Returns to Shareholders and dividends payable at note 23 of the Financial Statements); Statement of Corporate Intent (Performance Targets).
GWY2104.03	WaterNSW to review process of data steps from the DAS into iWAS.	R Cocks / M Barratt	

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