

# Coastal-Hunter Customer Advisory Group - Minutes of Meeting



**Location:** WaterNSW, L9 420 George St, SYDNEY

**Date:** 5 March 2020

**Time:** 11.00am

**Present:** David Williams (Chair), Chris Rooney, Wayne Clarke, Rob Russell, Stephen Osborn, David Frith, Graham Kennett, Shaughn Morgan (Skype), Michelle Cavallaro (Skype), Ken Bray (until 2.30pm), David Stockler, Jonathan Dickson, Emma Oates, Enrico Proietti and Toni Hayes (minutes).

M Clayton attended for agenda items 2.2-2.3.

S Ronan, T Gilbert and G Abood from NRAR attended for agenda item 2.6.

M Prendergast attended via Skype for agenda item 3.1.

**Meeting Opened:** 11.00am.

## 1. Welcome and introductions

### 1.1 Apologies

- Steve Guthrey, John Watson, Shane Gee.

### 1.2 Confirmation of Agenda Items

- Refer to General Business for additional 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, 5 November 2019:

- Resolved the minutes of meeting held on 5 November 2019 be confirmed as a correct record. Taken as read.

*W Clarke/D Williams  
carried*

### 1.5 Actions arising from minutes

- See action sheet attached.

## 2. Presentations/Consultation (joint presentation with Greater Sydney CAG):

### 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. Discussed.
- Members are supportive of the proposal to defer for two years.

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### **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 in the coastal valleys feel they will not get adequate representation on the juries. There are vastly different issues on the coast and members feel coastal issues will be diluted.
- WaterNSW is aware that the coast has different issues and is proposing to run a parallel process specific to the coast, following the same outline as the three juries, then will come together with the whole jury at the end. Discussed. Members stated that having a satellite for the coast is a good compromise that customers can work with.
- As previously advised, WaterNSW has engaged the services of newDemocracy to undertake the engagement with customers, including recruitment of the juries. The CAGs will be invited to directly participate in two of the meetings and CAG Chairs will also be involved.
- WaterNSW highlighted that, as has been the case in the past, it is also up to water users, groups to make their own submissions to IPART. The Jury process is about having a wider conversation about customer supported initiatives for consideration in the IPART Pricing process.
- WaterNSW will provide governance documents to assist customers and juries.

### **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. Discussed how it will work, current splits, what transparency will mean for customers etc.
- Feedback received from the October/November 2019 CAG round highlighted broad consistency from customers on the key messages around transparency, cost reflectivity and value for money.
- Investment and systems discussed.
- Discussed what full cost recovery means, cross-subsidisation, fee for service, ability to pay/willingness to pay.
- Members are supportive of WaterNSW's proposal to separately identify the costs for each organisation. In relation to the move to fully cost-reflective fee-for-service charges over time, members are supportive however want to be part of the process to better understand what this means.

## **2.2 Projects Update (M Clayton)**

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

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### **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.

### **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.

### **2.3 Major Projects – partner update (M Clayton)**

- 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 to be around April 2020.
- Discussions occurred around expanding WaterNSW's dam surveillance and capability to do work for others (fee for service).
- Funding discussed and how much WaterNSW already has been granted. Still in discussion phase. If it wasn't in the last submission, it isn't funded and is not in our allowance.

### **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.
- Telemetry and meter ownership discussed and requirement to be compliant.

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- WaterNSW encourages customers to do what they can and keep records of what they have attempted to do to achieve compliance.

## **2.5 Fixed Fee Rebate update (J Dickson)**

- 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>

## **2.6 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 that NRAR responded to in the meeting.

## **3. Water Delivery:**

### **3.1 Water System Operations Report (M Prendergast)**

- WaterNSW presented an operations update for the Hunter, Bega/Brogo, Paterson and Toonumbar valleys including rainfall, dam storage levels and inflows.
- Members asked what the scenario will be if the Hunter regulated system goes to zero allocation on 1 July, and how will that impact the unregulated tidal pool irrigators. WaterNSW advised it will probably be similar to what they got this year, noting allocation is a DPIE-W call, not WaterNSW, and we don't have an indication of what they may do.
- Members noted that drought operations on the south coast have been good but could have been better in terms of communication. Asked for a staged shut down of the dam but in the end the river shut down and water at the end pooled.
- WaterNSW advised that the plan was for a staged shutdown however DPIE issued a S324 order, which overrides standard WaterNSW activities. WaterNSW liaised with DPIE to get it shut down in stages although the staged closure didn't happen. It is the first time there has been a S324 order in the area so was a learning curve for everyone. Comments have been noted and feedback will be passed on to DPIE.
- Members questioned if carryover could be quarantined. This is a DPIE call and there is potential that it will be stopped from being extracted.
- Members sought information on the upcoming upgrade works to replace valves at Toonumbar Dam and interruption to water supply at Iron Pot and Eden Creeks. WaterNSW advised that customers will be notified as soon as dates are known.

**Action CVH2003.01:** WaterNSW to advise customers of dates of any interruption to water supply at Iron Pot and Eden Creeks in relation to upgrade works at Toonumbar Dam as soon as known.

Responsibility: M Prendergast

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- The Annual Operations Plans are publicly available on WaterNSW's website at [www.waternsw.com.au/customer-service/news/operations](http://www.waternsw.com.au/customer-service/news/operations).

#### **4. Assets:**

##### **4.1 Maintenance update (M Clayton)**

- Asset performance and maintenance in the Hunter, North Coast and South Coast valleys for the last quarter presented and discussed, including routine preventative and corrective maintenance delivery.

##### **4.2 Capital Plan update (M Clayton)**

- WaterNSW provided an update on current projects in each valley under the 2018-21 Determination, including forecast expenditure, completed projects and work in progress.
- The pricing submission for FY22-23 is currently being drafted. It is anticipated that the North and South Coast capital budgets will be reduced due to lower volume of renewal and replacement works being proposed than current period. Hunter valley budget will be similar to current.

#### **5. Business Papers:**

- Noted and taken as read.

#### **6. General Business**

##### **6.1 Clash of Meeting Dates with NSWIC Meetings:**

- Members noted the NSWIC meeting is on today and asked if there has been any coordination of dates as there seems to be a number of clashes. Coordination was sought with NSWIC socialising the CAG planned dates. Toni Hayes has spoken to Ken Bray and he will provide dates of future NSWIC meetings to try to ensure no future clashes. WaterNSW has already changed the November 2020 CAG meeting date.

#### **Meeting Review and Close**

**Next Meeting:** Thursday 9 July 2020  
**Meeting closed:** 3.30pm

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## Coastal-Hunter Customer Advisory Group – Actions – 5 March 2020

### Carried forward actions

Action No.	Action	Responsibility	Status
CVH1811.01	Follow up customer concerns in relation to pumping threshold control points that are not telemetered.	M Prendergast / R Cocks	<b>Complete.</b> Not all licence holders will need to install telemetry – only surface water approval holders with a pump size of 200mm or over will need to have telemetry. The requirement to meter is for extractions from a water source and since river gauges don't extract water there is a view that they are not included in the new requirements.
CVH1911.01	WaterNSW to convey customer concerns to the Lostock to Glennies Creek Pipeline project team around communication and notes from the last meeting not yet distributed.	R Magaharan	<b>Complete.</b>

### New actions

Action No.	Action	Responsibility	Status
CVH2003.01	WaterNSW to advise customers of any interruption to water supply at Iron Pot and Eden Creeks in relation to upgrade works at Toonumbar Dam as soon as dates are known.	M Prendergast	<b>Complete.</b> The work is planned to start on 20 April 2020 with water interruption planned until 1 May 2020 – for more information visit our website at <a href="https://www.waternsw.com.au/about/newsroom/2020/upgrade-works-to-halt-water-releases-from-toonumbar-dam">https://www.waternsw.com.au/about/newsroom/2020/upgrade-works-to-halt-water-releases-from-toonumbar-dam</a> .

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