

Macquarie-Cudgegong Customer Advisory Group - Minutes of Meeting



Location: The Exchange, DUBBO

Date: 21 April 2021

Time: 9.00am

Present: Lyn Davies (Chair), Tony Quigley, Michael Sutherland, Michael Bennett, Simon Earl, Claire Cam, Paul Keyte, Glen Whittaker, Rick Reid, Bill Tyrwhitt, Rob Tuck, Greg Murie (observer), Frank McKillop (observer), Michael Drum (observer), Jonathan Dickson, Sri Sritharan, Enrico Proietti, Sonia Townsend and Toni Hayes.

The following attended for specific agenda items: B Mayhew (2.1), C Braddock (2.2), A Fraser (2.3), A McKenzie-McHarg (3.1-3.2), A Wakenshaw, M Sexton, (3.3), C Boys (3.4).

Meeting Opened: 9.00am.

1. Introduction:

1.1 Welcome and introductions

1.2 Apologies: Lindsay White, Tim Hosking, Garry Hemsworth, Michael Egan.

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, 8 December 2020:

- Resolved the [minutes of meeting held on 8 December 2020](#) be confirmed as a correct record. Taken as read.

*L Davies/S Earl
carried*

1.6 Actions arising from minutes

- See action sheet attached.

2. Assets:

2.1 Asset Maintenance update (B Mayhew)

- Asset performance and maintenance in the Macquarie valley presented and discussed, including routine preventative and corrective maintenance delivery.
- WaterNSW advised the Burrendong Dam CWP Curtain has been physically removed and is currently out of service. WaterNSW is investigating to better understand the cause of the failure. The future of the curtain is sitting with the Asset Capability team to determine the best way to proceed. The curtain is a problematic solution. As storage levels go up, a team is required to be on site adding layers of fabric, then removing again as the storage goes down, which is physically dangerous. It will always be vulnerable to physical failures. Refer further discussion at agenda item 2.2.

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2.2 Rural Pricing Submission & Capital Plan update: FY22-25 (C Braddock)

- WaterNSW presented an update on the rural pricing submission capital plan FY22-25 for the Macquarie valley, including Burrendong Dam spillway hoist drive upgrade, Belaringar Creek regulator renewal, Marebone Weir electrical renewal and status of fishway projects.
- WaterNSW is in the process of undertaking a review of the Burrendong Dam CWP Curtain. A project is being initiated to assess whether the curtain can be reinstated following review of failure and associated likely costs. Assessment results are due September 2021. Whilst this seems a protracted period, is contingent on storage levels. WaterNSW will explore whether we can retain the current system or whether a different system is a more sustainable solution.
- Customers expressed appreciation for WaterNSW working on it and understand it was always a prototype however encourage every effort to try to maintain as current as there has been a benefit to outcomes. WaterNSW is working with relevant agencies within government, with a decision likely this financial year. WaterNSW will provide a comprehensive update at the next CAG meeting. Customers will be consulted however the ultimate decision will rely on internal engineering advice.

Action MC2104.01: WaterNSW to provide a detailed update on the progress on the Burrendong Dam CWP Curtain at the next meeting.

Responsibility: C Braddock

- Gin Gin Weir has been deferred to the end of the period as is likely to be addressed under the Macquarie River Re-regulating Storage Project.

2.3 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. This included the FSL raising at Burrendong, looking at potential supplies to provide water to customers downstream with piping and a managed aquifer recharge of Dubbo (work on the Macquarie Re-regulating Storages Project had already commenced).
- 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.
- Customers questioned where the work is up to with the proposal around tapping into the aquifer in Narromine and piping to the Lower Bogan. WaterNSW advised this was flagged as an emergency drought project, with an option to consider transferring water from Narromine to Nyngan. This project

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has been put aside, with groundwater being found in the region around Nyngan. The preferred option is to drive down bores to provide water via the Nyngan pipeline. Has been passed to Council and water groups to progress.

3. Presentations/Consultation:

3.1 Water Reform Implementation Plan (WRIP) Update (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.
- To find a local DQP please see the [Irrigation Australia website](#).
- For DQP Portal enquiries, email DQP.Enquiries@waternsw.com.au. For questions on Government-owned meters, email 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](#).
- Customers stated in commercial reality, the implementation is not happening well and there are many issues with the whole metering program. The market has not filled the void - there is no supply, DQPs are busy and hard to reach, some pattern approved meters don't work in the field as they do in lab. There are a lot of problems and water users are concerned that NRAR will report non-compliance when in actuality it is difficult to achieve. DPIE's statement that industry will fill the void is not correct as this is not happening. Adding FPH to the mix also exacerbates the issue.
- Customers are very concerned with the rushed rollout, lack of supply and DQP availability. Customers noted not having had any significant in-field test cases increases the risk of not choosing the best in class meter solutions.
- 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 [IAL 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.

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3.2 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 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” 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@dpi.e.nsw.gov.au
- Customers stated the Northern Valleys Alliance has made it clear it is not a good idea to rely on the current pathway to compliance and think there will be issues when FPH comes in to play. The market is not up to date and the Department needs to look closely at rules and implementation. DPIE noted customer comments and agree it is a challenging space with timeframes and equipment supply. The market is evolving and DPIE is working hard to get LIDs available.

3.3 Natural Resources Access Regulator (NRAR)

NRAR's use of discretion in the compliance process (A Wakenshaw)

- 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

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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.
- 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 questioned what steps are being taken to ensure held environmental water is measured to AS4747 given the environment is the biggest holder in the valley. Customers want assurance that environmental water take is fair, consistent and correct and has the same accountability as other water users. Taken on notice.
- DPIE-EES stated that take is measured at Marebone gauge and operates to 10% overs/unders. In the Macquarie, take is extracted from the channel, not through a pump.

Action MC2104.02: NRAR to provide advice on steps taken to ensure held environmental water is measured to the same standard as irrigation water (AS4747).

Responsibility: A Wakenshaw

- Customers questioned NRAR's position on banks and levies that met the 'rules of the day' but rules have now changed and may now be non-compliant. NRAR stated they approach this the same as

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metering or other controlled activities. NRAR is required and obliged to ensure compliance with current rules and policies and will use discretion and other regulatory options available.

- Customers expressed continued frustration with the rash rollout of the policies and lack of supply and availability with customers trying to be compliant against an immature market.

3.4 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.
- Trangie Nevertire stated they have since tested up to 400ML/day and haven't lost capacity, so good news. Next step is to test at 600ML/day.
- Customers provided an example of an installation 2 years ago which went well until it became blocked during a flood and debris needed to be cleared by hand, which was dangerous. NSW Fisheries stated that not all screens are created equal. It is critical the right technology is used with the best cleaning mechanisms. Screen installs are monitored where possible.

3.5 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.

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.
- Customers stated the WAMC proposal is still not understood, with little transparency across the three agencies. WaterNSW sends out invoices on behalf of the three agencies and is working to split the costs so it is more transparent. Comments noted. We will continue to keep working towards greater transparency.

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- Customers noted the large increase in IPART cost shares from 50% to 80% and commented the rules are applied the same but don't recognise flood mitigation, which irrigators don't have control over (public good). The other concern is the fishways cost share increase.
- WaterNSW stated this is the first determination where the new cost shares have been applied. Customers are encouraged to make a submission to IPART.

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.

3.6 Major Projects update (taken as read)

- Community forums on the [Macquarie River Re-Regulating Storage Project \(MRRRS\)](#) are being held in May in Carinda, Warren and Narromine.
- Get in touch with the project team at MRRRS@waternsw.com.au, join our Facebook group www.facebook.com/groups/MRRRS/ and stay informed by visiting the [project webpage](#).

3.7 IPART Economic Framework Review (taken as read)

- 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](#).
- Customers noted the document primarily talks about urban water. Concerns that large corporations such as Hunter Water etc will make submissions based on urban water which will have a trickle effect on irrigators, which may not be appropriate.

3.8 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.

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- 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.

4. Business Papers:

- Noted and taken as read.

5. Water Delivery:

5.1 Operations and Groundwater update (taken as read)

- Refer to [Macquarie ROSSCo presentation](#).

6. General Business

6.1 Allocation Announcements (L Davies)

- Customers noted in the past they received SMS notifications when there was an increase to allocation but this is not happening now, only via email from DPIE and requested the SMS service be reinstated. WaterNSW will take this feedback/request to DPIE.

Action MC2104.03: WaterNSW to pass on customer request for SMS notifications to be reinstated for allocation announcements.

Responsibility: M Khan

6.2 Rafts in River

- Customers stated there have been issues with rafts in the river over the last few months, particularly between Gin Gin and Warren. Customers suggested this needs to be looked at before it causes more issues, with the risk being a stranded asset. WaterNSW will pass on concerns to the Operations Team to look into.

Action MC2104.04: WaterNSW to pass on customer concerns about rafts in the river to the Operations Team for review.

Responsibility: J Dickson

Meeting Review and Close

Next Meeting: Wednesday 21 July 2021

Meeting closed: 12.35pm

Macquarie-Cudgegong Customer Advisory Group – Actions – 21 April 2021

Carried forward actions

Action No.	Action	Responsibility	Status
MC1705.03	WaterNSW to look at costing of re-routing channel at Bulgeraga Creek.	R Magaharan	Action complete, works ongoing (re-added to action sheet). A decision to proceed will be made after IPART concludes its Determination on the Rural Valleys funding submission.
MC1809.02	WaterNSW to report transmission loss by river section in Operations Plans going forward.	A Langdon (M Barratt)	Complete. Refer to WaterInsights - https://www.watersw.com.au/waterinsights
MC1809.03	WaterNSW to decide on consistent terminology for Operations Plans for all reports on losses, that clearly breaks down system loss, WSP requirement flow, transmission loss and operational loss.	A Langdon (M Barratt)	Complete. Refer to WaterInsights - https://www.watersw.com.au/waterinsights
MC1809.04	WaterNSW to advise if there are any long-term plans to address issues at Gin Gin weir which affect customers in low flow conditions.	R Magaharan	Action complete, works ongoing. There are plans in place to block the lower scour valve when water levels permit. This should keep the weir pool at a higher level during periods of low flows. April 2021 update: There is no change since the previous update, with water still over the crest. For works to safely commence, the water needs to drop below crest level. The future of the weir will form part of the Macquarie-Re-Regulating Storage Project https://www.watersw.com.au/projects/regional-nsw/macquarie-river-re-regulating-storage
MC2012.01	A brief operations update to be presented at each CAG meeting going forward.	S Sritharan	Refer to agenda item 5.1 and ROSSCo presentation at https://www.watersw.com.au/_data/assets/pdf_file/0007/165949/Macquarie-ROSSCo-Presentation-17-March-2021.pdf

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New actions

Action No.	Action	Responsibility	Status
MC2104.01	WaterNSW to provide a detailed update on the progress on the Burrendong Dam CWP Curtain at the next meeting.	C Braddock	To be provided at the July 2021 meeting.
MC2104.02	NRAR to provide advice on steps taken to ensure held environmental water is measured to the same standard as irrigation water (AS4747).	A Wakenshaw	<p>Complete (response sent to customers 29/4/21).</p> <p>There is comprehensive reporting and monitoring of environmental water use in the Macquarie-Cudgegong catchment.</p> <p>See: Macquarie catchment Department of Agriculture, Water and the Environment</p> <p>The NSW Government also accounts for this water as part of the NSW water accounting framework</p> <p>See: NSW General Purpose Water Accounting Reports - Water in New South Wales</p> <p>In relation to metering, all licence holders are required to comply with requirements on their licence or water supply work approval to measure the volume of water they take with a work, such as a pump, bore or regulator, using a meter. These requirements apply regardless of whether the water taken through the work is used for environmental, consumptive, or other purposes. Works that are captured by the new metering rules must be fitted with a pattern-approved meter by their roll-out date, or if an existing meter is replaced or a new meter installed after 1 April 2019.</p> <p>In the Macquarie River context the majority of environmental water does not generally get taken through a 'work', but is delivered instream to important Ramsar listed environmental assets, and is therefore not captured by the metering requirements.</p> <p>More information on metering can be found here:</p>

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			Metering requirements and specifications - Water in New South Wales (nsw.gov.au)
MC2104.03	WaterNSW to pass on customer request for SMS notifications to be reinstated for allocation announcements.	M Khan	Complete. This request was passed on to DPIE on 21/4/21.
MC2104.04	WaterNSW to pass on customer concerns about rafts in the river to the Operations Team for review.	J Dickson	Complete.

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