

# Murrumbidgee Customer Advisory Group - Minutes of Meeting



**Location:** Quest Apartments, Townsend St, GRIFFITH

**Date:** 28 November 2019

**Time:** 9.00am

**Present:** Brendan Barry (Chair), Peter Sheppard, Steven Cunial, Hilton Taylor, James Maguire, Paul Maytom, Tanya Thompson, Jenny McLeod (observer), Lindsay Golsby-Smith (observer), David Stockler, Jonathan Dickson, Brian Mayhew, Vince Kelly (from 10.45am), Dan Berry (from 10.45am), Sonia Townsend and Toni Hayes (minutes).

**Meeting Opened:** 9.00am.

## 1. Welcome and introductions

### 1.1 Apologies

- Nick Maynard, Mark Brettschneider, Jamie Woods, Bede Spannagle, Iva Quarisa, Richard Stott.

### 1.2 Confirmation of Agenda Items

- Nil new agenda 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, 1 August 2019:

- Resolved the minutes of meeting held on 1 August 2019 be confirmed as a correct record. Taken as read.

P Sheppard/J Maguire  
carried

## Discussion points from previous minutes:

### Agenda item 6.2 (1/8/19)– Critical Water Advisory Panel (CWAP):

- Customers queried whether WaterNSW has passed on customer concerns regarding no consumptive users on the CWAP. WaterNSW advised that concerns were passed on, however the CWAP is an agency meeting. WaterNSW has established the ROSCCo to engage with customers and input and feedback from this is taken to the CWAP.
- Customers strongly advocated that someone from the irrigation industry should sit on the panel for input. WaterNSW will continue to pass on this feedback to the CWAP.

### 1.5 Actions arising from minutes

- See action sheet attached.

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## **2. Presentations/Consultation**

### **2.1 Regulatory Economics (J Dickson)**

#### **Rural Valleys Determination:**

- WaterNSW has requested a delay of one year to the submission of the Rural Pricing Determination due to the ongoing drought conditions. We believe this is in the best interests of our customers and anticipate hearing from IPART in the near future.
- WaterNSW will undertake a review in February 2020 to determine the appropriate start of engagement and will keep customers informed of the process.
- Customers are supportive of the delay, however questioned what prices will apply and when will customers know.

#### **Customer Juries:**

- As previously advised, WaterNSW has engaged the services of newDemocracy to undertake consultation with customers to inform our submission to IPART on Rural and WAMC pricing, with the aim to achieve a customer led and supported pricing proposal for IPART.
- The plan is to bring representative samples of our customer base together as juries of 44 people meeting across three locations, comprising five concurrent weekend meetings and two joint meetings (132 jury members) to gain consensus. The CAG will be invited to directly participate in two of these meetings in addition to CAG Chairs being required at the two joint meetings.
- Jury output will inform WaterNSW's submission, with the key principle of engagement being *how can we best meet your water needs; and what is the fair way to pay for it*. The Jury's submission will be submitted to IPART along with WaterNSW Rural Pricing submission untouched.
- newDemocracy has been successfully used by other utilities, including Yarra Valley Water.
- Representation and recruitment discussed. Members highlighted the importance of recruiting people who are informed about water and questioned how the decision will be made on Jury member selection. WaterNSW advised that newDemocracy will manage selection of the jury (WaterNSW will not be privy to selection prior to the first meeting), to gain a representative mix of the WaterNSW customer base.
- WaterNSW will produce an information booklet for potential jurors which explains the water sector and the challenges, issues and trade-offs in our role as system operator.
- Customers sought information on where cost shares between water users and the government sits. WaterNSW advised that IPART has reviewed cost shares and has indicated it will follow the impactor pays principle. The jury will be able to submit its views to IPART on cost shares in its submission and WaterNSW encourages all customers/stakeholders to provide their own submissions.
- Customers queried how the output of the different juries will be reconciled. WaterNSW advised that the forums will be facilitated by external professionals and the jury will determine what they discuss and what additional sources of information are needed to make an informed recommendation.

#### **WAMC (Water Administration Ministerial Corporation) Determination:**

- The WAMC determination ends 30 June 2021, with a new determination to be in place from 1 July 2021. The current determination did not contemplate some of the former Department of Industry (Water) functions being transferred to WaterNSW and NRAR (WaterNSW has been performing WAMC services since 1 July 2016).

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- IPART's WAMC determination applies to services of 3 NSW organisations (WaterNSW, DPIE-W and NRAR). WaterNSW's charges under WAMC are water monitoring, licensing services and billing and account management, predominantly for unregulated and groundwater services.
- WaterNSW is working with NRAR and DPIE-W to ensure new charging arrangements lead to increased transparency and improved cost reflectivity.
- Customers stated that Compliance is often separated in terms of cost but should be a government responsibility to fund and resource.
- Current charges framework, funding methodology, short comings, principles of IPART's 2016 WAMC determination and WaterNSW's proposed principles for the future presented and discussed.
- Subsidisation and fee for service discussed.
- WaterNSW needs to invest in digital technology to replace aging systems and to make customer transactions simpler and more timely. Customers agreed, noting that the front-end needs to be more modern from the start.
- Input was sought from customers on the principles WaterNSW is following.
- Transparency, cost reflectivity and unbundling of charges (and costs to do so) discussed. WaterNSW must prove that the prices we are charging are prudent and efficient.

## **2.2 Water Reform Implementation Plan (WRIP) – metering update (S Townsend)**

- The Government has extended the deadlines for meters to be compliant under the NSW Government's *Water Reform Implementation Plan*. Revised dates can be found at <https://www.industry.nsw.gov.au/water-reform/metering-framework/overview-of-the-non-urban-water-metering-framework#latest-updates>
- In due course, the Government will release an initial list of compatible telemetry devices under the Telemetry Framework. The Government is planning to launch the new telemetry system and engage with customers by 31 March 2020.
- The anticipated process WaterNSW will follow for meter handback was discussed including the option to retain/remove; agree work required to meet compliance; telemetry/data logger options. A key principle of the scheme is that only compliant meters will be transferred.
- WaterNSW will engage with individual customers on these options based on applicable deadline to size of meter.
- Customers were cautioned on making works inactive and advised to look into implications prior to making any decisions as reinstating a works may be a lengthy process.
- A fact sheet is due for release soon and the DPIE Taskforce held round table discussions on 8 November 2019 in Deniliquin.
- Customers noted the extension was marketed around drought when in reality it is due to the Department not being ready. WaterNSW advised that customers in other valleys have also expressed this view, indicating extending the deadline also extends the issues. There is merit in some valleys where meters can't be tested due to lack of water, however telemetry requirements could have been more progressed. Customers are keen to get moving but can't without the appropriate requirements in place.

## **2.3 Rural Mental Health (J Dickson)**

- WaterNSW Customer and Community trialled a program for our frontline staff through the Rural and Mental Health Program (RAMHP) around mental health and dealing with people who may be experiencing difficulties. This was subsequently extended to all WaterNSW staff

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- If customer groups or the CAG would like WaterNSW to arrange facilitation of a session, please contact Toni Hayes.

## **2.4 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.
- For more information go to <https://www.dpi.nsw.gov.au/climate-and-emergencies/droughthub>

## **3. Assets:**

### **3.1 Maintenance update (B Mayhew)**

- Asset performance and maintenance in the Murrumbidgee and Lowbidgee valleys presented and discussed, including routine preventative and corrective maintenance delivery.
- Customers noted that timing around river operations is important and highlighted the importance of direct correspondence with customers in terms of scheduling work. Advance notice to customers of forward planning and outages is critical.
- The Assets and Operations teams have implemented quarterly outage meetings to ensure work is complementary to current operational requirements.

### **3.2 Rural Pricing Submission – Capital Plan (B Mayhew)**

- Draft capital plan for Murrumbidgee and Lowbidgee FY22-25 IPART pricing submission presented, including capital plan milestones, program summary, variances, cost share comparison, water infrastructure renewals and replacement and dams safety.
- Submission is due 1 July 2020, however WaterNSW has requested a delay of one year to the submission of the Rural Pricing Determination due to the ongoing drought conditions (as per agenda item 2.1).
- It is important to note that the cost share is different for different activities.
- Customers questioned what will happen to capital in the event that the determination is delayed for 12 months. WaterNSW will apply the same prudence, however we will take the risk that the Regulator won't accept and enter into RAB if we overspend. WaterNSW will fund then will argue the case for retrospectively adding it into the period.

### **3.3 Dams Safety (J Dickson)**

- For customer information, new Dams Safety regulations commenced 1 November 2019, with a greater onus on the asset owner. Discussed.

## **4. Business Papers:**

- Noted and taken as read.

## **5. General Business**

### **5.1 SDLAM (Sustainable Diversion Limit Adjustment Mechanism)**

- Customers advised that SDLAM projects are currently in discussion and commencing. WaterNSW has been invited on numerous occasions but is yet to attend meetings. SDL projects are very important to the Murrumbidgee irrigation sector and customers want WaterNSW and DPIE to work together collectively and want it resolved constructively.

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- WaterNSW advised that any invitation to date has been by email at low levels and senior management has not been requested to attend. It is important that the correct process is followed to ensure engagement is appropriate and the right staff members are attending, particularly when it comes to designing and building an asset that WaterNSW will be expected to own and maintain. Feedback has been passed on to the Department and Minister's office.
- WaterNSW is currently investing heavily in critical needs drought projects and our internal capacity to step up on these projects is very limited in the current climate, with staffing levels stretched to capacity with the drought.
- A formal invitation needs to be forthcoming and a response will then be provided.

**6. Water Delivery:**

- Water Delivery and Operational Drought Update was presented as part of the ROSCCo. The Murrumbidgee Annual Operations Report will be available at <https://www.waternsw.com.au/supply/regional-nsw/operations>
- Presentations and notes from the ROSCCo will be available at <https://www.waternsw.com.au/supply/regional-nsw/roscco>

**Meeting Review and Close**

**Next Meeting:** Thursday 26 March 2020

**Meeting closed:** 11.30am

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## Murrumbidgee Customer Advisory Group – Actions – 28 November 2019

### Carried forward actions

Action No.	Action	Responsibility	Status
<b>MBG1803.03</b>	WaterNSW to put together a proposal/process for equitable sharing of supplementary events between specific licence types and on what basis it can be done.	V Kelly	<p><b>Transferred to ROSCCo.</b></p> <p>This action has been transferred to the ROSCCo for input/review. The CAG will be updated as appropriate. Customers questioned if the operations portion of CAGs is being transferred to the ROSCCo. If so, this goes against what the ROSCCo was established to do and diminishes the CAG.</p> <p>WaterNSW advised that in the current state we are trying to accommodate and manage many things that are happening in the water space. We are mindful of not duplicating information that is presented to customers and are holding multiple meetings on the same date to accommodate customers and staff at this time.</p> <p>Operations will return to the CAG space in the future.</p>
<b>MBG1907.01</b>	WaterNSW to add metered volume to the transmission losses graphs in the Operations Plan.	V Kelly	<p><b>Complete.</b></p> <p>Refer to Annual Operations Plan  <a href="https://www.watarnsw.com.au/supply/regional-nsw/operations">https://www.watarnsw.com.au/supply/regional-nsw/operations</a></p> <p>Customers noted the current Operations Plan has not been uploaded to the internet as of meeting date.</p>

### New actions

Action No.	Action	Responsibility	Status
	Nil new actions.		

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