

Coastal-Hunter Customer Advisory Group - Minutes of Meeting



Location: Video Conference

Date: 28 October 2021

Time: 10.30am

Present: Graham Kennett, Shaughn Morgan, Chris Rooney, Julia Wokes, Steven Crick, Will Russell, Ken Bray, John Watson, Wayne Clarke, Nick Cook, David Williams, Melissa Balas (observer), Jonathan Dickson, Enrico Proietti, Sonia Townsend, Emma Oates, Mahmood Khan, Anne-Maree Burke, Rob Skewes, Lachlan Browne, Alicia Walters, Ryan Lindsay, Naomi Bell and Toni Hayes.

The following attended for specific agenda items: D Swift-Hoadley, M Brooks, B Mayhew, T Tanner, L Zaw, N Chowdhury (WaterNSW), J Douglas (DPIE), G Abood, H Schokman, N James (NRAR).

Meeting Opened: 10.30am.

1. Introduction and Acknowledgement of Country:

1.1 Welcome and introductions:

1.2 Apologies: Shane Gee.

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, 29 July 2021:

- Resolved the minutes of meeting held on [29 July 2021](#) be confirmed as a correct record. Taken as read.

*S Morgan/C Rooney
carried*

1.6 Actions arising from minutes

- Nil carried forward actions.

1.7 Election of Chairperson

- Nil nominations received.

2. Presentations/Consultation:

2.1 Water Reform Implementation Plan (WRIP) Update (D Swift-Hoadley/J Douglas)

Non-Urban Metering Reform Update

- WaterNSW provided an update on the non-urban metering reforms, including a recap on the roll out dates, metering requirements for surface water, groundwater and at-risk groundwater sources and **what water users need to do now** (check details, see if the rules apply to you, and engage a DQP).
- Customers can choose to **make an authorised work inactive** to be exempt from the metering rules. This does not mean surrendering it. To make a work inactive, customers must complete the [application form](#) and pay an administration fee. Once inactive, customers will not be able to use their work to take any water, including basic landholder rights. Unregulated and groundwater customers will be billed on a one-part tariff (full entitlement charge).

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- **All works captured by the metering rules** will need to be fitted with a pattern-approved meter by the regional rollout date. It may be possible to keep an existing meter if it was installed before 1 April 2019. For more information, please refer to the DPIE leaflet [Non-Urban Water Metering in NSW: what water users need to know](#).
- The rules require **all meters** to have a local intelligence device (LID) even if not connecting to telemetry and the LID must be registered in the DAS. It is the water user's responsibility to ensure they purchase a fit-for-purpose device that meets their needs. A list of compatible data logging and telemetry devices can be [found here](#).
- **Faulty metering equipment** must be reported within 24 hours by completing the [online s91i form](#) on WaterNSW's website and must be repaired within 21 days or submit a [request for an extension](#).
- 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](#).
- DPIE has conducted a number of communication and engagement activities to ensure affected water users are aware of their obligations under the new rules, including >10,000 letters, 4,000 emails, 2,500 text messages and 4,000 direct phone calls, and will be conducting virtual field days on 28 and 29 October 2021.
- There are a number of programs available to support uptake of telemetry and metering including a telemetry rebate of \$975 per device for eligible water users, applied as a credit on a water bill against invoiced telemetry costs. DPIE expects this to be formally commenced by end of year and will be applied retrospectively when connected to the DAS. Water users do not need to do anything for the rebate to be applied.

What's New:

- There is a **new exemption for small domestic and stock users** that applies to pumps <100mm or bores <200mm that are **used solely** to take water under a domestic and stock water access licence; do not take water from an 'at risk' groundwater source; and are not on properties with other works captured by the metering rules. DPIE expects to have the amendments in place before 1 December 2021. Water users who have been affected by this exemption will be contacted by DPIE.
- **Policy Clarification:** Through the rollout it became apparent there is a technical legal situation where if a water user has installed a work that is smaller than stated in the work approval then technically, they are in breach. The NSW Government is in the process of making policy changes to clarify that a water user **can install a work that is smaller than authorised on a work approval**. Once passed into law, water users will be required to inform their licensing authority if this is the case. This will negate the need to amend a work approval and will not incur a fee. Further information will be provided as soon as available. Customers are encouraged to contact your licensor to discuss issues or concerns.
- It is recognised there are **mobile blackspots** in parts of the state where telemetry does not work appropriately. WaterNSW is in the process of engaging a satellite provider to provide a telemetry service in these areas and DPIE is developing a toolkit to help DQPs determine whether a site is a blackspot. Water users can apply for a **temporary exemption** under clause s233 of the Water Management (General) Regulation 2019 if this applies to them.
- Customers highlighted that coastal rivers in flooding are different to western rivers in flooding and questioned if there is any recognition of this in relation to approved meters. DPIE advised that there are portable pumping solutions available and DQPs are encouraged to look at this technology. DPIE understands the complexities on the coast with flooding and removing meters. A list of pattern-approved meters can be found on the MDBA's website or by clicking [here](#).
- A list of certified meter installers and validators (DQPs) can be found on IAL's website or by clicking [here](#).
- Customers stated that parts of the Hunter regulated system are required to meet the compliance deadline by 1 December 2021 and questioned the availability of supply of meters and DQPs.

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WaterNSW stated water users must show they have taken all reasonable effort to comply (refer to NRAR's presentation at agenda item 2.2 for more information). WaterNSW is in the same position with government-owned meters.

- Customers stated that many people in the Hunter regulated system who are captured by the 1 December 2021 compliance date are not aware this applies to them as the communication from DPIE is that the Hunter has until 1 December 2023 to comply, when this is not the case for some. Customers strongly suggested DPIE change its communication to get the right message to the right people. DPIE stated that customers should use the [Metering Guidance Tool](#) to check when the rules apply to them. DPIE will endeavour to provide more direct communication going forward. NRAR advised that water users should also have a look at what terms and conditions apply on their works approvals.

2.2 NRAR Compliance Update (G Abood - NRAR)

- NRAR provided an update on tranche 1 compliance rates for affected works under the non-urban water metering framework, including work previously done, state-wide statistics and NSW regional breakdowns.
- State-wide compliance increased from 23% in July to 54% in September (rates only apply to active works in tranche 1, >500mm surface pumps). For the Far North Coast, compliance has remained at 33%.
- To show reasonable effort towards compliance, NRAR expects all water users who need to comply by 1 December 2021 to have a formal engagement with a DQP before 1 December 2021 or have commenced one of the alternative pathways to compliance.
- The tranche 2 compliance approach will be on a risk-based approach to monitoring compliance, focussed on high volume water users. Compliance will be monitored in a variety of ways including from the DQP portal and the DAS. Reporting will be on compliance rates as major milestones.
- Over the coming weeks and months, NRAR will celebrate the compliant, enforce the laws and ensure fairness for the compliant, monitor changes in compliance rates, check up on DQPs and get tranche 2 and 3 water users to act.
- Customers highlighted the importance of ensuring that all people who go onto properties follow the bio-security rules and notify landholders that are there, including NRAR. NRAR noted the majority of its visits are announced and every effort is made to contact landholders in the first instance prior to proceeding with work.

2.3 Engagement Landscape – Customer Conversations (J Dickson)

- As advised at the last meeting, feedback on the Kitchen Table Kit has been extended to 30 October 2021. We are seeking grassroots feedback from irrigators and are keen to hear from you on what things you think we should spend time on.
- For more information or to download a copy of the Kitchen Table Discussion Kit, please visit <https://www.newdemocracy.com.au/water/>

2.4 CAG Charter Update (J Dickson)

- As part of IPART's audit process, WaterNSW was asked to amend wording in the CAG Charter to elaborate on the types of issues discussed at the CAG. Proposed changes included with business papers.
- The Coastal-Hunter CAG supports the proposed amendments to the Customer Advisory Groups Charter as tabled.

2.5 CAG Term of Office – 2022-25 (J Dickson)

- The current term of office for the CAG ends on 30 June 2022. WaterNSW will call for nominations for the 2022-25 term during February and March 2022.

- Letters will be sent to all existing members and water user groups in February 2022, as well as advertising in The Land, The Farmer Magazine and local media.

2.6 Future Focus (J Dickson)

Water Insights Portal Update

- Recent enhancements to the Water Insights Portal include hourly reporting on all active gauges, all water quality (and special water quality view), limited download function, schematics for all regulated valleys and for the Barwon-Darling, volumetric view of resumption of flow.

WAVE – Coming Soon

- In coming months, WaterNSW will be progressively releasing functionality on an online Customer Portal to support customers with lodging applications, viewing account balances, paying and accessing bills, updating contact details and communication preferences and will also include links to the water register, WPS and interactive maps.
- At the recent CAG Representatives meeting, questions were tabled suggesting the MDBA had rejected some NSW WSPs. WaterNSW reached confirmed with DPIE that the MDBA has not rejected any WSPs but indicated some issues with some WSPs which were sent back to DPIE for review and comment. DPIE is now considering its response to concerns raised as the MDBA believed they didn't meet the basin plan requirements.

2.7 Water Resource Plans Update (J Dickson)

- At the recent CAG Representatives meeting, questions were tabled suggesting the MDBA had rejected some WSPs. WaterNSW reached out to DPIE for a response and were advised that the MDBA hasn't rejected any WSPs but indicated some issues with some WSPs which were sent back to DPIE for review. DPIE is now considering its response to concerns raised as the MDBA believed they didn't meet the basin plan requirements.

3. Assets:

3.1 Asset Maintenance (B Mayhew)

- Asset performance and maintenance in the Hunter and North and South Coast valleys presented and discussed, including routine preventative and corrective maintenance delivery at Toonumbar, Glenbawn, Glennies Creek, Lostock and Brogo dams.
- Customers commented that the notification of work being done at Cooks Weir was sent to customers 10 days after the work had commenced, which caused angst locally with the general community unaware of what was happening. In the letter, the project manager also apologised for work not being done earlier in the year as planned. Customers stated that normal weather would not have dictated the work could be done any earlier and questioned if the reason was more to do with budgetary delays or a misunderstanding of the area. WaterNSW will pass on customer feedback to the project manager.

3.2 Capital Plan Update (L Zaw)

- WaterNSW provided an overview on the capex component of the final IPART determination, including capital plan changes and FY22 initiated projects for the North Coast, Hunter and South Coast.
- WaterNSW is currently initiating the FY22 projects for the North Coast (Toonumbar Dam) and Hunter (Glenbawn, Lostock and Glennies Creek dams). There are no FY22 initiated projects on the South Coast.
- Customers stated in the last few years there have been some major budget blow outs on the North Coast and Hunter and questioned if it is anticipated this will happen again. WaterNSW advised that

the capital plan is reviewed annually and we anticipate to work within the envelope IPART has given us.

- Customers stated work on the Lstock to Glennies Creek pipeline project seems to be going ahead without a lot of stakeholder involvement, commenting that customer concerns should be addressed prior to further investigation. This sentiment is reflected by customers in the tidal pool. WaterNSW advised the project was transitioned to Water Infrastructure NSW (WINSW). More information, including contact details for the project team, can be [found here](#).

4. Regulatory Economics:

4.1 Pricing Determination Update (J Dickson)

- IPART has released its [final determinations](#) for WaterNSW Rural Bulk Water and WAMC prices to apply from 1 October 2021 and included new charges to recover the costs of non-urban metering reform.
- IPART's decision on rural bulk water charges resulted in increases of about 30% on average across all valleys, with tariff structures largely maintained. For WAMC charges, the result was increases in total water management charges over the 2021 period by, on average, 16% for regulated customers, 8% for unregulated customers, and 3% for groundwater customers. Due to affordability concerns, IPART has capped WAMC increases at 2.5% per annum with any shortfall recovered from Government.
- IPART reviewed WaterNSW's proposed costs and found that WaterNSW needs higher levels of operating expenditure to maintain its assets to an acceptable quality and that increased infrastructure investment is prudent and efficient.
- MDBA and BRC pass-through charges have been set at full cost recovery for both determinations.
- IPART has also introduced several new charges to recover the prudent and efficient costs of implementing the non-urban metering reforms, including a scheme management charge, a telemetry charge, a non-telemetry charge and two additional charges to apply to customers with Government-owned meters. IPART's modelling suggests some charges will decrease over time as voluntary telemetry uptake increases.
- In the Hunter valley, Opex has increased by 58.6% (7.3% less than proposed by WaterNSW) and Capex has increased by 57.3% (22.1% higher than proposed by WaterNSW).
- In the North Coast, Opex has increased by 44.4% (3.4% less than proposed by WaterNSW) and Capex has increased by inflation (31.2% higher than proposed by WaterNSW).
- In the South Coast, Opex has increased by 31% (12.2% less than proposed by WaterNSW) and Capex has decreased by 19.6% (12.1% higher than proposed by WaterNSW).
- Offsetting these factors are a lower cost of capital (WACC), which has decreased from 4.7% to 3%.
- Breakdown of the decision on customer share of revenue requirement for the Hunter and North and South Coast valleys over the 2021 Determination and drivers for change since the 2017 determination period presented.

5. Business Papers:

- Noted and taken as read.

6. General Business:

6.1 Customer Communications

- Customers stated that communications to stakeholders is limited and it is difficult for CAG representatives to 'spread the word' when there are limited or no details of water users in the valley (metering is a prime example). WaterNSW advised that the Privacy Act limits us from sharing information about our customers. Discussed avenues for getting messaging about

water user groups out to wider valley stakeholders, including billing inserts, social media, newspapers, emails etc. WaterNSW does not have a lot of email addresses for our customers. We are trying to rectify this however it is a slow process.

- Customers stated that CFOs are a missed opportunity for WaterNSW to make a connection with customers. They have personal contact with many water users and should be used as an avenue for providing/obtaining information. WaterNSW will pass on this information to our teams on the ground.

6.2 Harvestable Rights

- Customers stated they were of the understanding that WaterNSW was able to meet demands of customers and the environment with in-system flows as opposed to water from Glenbawn Dam. If this is the case what is the modelling that has increased the harvestable rights from 10% to 30% and what does it mean for inflows into the Hunter River. Taken on notice.

Action CVH2110.01: *WaterNSW to enquire whether the modelling for the increase to harvestable rights is available and can be provided to customers and what the planned monitoring will be on the impact of a 20% increase in take.*

Responsibility: J Dickson

- Kyogle Council stated that local feedback on the North Coast to date has been positive.

Meeting Review and Close

Next Meeting: 24 March 2022

Meeting closed: 12.55pm

Coastal-Hunter Customer Advisory Group – Actions – 28 October 2021

Carried forward actions

Action No.	Action	Responsibility	Response
	Nil carried forward actions.		

New actions

Action No.	Action	Responsibility	Status
CVH2110.01	WaterNSW to enquire whether the modelling for the increase to harvestable rights is available and can be provided to customers and what the planned monitoring will be on the impact of a 20% increase in take.	J Dickson	In progress.

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