



GVIA

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making every drop count

26 July 2021

Mr Matthew Mansell

IPART NSW

matthew_mansell@ipart.nsw.gov.au

Sent via Electronic Mail

Re: Draft Prices for Rural Water Metering Charges in NSW - supplementary.

Dear Matthew

We write in regard to IPART NSW's Draft Report on Metering Charges in Regional and Rural NSW and the proposal for five new charges to recover costs for water metering in NSW. This letter also provides our support for the NSW Irrigators Council submission.

WaterNSW have been responsible for water metering for several determinations, it surprises us the challenges WaterNSW have had in preparing and communicating this determination, as well as, IPART NSW have had in setting a new pricing regime, considering this historical undertaking. Whilst the rules have changed for water users and there has been a requirement to establish a new telemetry platform, this seems rather innocuous to WaterNSW's responsibility of reading meters which is the largest portion of costs. Not to mention, it was our understanding that the inception costs of this reform like the establishment of the Data Acquisition Service were to be recovered by government.

This is explained within this budget announcement in 2018:

"NSW Government is backing its pledge to build a world-class regional water management and compliance regime with a 2018/19 Budget commitment of more than \$23 million over the next two years" ... "Part of the improved compliance regime will see the development of a robust metering framework..."¹

And further again, by the Hon. Niall Blair in his reading speech to the NSW Legislative Council regarding the first of the key reforms on 19 October 2017:

¹ [https://nsw.liberal.org.au/Shared-Content/News/2018/NSW-BUDGET-2018-\\$23-MILLION-FOR-WATER-REFORM](https://nsw.liberal.org.au/Shared-Content/News/2018/NSW-BUDGET-2018-$23-MILLION-FOR-WATER-REFORM)

“I reassure the House that we are committed to developing a fair and equitable policy so that the cost to water users is proportional to the capacity of their works. The Government recognises that the costs of implementation of a metering system may require significant investment for some users... Responsibility for metering costs, including purchase, installation and maintenance of meters, sits with irrigators while stream gauging and meter reading are costs to government. The New South Wales Government has committed to drive water prices down and we are not abandoning this commitment.”²

The draft prices proposed by IPART NSW defies logic and raises our key concern about how these costs can be prudent and efficient. How can a water user with telemetry who no longer requires regular site visits by a meter reader, under this proposal would pay the same metering charges, as a non-telemetered water user whom, would have 1-4 visits by a meter reader?

The draft metering charges also confirms that the NSW metering reform as a policy, is failing. The reform is not meeting the objectives; financial, efficiency, transparency or community confidence that was outlined by government upon inception. The fact there is low levels of full compliance to these new rules³, because of market barriers like meter availability and telemetry connectivity, technical limitations with some sites not having any approved meters available and administrative barriers that are not being addressed by government, means industry is forced to wear the burden of the low compliance despite their effort⁴. A list of issues is attached here to this letter.

The pricing determination assumptions may also be inaccurate in terms of total numbers of sites to be required to be metered and/or telemetered. This is confirmed by Natural Resource Access Regulator, who found that more than 50%³ of sites were inactive and out-of-scope in the first tranche. If this trend continues, there will be a significant impact on cost recovery and future prices and water users will be required to fund these mistakes.

The adoption of voluntary adoption of the government telemetry system is very unlikely, even with the proposed glide path (which is unachievable given the above). The system is currently providing no benefit to water users; it is not interfaced with water ordering, accounts, or river operations and data is not presented in a usable format. The only beneficiary is the regulator, although given data exists on data loggers its unclear what additional benefit telemetry provides other than more timely access to information (that is later downloaded anyway).

² <https://www.parliament.nsw.gov.au/Hansard/Pages/HansardResult.a>

³ Recent NRAR compliance numbers indicate 7% of the total first tranche is compliant, with 16% state owned and 52% out-of-scope or inactive, or can't be located.

⁴ As evidenced in <https://www.industry.nsw.gov.au/water/news/nrar-takes-action-as-45-of-affected-pumps-not-fitted-with-accurate-meters> which was later reported by <https://www.smh.com.au/national/nsw/biggest-nsw-irrigators-breaking-the-rules-on-water-take-20210712-p588za.html> and <https://www.abc.net.au/news/2021-07-14/irrigation-pumps-still-not-metered-nsw/100288628>

For these reasons we cannot support the draft metering charges presented by IPART NSW.

We recommend that a full review of the assumptions included in the metering reform policy be undertaken prior to the setting of metering charges by the Tribunal.

Until such time that this can be completed, the NSW Government who is the impactor, should fully fund any actual costs incurred by WaterNSW, until there is confidence in the assumptions and outcomes being achieved. Industry is being already burdened with unrealised efficiency gains from past reforms of the water agencies. Our recommendation aims to avoid this happening again and enabling the government's "*own objective to drive down water prices*"¹, to actually occur.

We would welcome further discussion with you on this matter.

Kind regards



Zara Lowien
Executive Officer
Gwydir Valley Irrigators Association

cc. The Hon. Mr Adam Marshall, Member for the Northern Tablelands and The Hon. Melinda Pavey, Minister for Water.

Attachment A: Brief summary of identified issues and barriers to implementation
(Provided to DPIE April 2021)

Surface water:

- Limited pattern approved meter choice in above 1000mm
- Lack of pattern approved meters with flow rates higher than 260ml/day (259,200m³)– required for larger installations and gravity diversions. Mainly applicable for most gravity situations with a 1200mm pipe
- Questionable performance in some circumstances of newly installed pattern approved meters whereby they need to be operated in their upper band of flow rates.
- Until recently, lack of water availability to allow for required flow testing with a reluctance to start a meter just to flow test with low thresholds for over-pumping.
- Supply restrictions with COVID and increased demand on products.

Telemetry

- Lack of a multi-sensor LID option which is required for MACE meters being transitioned, estimated at 50% - 80% of existing meter fleet.
- Upload limitation of data type not suitable to farm management systems.
- Connectivity issue with no satellite connection option.

Floodplain harvesting:

- Lack of certainty over licence and requirements.
- Full water storages. Whilst some devices can be installed, there is sometimes no prior knowledge by the DQP about the structures under the water, which is not efficient as the DQP will need to re-check. This would also mean the surveyor will have to come back out to relocate position and height of the sensor.
- No device currently available off-the-shelf.
- No testing of devices with LID technology and both DQPs and water users, reluctant to order un-tested technology.
- Limited manufacture guarantee for gauge board requirements.

- Limited resources for benchmarking requirements by a surveyor.

Administration:

- Telemetry customers cannot manually enter in meter reads into iWas as required by their supplementary orders at the end of the event. This must be manually done via WaterNSW.
- DQPs must “document a reasonable effort trail” via email, the portal does not allow this. This is placing additional administration pressure on DQPs.
- DQP data entry is limited and clunky, often DQPs are abandoning data entry.
- No evidence of an approved Section 233, ministerial exemption being issued despite applications being provided.
- Inconsistency in application of solutions – encourage to engineer a manifold solution for multi-pipe sites but cannot implement an electronic manifold solution at no cost.
- Inconsistency with field staff to regulatory approach.
- Inefficiency of implementation, with barriers DQPs are making multiple site visits.