

## **Commonwealth Environmental Water Holder**

### **Submission in response to the Water NSW Operating Licences Review: Draft Report and Draft Operating Licence.**

#### Introduction

Thank you for the opportunity to provide feedback on the Draft Report of the Water NSW Operating Licences Review and the Water NSW Draft Operating Licence 2017-2022. We also appreciate your consideration of the submission that the Commonwealth Environmental Water (CEWH) made in response to the review Issues Paper last year.

For ease of reference we have based our comments on the Draft Report. We note that the recommendations in the Draft Report are reflected in the Draft Operating Licence and as such our comments will apply equally to where these recommendations appear in the Draft Operating Licence.

#### Water metering and monitoring operating licence conditions

Water NSW is a service delivery agent that operates on a 'user pays' basis. The CEWH is the single largest holder of water entitlements in NSW and pays variable fees based on metered delivery. As such, it is critical that meters are precise, fit for purpose, and effectively maintained to ensure accurate reporting on use. This is particularly pertinent when considering that the CEWH holds a large public asset and is required to manage this asset in an efficient, effective and accountable way according to the requirements established under the *Public Governance, Performance and Accountability Act 2013*.

It is clear that the only way Water NSW can deliver on services paid for by all entitlement holders is to be able to demonstrate that it has very accurate metering in its network.

Section 9.1.3 (and box 9.3) in the Draft Report states that metering equipment that is not owned by Water NSW can only be replaced with the consent of the owner. However it would seem more efficient if metering standards were enforced with the owner required on a regular basis to provide evidence that the meter is accurate. If it is not then the owner should be required to fix it and subsequently provide the necessary evidence to Water NSW of its accuracy. Otherwise there may be issues with how Water NSW can give its customers the necessary level of assurance that it can manage the water appropriately (particularly if there is no formal obligation on the owners of metering equipment to maintain them in good working order).

The issue of metering and monitoring links critically to the issue of compliance and managing allegations of water theft. The CEWH would like to ensure that any allegations are dealt with quickly and efficiently by Water NSW however we understand that this matter is outside the scope of this review.

### Customer advisory group operating licence conditions

Section 9.1.4 of the Draft Report discusses the role of customer advisory groups and box 9.4 proposes that Water NSW should use its best endeavours to include as members of the customer advisory groups at least one person to represent each of a range of categories. The CEWH fits into a number of these categories as the CEWH is a significant customer who is a Regulated River water user, an Unregulated River water user and environmental water manager. However under the IPART preferred option there is no obligation on Water NSW to include the CEWH on any customer advisory group. For example, Water NSW could have the NSW Office of Environment and Heritage as their 'environment' representative instead of the CEWH, even though the CEWH is the largest single holder of water entitlements in NSW.

In addition, being the holder of a significant portfolio of water entitlements means that other water customers have a strong interest in what the CEWH is doing and how its behaviour may affect their business duties. Being a member of customer advisory groups is a good opportunity for the CEWH to communicate with other water holders. It would be ideal if both state and Commonwealth environmental water holders are present at advisory groups if they manage water in the catchment.

### Conclusion

The CEWH will continue to work constructively with Water NSW on issues that my impact on the management of Commonwealth environmental water holdings. The CEWH is also more than happy to be contacted if IPART requires any additional information on any element of the review of Water NSW operating licences.