



**Namoi Water Submission
to IPART
Water NSW Draft Operating Licence**

April 2017

Contact:

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Introduction:

Namoi Water Represents Water Access Licence Holders in the Namoi Valley located in north western NSW. We make this submission regarding Water NSW Draft Operating Licence to the Independent Pricing and Regulatory Tribunal (IPART). This submission is made on behalf of all Water Access Licence Holders in the Namoi Regulated and Unregulated system.

Water NSW has undergone significant structural reform with the merger with Sydney Catchment Authority and the transfer of functions from NSW DPI Water. Fundamentally this is a significant shift in services and operational management obligations for the organisation and poses some additional risk in the delivery against the various operational licence requirements and standards, there is substantial differences between Urban and regional water supply.

Our submission is made in terms of the regional water supply that impacts licence holders in the Namoi. It has already been noted at the Namoi Peel CSC that additional obligations of the operational licence will most likely result in higher costs to customers. To this end we seek clarity from IPART regarding the functional changes between the existing and proposed operational licence in terms of auditing and standards outlined in the draft and an understanding of the impacts this will have on customer costs.

Water NSW have provided customers with an indication of the new businesses future directional changes, including incorporated a broader representative requirement to include all water resources and focus on differential levels of service for customers. It is not clear for customers as yet, what this means in terms of cost benefits for the optional levels of service and how this might be reflected in the new operational licence will be closely assessed by customers in the Water NSW response to this draft.

IPART request stakeholder feedback on the draft and the recommendations, in particular if the standards are appropriately defined and measureable, suitable supply standards and the AMS and WQMS status quo approach. In relation to these issues Namoi Water Makes the following key points;

Key points

- NW supports the operational licence function to capture, store and release water for the purpose of supply to entitled licence holders.



- We note that storages such as Keepit Dam were not built for the purpose of flood mitigation and there does not appear to be any specific reference to differentiate those dams that do not explicitly operate for this purpose, other than the existing dam safety upgrade infrastructure and managing outflows based on predicted inflows as a common sense provision tabled in 3.5.1 (b).
- Fundamentally conserving water and delivering to meet customer needs is a function of water availability, system condition and seasonal conditions, how is IPART intending to test the reasonableness of steps take to conserve water and minimise water losses that result from operations?
- On the basis of the information in the operational licence NW does not support the inclusion of the obligation to develop and implement an Economic level of water conservational in regional water systems until further clarification and methodology can be provided.
- NW request IPART expand on what program of research on catchments must be undertaken and reference to water quality sections in the act appear broad and are not clear for water users the intended outcome. Further IPART should define the requirement for water quality management is fit for purpose for regional water operations. Impacts on water quality are often outside the ability of Water NSW to manage, we request further detail on the intended outcome for the Water Quality Management System.
- NW supports the performance standards for capture, store and release of water to meet customer orders.
- **NW does not** support Water NSW operating, replacing, repairing, maintaining, removing connecting, disconnecting or otherwise modifying metering equipment where a customer owned meter is in place. This appears to be giving life to Section 31 of the Water NSW Act, the only protection for the customer is the additional line (must obtain the agreement of the owner of that equipment). This function should only apply to government funded meters and should be amended to segregate the operational functions between State Owned and Customer owned meters. Water NSW role (and therefore operation licence) in relation to customer owned meters is to read the meter, ensure customer compliance with Water Management Act provision to have a functioning meter installed. NW have advocated to Water NSW for over two years that part of their operational role should be to ensure all meters are sealed, and if meters are found unsealed that Water NSW reseal meters with lead seals or similar cost effective option.



- IPART are proposing a substantive change in the role of the Customer Service Committees (catchment scale), to Customer advisory groups (area based). If any what is the functional difference proposed by IPART between the existing group and new CAG?
- The existing CSC groups included unregulated river/creek users, groundwater representatives and environment, as well as representatives from the regulated systems.
- NW is extremely concerned the functional role Water NSW CSC's provide in the operational delivery of Regulated Water Capture, Storage and Delivery will be diminished. Further the continued push to remove customers from the approval of valley expenditure for project and repairs and maintenance is unsupported.
- NW supports the provision in 6.7.1 for individual customer service charters, we seek to extend this to the Customer Advisory Group Charter should also be able to reflect the area's specific need to focus on primary service functions of Water NSW.
- NW supports the inclusion of stock and domestic users.
- NW supports one environmental water user representative.
- NW does not support volumetric categories of users.
- NW supports operational audits if they result in improvement in customer service or compliance with the operational licence and reporting.
- Transparency around Water NSW's time, effort and cost of operational services has been an issue of customer contention for some time. NW supports any additional operational audit functions, however third party impacts for the additional cost of this service will ultimately be allocated to the customer. How does IPART intend to manage the balance of audits/reporting obligations to ensure customer costs do not increase.
- The management and delivery of planned environmental water is a significant concern for licence holders whom for the last two water determinations born the costs associated with these activities. As the held environmental water portfolio increases the complexity of delivering this water for the environment would in effect increase the level of service required and therefore cost. NW request Water NSW should as part of the operating licence report the time, effort and cost of delivering planned environmental water. This will ensure that in future price determinations, the cost impact can be allocated to the 'impactor' and not be cross subsidised by water licence holders.

Ends.