

MURRAY VALLEY PRIVATE DIVERTERS

SUBMISSION

TO

NSW Water Metering Framework

<https://www.industry.nsw.gov.au/water-reform/consultation>

September 2018

Introduction

Murray Valley Private Diverters (MVPD) represents private entity river pumpers in the NSW Murray Valley and its tributaries including the Edward River, Wakool River, Niemur River and other creeks and streams.

We appreciate the opportunity to comment on the NSW Government's Water Metering Framework proposal.

History of Murray Valley Water Take Measurement and Metering

The Murray Valley is metered and telemetered to 95% of extractive water as part Stage One of the NSW Metering Scheme which saw new water meters with telemetry installed across the Murray Valley in 2013-14. This was funded by the Australian Government's Sustainable Rural Water Use and infrastructure initiative, through the NSW Sustaining the Basin Program.

This was done with the aim to improve water management through water metering to the National Metering Standards (AS4747) with telemetry to transmit water usage information from Regulated and ground water sources.

The meters and telemetry, together with the installation were installed at no cost to the landholder but are subject to an annual maintenance repair and replacement charge determined by IPART.

The Southern Basin Pilot Project was undertaken in the NSW Murray Valley on the understanding by landholders that it was compulsory and was to be implemented across the entire state. Landholders were told '*The NSW Metering Scheme will improve equity by ensuring all meter installations are installed to the same standard.*'

It was with great resentment and reluctance that meter owners saw their perfectly functioning meters replaced, with no or little consultation as to the practicalities of installation for servicing, and were forced into Public ownership.

The roll out of the project did see a range of design and installation problems which resulted in additional service requirements. MVPD has been advised that these additional costs were not borne by landholders. However, Water NSW did confirm that original project budgetary predictions were exceeded which related to the actual number of meters installed. This financial difference was then charged back to landholders through a subsequent IPART determination. MVPD members continue to object to landholders bearing additional costs for Water NSW contractual budgeting errors.

MVPD members are also extremely concerned that serious inequities have occurred between metering standards that have been applied to the NSW Murray region,

compared to standards (past and proposed) for other parts of the NSW Murray Darling Basin.

Recently the allegations of water theft in the Northern Basin outlined in the ABC 4 Corners Program, did provide some sense of surety in the NSW Murray (Southern Basin) about the benefits of a reliable and comprehensive metering & telemetry system in the Southern Basin (AS4747 and Pattern Approval as agreed originally by the NSW Government under the National Water Initiative)

There are however continuing challenges in the Southern Basin with the Southern Basin Pilot metering Project.

This includes the issue where approximately 12 meters, which are not compliant to AS4747, were installed by Water NSW. This was at no fault of the landholders. We understand that this occurred as Water NSW wanted to use these meters as a trial to check their performance or were told by the meter provider at the time that they were in the process of gaining AS4747 compliance.

It has been suggested subsequently that metering & Telemetry in the NSW Murray Valley under the Pilot Project was 'over kill' with 95% of all water extracted accounted for down to 10ML sites.

MVPD has also received advice from the NSW Government that under the new proposals, the meters installed under the Southern Basin Metering Pilot Project will require validation & verification every five years. This could mean these Water NSW meters installed in 2013-14 will be shortly due for certification.

MVPD members have concerns that Water NSW under the proposed Water Metering Framework will in effect be offloading their responsibilities by transferring ownership back to private individuals.

Consultation Part 1- Who will need a meter?

- Extraction sites for BLR stock and domestic use should be exempt.
- Environmental water must be required to meet the same standards for metering or measurement- +/-5% accuracy.
- Water extraction for SSD Mining and Gas Activities

The development of new sites and expansion of existing sites is potentially leading to additional unaccounted water extraction. The metering requirements for irrigation extractors should be mandatory for these activities- including holding licences with maximum extraction volumes and access to allocation provisions.

They should not have prioritised access to water in dry times

- To ensure equity for irrigation extractions across NSW and restore public confidence in irrigated agriculture, Floodplain Harvesting extractions in the Northern Basin should be fully metered with a strong compliance regime
- MVPD recognises coastal issues are separate to major irrigation extractions requirements in the Murray Darling Basin.
- MVPD accepts that certain irrigation group schemes (eg small schemes and/or irrigation corporations, do have particular locally designed metering/measurement processes in place and therefore the NSW Government should make account for these.

Consultation Part 5- Ownership of meters

Members of MVPD have consistently objected to the proposal to return their Publicly held meters to private ownership. They were installed by Water NSW with Federal Government funding and landholders are largely unhappy with the prospect of taking responsibility for meters and telemetry that they had no choice in.

A number of landholders in the Southern Basin Pilot Metering project area continue to express negative experiences with the inability to have their concerns over meter reading discrepancies rectified (comparing previous to newly installed meters). Landholders had no choice in the types of meter brands and there remains an inability to have the Government owned meters verified on site.

The Southern Basin Pilot Metering Project continues to have a range of outstanding issues that remain unresolved.

This particularly relates to the meters that are located well below ground level so it would be a time consuming and expensive exercise to access these meters for any required repairs.

These meters have no visible meter reading if the telemetry fails and the meter is still functioning.

As public ownership is in place across the majority of the Murrumbidgee, Murray, Lower Darling and Yanco/Billabong systems it seems an unnecessary and ill-conceived proposal to change ownership. As the saying goes '*If it isn't broken, don't "fix" it.*' Maintaining the status quo in these valleys seems would be time and cost effective.

The Victorian Government process to convert all privately-owned meters to publicly ownership, took about ten years and is now complete. Consideration should be given to implementing the same process across NSW. Currently in Victoria, if a new extractor wishes to establish access, they design and pay for the installation to meet AS4747 Pattern Approval, and it is then validated and verified. Upon approval the

ownership is converted to public ownership with an annual maintenance, repair and replacement cost as occurs in the NSW Murray region under IPART determination.

1. As a general principle, public confidence is highest if there is a separation between consumer's owning and servicing the metering. Household electricity, gas and water all have the provider owning the meters to avoid the potential for having meter accuracy validated as accurate when they may be under-reading. In the case of recent ABC 4 Corners program and public concern about water discrepancies in the Northern Basin, there appears little justification to enable commercial users who generate income from the use of water resources, a lesser requirement?
2. A number of Irrigation Corporations maintain ownership of all measurement infrastructure in delivering water to their landholders internally and receive an annual fee for maintenance and repairs.
3. Victorian direct pumpers have publicly owned meters. They are frankly agog as to why NSW would even be thinking of returning publicly owned metering back to private ownership. They have found that private ownership of meters doesn't work and indications are that the current process now where the water pumper pays for the initial installation to the water management agency who then install, validate and take over ownership is appropriate. An annual fee is charged for maintenance, repairs and replacement, just as occurs in NSW Murray.
4. NSW credibility on water compliance on the Northern Basin since the ABC 4 Corners program has major ramifications in terms of public confidence in irrigated agriculture across many other parts of NSW. If the NSW Government is not seen as consistently applying standards as agreed under the National Water Initiative, it will be seen as tokenistic and taking a backwards step. Increasing public confidence is regarded as essential and with this comes the need for full transparency to avoid any risks of serious breaches of license rules by those individuals or entities with a mind to.
5. Ensuring robust and repeatable metering standards across NSW should accompany the setting up of an appropriate compliance framework. This will create efficiencies within the NSW Natural Resource Access Regulator, a significant issue when it is likely that full cost recovery from irrigators is a likely scenario under future IPART pricing determinations.
6. The availability of suitably qualified and certified skilled maintenance & repairers who can validate accuracy will be problematic in a short timeframe of 14 days. Large Corporate irrigators will get priority and fast service due to

the volume of work they have, while the smaller irrigators will have to wait in line for service. Under public ownership this has not been a problem to date.

7. The suggestion that Water NSW could hand ownership of their meter & telemetry fleet to an as yet unidentified third party is not a solution. Currently our annual fees and charges for metering and telemetry are determined by IPART as Water NSW are the sole provider. Replacing Water NSW who are effectively a third party now, with another seems unnecessary and problematic. We would need the annual fees and charges to still be determined by IPART. The concept of 'letting the market decide' is not appropriate, as the now aging fleet with impractical installations would not be an attractive proposition for an alternate third party to take on.
8. The 'roll out' was a process that had teething problems, however much was learnt from the Pilot Projects. Unrolling the roll out will be doubly problematic, with the need to establish a suitable process to negotiate 'The Terms' of any proposed transfer with **every individual** owner, including amongst other considerations
 - Refunding of the depreciation component of the annual charges paid over the years for future replacement.
 - Fully funded validation and verification of every individual meter for function, installation and accuracy. This is effectively the 5-year visibility test that verifies compliance which is currently due and has not been done by Water NSW.
 - Certification of verification and validation would need to be provided to the new owner for their records.
 - Replacement or verification and validation of the few non-compliant meters that were knowingly installed by Water NSW and the pumpers being told they 'meet the Standard'.
 - In short, no-one wants to take responsibility for meters they had no role in selecting or say in how they were installed.
 - Meters that Water NSW installed below ground will need to be relocated for easy access for servicing when necessary. Accessing the meter in these impractical installations wasn't a problem to the landholder as Water NSW who had installed it also had to repair it. They replaced perfectly good working meters with easy access for servicing & repair if required.
 - Individual landholders may well have other site-specific considerations that would need to be addressed on an individual basis prior to accepting ownership.

9. Metering in the Murray, Lower Darling, Yanco system, Billabong Creek and the Murrumbidgee are all already publicly owned. That is a very substantial portion of water extraction in NSW.

In recent consultation with the NSW Water Reform Taskforce and Water NSW, transferring ownership was described as being like trying to 'unscramble an egg'. In actual fact it appears to be more like trying to unscramble an omelette given the number of meters involved.

As a result of the concerns raised in this submission, the Murray and Lower Darling irrigators have expressed a preference to continue to pay Water NSW an annual fee for maintenance, repairs and replacement of their meters that were installed as part of the Southern Basin Pilot Metering program.

We strongly urge you to reconsider private ownership and maintain the status quo in the NSW Murray Valley. Too many issues remain unresolved and we are happy to discuss this in more detail. A specific 'Metering Ownership Workshop' should be held as a matter of priority if any further consideration is being given to the transfer of ownership.

Given the cost and time involved in any transfer of meter ownership, it begs the question- Why change the status quo? The current system provides absolute transparency noting however that a number of unresolved issues remain problematic in the NSW Murray region.