

Independent Pricing and Regulatory Tribunal  
PO Box K35  
**HAYMARKET POST SHOP NSW 1240**

Dear Sir / Madam,

**REVIEW OF WATER NSW'S NON-URBAN WATER METERING REFORM CHARGES**

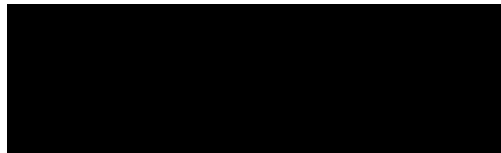
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On behalf of Tamworth Regional Council, thank you for the opportunity to provide comments on IPART's Review of Water NSW's Non-Urban Metering Reform Charges.

Council's submission follows.

Please contact the undersigned should you wish to discuss this matter further.

Yours faithfully



Bruce Logan  
**Director Water and Waste**



22 July 2021

**Tamworth Regional Council**

**Response to the Independent  
Pricing and Regulatory Tribunal**

**Review of Water NSW's Non-Urban  
Metering Reform Charges**

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## 1 Background

Tamworth Regional Council currently utilises 60 water extraction licenses to supply water for domestic uses, industrial demand and irrigation of recreational facilities. The primary water extraction points are shown in the table below.

Centre	Water Source	Entitlement (MLs)	Average Annual Usage (MLs)
Tamworth	Peel River - Chaffey Dam - Regulated	16400	4974
Tamworth	Dungowan Creek - Dungowan Dam - Unregulated	5600	3311
Manilla	Manilla River - Split Rock Dam - Regulated	150	41
Manilla	Namoi River - Unregulated	421	316
Barraba	Manilla River - Split Rock Dam - Regulated	365	156
Barraba	James St Bores - Groundwater - Fractured Rock	180	0
Kootingal	Groundwater - Cockburn River Alluvium	530	0
Nundle	Groundwater - Peel River Alluvium and Fractured Rock	100	46
Bendemeer	Macdonald River - Unregulated	84	29
Bendemeer	Groundwater - Fractured Rock	10	10
Attunga	Groundwater - Peel River Alluvium	120	58
Tamworth	Groundwater - Peel River Alluvium and Fractured Rock	1055	500

## 2 General comments on the NSW Water Metering Policy

Council would like to make the following comments in relation to the Water Metering Policy;

- a) Council welcomes the focus on water consumption in regional NSW under the NSW Government's Water Reform Action Plan (WRAP), December 2017 and Water Management (General) Regulation 2018.
- b) Council agrees that accurate water metering and the provision of timely meter reading data is essential to ensure sustainable management of our water systems and aquifers.
- c) However, the NSW Non-Urban Water Metering Policy (2020) draws no distinction between privately owned water extraction points and professionally operated systems, such as those maintained by Councils.
- d) Council has a complex and integrated water extraction system, carefully controlled by a Supervisory Control and Data Acquisition (SCADA) system.
- e) This SCADA system is extremely secure. Council's IT department locks down all computers to prevent installation of any software that may tamper with the data control and SCADA system. Data is also regularly backed-up, so any interference would be corrected.
- f) This SCADA system correlates flow meter readings of raw water with treated water readings, so an inaccuracy would be identified and corrected.
- g) Council installs flowmeters accurate to within 0.5%. This is far superior to the 2.5% required in the NSW Non-Urban Water Metering Policy. These flow meters are regularly inspected and well maintained.
- h) Council's flowmeters are locked away in secure premises to prevent tampering.
- i) Given the above controls, the splitting of signals from Public Authority flowmeters should be permitted. This would allow one signal to be transmitted to NSW Government's Data Acquisition Service (DAS) and the second signal to go to Council's SCADA system.
- j) Splitting this signal would provide the DAS with all data requested.

- k) Not allowing the signal to be split would require very expensive double-ups of flow metering systems. This would include new pits, new electrical supplies, double the hardware etc. This expenditure would be a very poor use of public funds.
- l) Interrupting the Tamworth water supply to install new flowmeters would put the city's water supply at significant risk. As per the table above, over 90% of Tamworth's water is delivered via two supply sources, each with their own flowmeter. Cutting either line to install a new flowmeter could cause Tamworth city to run out of water if the connection were not quickly restored. This risk is unacceptable.
- m) The townships around Tamworth similarly rely on just one or two supply water supply sources. Clean water stored in local reservoirs is maintained at two days demand. Installation of new flowmeters could take longer than two days, which would put residents out of water. This risk is also unacceptable.

### **3 Comments on Pricing**

If Water NSW does not agree to splitting of signals for Public Authority flow meters the cost to Tamworth Regional Council to comply with the NSW Government Policy is estimated at \$300,000. If splitting of signals is permissible then this cost to Council will reduce significantly to approximately \$100,000 to ensure metering complies.

Council already pays the highest price per Megalitre for water drawn from regulated streams in the Murray Darling Basin and this new policy sees further cost applied to an Authority which was already metering all of its extraction.

Depending on final interpretation of the rules and how those rules apply to Council, it is possible that Council will be required to pay significant capital cost to upgrade our meters and then pay Water NSW an additional amount of \$12,000 per year in charges to administer the system. Whilst this amount, compared to the regulated river charges Council pays, is small, it is another cost that has to be borne by the residents and businesses across the Tamworth Regional Council area.

Council also recognises the costs of this new policy on irrigators in the Peel – not just annual charges but costs to upgrade metering. Again, these irrigators pay the highest cost for water of any regulated valley in the Murray Darling Basin and increased charges, from an already high base, threatens the ongoing financial viability of a large number of small businesses.

Council does not want to see small business threatened in this way and urges IPART to consider the impact of these charges on already financially strapped businesses.