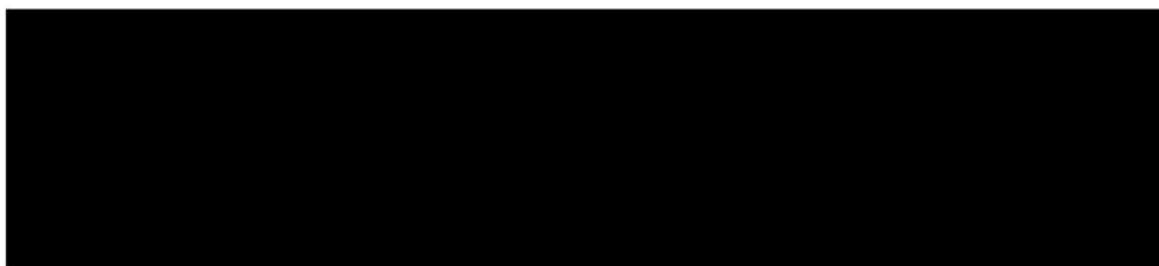


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**From:** Michael Turnell [REDACTED]  
**Sent:** Friday, 14 June 2019 3:51 PM  
**To:** Shirvill, Natasha [REDACTED]  
**Cc:** Pigliardo, Tina [REDACTED]  
**Subject:** Meter enquiry

Hi Natasha,

As foreshadowed during yesterday's call, please find attached our letter.

Kind regards,

Michael Turnell



**Michael Turnell** | Legal Advisor | **MI** Murrumbidgee Irrigation

[REDACTED] | [www.mirrigation.com.au](http://www.mirrigation.com.au)

86 Research Station Road, Hanwood NSW 2680 | Locked Bag 6010,  
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**Murrumbidgee  
Irrigation**

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14 June 2019

Mr Robert Wright  
General Manager, Insurance, Water and Wirelines Markets  
Australian Competition and Consumer Commission  
Level 17, 2 Lonsdale Street  
Melbourne VIC 3000

By email:

CC:

Dear Mr Wright

### **Request for information about meter accuracy concerns within the Murrumbidgee Irrigation area**

We refer to your letter dated 30 January 2019, Murrumbidgee Irrigation's (MI) response dated 15 March 2019, and to our teleconference on 27 May 2019 regarding the ACCC's concerns in respect of representations regarding MI's MACE Agriflow Doppler (MAD) water meters.

MI wishes to emphasise that it takes its obligations under the *Competition and Consumer Act 2010 (CCA)* very seriously and has considered carefully the concerns raised by the ACCC. This letter provides further information in relation to the matters discussed on our teleconference. We would be happy to discuss these matters further with you.

MI's response contains information that is commercially sensitive and confidential to MI. It requests that the ACCC treat this response and any additional documents provided as part of it as strictly confidential and not disclose them to any person without the prior consent of MI except that, in accordance with the ACCC's usual confidentiality regime:

- there is no restriction on the internal use, including future use, that the ACCC may make of the information consistent with its statutory functions;
- the ACCC may disclose the confidential information to the ACCC's external advisors and consultants on the condition that each advisor or consultant be informed of the obligation to treat the information as confidential; and
- the ACCC may disclose the confidential information to third parties (in addition to its external advisers or consultants) if compelled by law or in accordance with s155AAA of the CCA.

## **1 Information requested by ACCC during teleconference**

### **(a) Flow verification testing**

As noted in our response dated 15 March 2019, MI undertakes flow verification tests as a last resort when a customer's query or concern has not been able to be resolved through an initial desk top review of water usage and/or a meter validation check. Flow verification involves the use of an infield verification rig (also known as a magnetic flow meter or Mag Rig) to compare flows over different flow rates and confirm that the flow-rate passing through the meter is accurate. MI confirms that flow verification was used on 5 occasions: 4 of these tests relate to the Complainants and one relates to another customer. The results for the other customer indicated that the meter was operating within the acceptable ranges and the matter was resolved with the customer.

Before proceeding to a flow verification test, MI will first undertake a desktop review when an error is identified during a physical in-field inspection. A desktop review includes, amongst other things, cross-

checking the water usage recorded by the meter against average water usage for similar crops in the area. It is only at that stage that if a complaint remains unresolved that the option of flow verification testing becomes an option.

**(b) NSW Department of Commerce Manly Hydraulics Laboratory Reports**

By email dated 29 May 2019, we provided you with a copy of a report prepared by the NSW Department of Commerce Manly Hydraulics Laboratory dated June 2003 (MHL Report 1215).

MHL Report 2123 dated March 2012 was prepared by Manly Hydraulics at the request of the manufacturer MACE. We note you have received a copy of this report direct from Manly Hydraulics

**2 Further information**

MI provides the following additional information to assist the ACCC in its consideration of this matter.

- (a) MI is one of the largest irrigation service providers in Australia, providing more than 2,300 shareholder customers with water and drainage services each year.
- (b) MAD meters were installed across MI's network between 1990 – 2009, prior to the development of Australian metering standards and pattern approval for any Australian meters. The MAD meters were selected for their accuracy and reliability, as confirmed by laboratory and in-situ testing, and were considered to be market leading for their time. The accuracy and reliability of these meters was once again demonstrated by Manly Hydraulics Laboratory Report Number 2123, which concluded that the meters operate within permitted ranges set by AS4747.
- (c) As a member owned irrigation service provider, MI takes customer feedback and complaints very seriously. This is particularly important in relation to the accuracy of water flows, which is fundamental to the service provided by MI to its members
- (d) MI delivers between 10,000 to 20,000 water orders each year and has only received 36 customer complaints relating to meter accuracy in the last six years. In each case, MI sought to investigate the customer's concerns comprehensively through desktop review, meter validation checks and/or flow verification as required. Of the 36 meter complaints, 21 related to MAD meters. Of these 21:
  - 7 meters revealed no fault and were found to be operating correctly,
  - 10 meters were found to have a fault and were repaired, or components replaced,
  - 2 were not operating correctly due to a human programming error which was corrected, and
  - 2 meters were not operating correctly due to a build-up of silt or debris inside the meter which was cleared
- (e) In stating to our customers that we are confident that our MAD meters are consistent with the Australian Standards, MI has relied on:
  - the positive results demonstrated by the independent testing undertaken by Manly Hydraulics Laboratory and subsequently confirmed by MHL Report Number 2123, and
  - that MAD meters are installed by MI in accordance with the guidelines and instructions provided by MACE, and
  - that once installed, inspections are conducted against MACE's recommended guidelines to ensure the meters are operating to the manufacturer's standards, and
  - ongoing maintenance and inspection of the MAD meters is routinely undertaken in accordance with manufacturer's standards, and

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- advice from the NSW Government that the existing MAD meter fleet met the intent of the National Metering Standards (and the interim NSW Standards) despite not being pattern approved and could be grandfathered for their useful life, and
  - auditing and checks of the meters within its network, including:
    - monitoring the network for marked changes in usage patterns which might indicate faults or water theft and undertaking investigations, and
    - auditing one third of its meters each year.
- (f) MI is in the process of rolling out pattern approved electromagnetic and slip meters across its network now that these are readily available.

MI will continue to maintain and modify its meter fleet in line with industry best practice. At all times, MI believes that our processes and procedures have ensured accurate metering of customer supplied orders using the best available technology.

MI would be happy to discuss these issues further with the ACCC. Please contact me on [REDACTED] or at [REDACTED] if you require further information.

Yours sincerely



**Brett Jones**  
Chief Executive Officer