

Lachlan Customer Advisory Group

Minutes of Meeting



Location: Condobolin Agriculture & Research Station

Date: 12 March 2024

Time: 9.30am

Present: Tom Green, Bryan Goldsmith, Joanne Lenehan, Gordon Turner, Glenn Daley, Michael Storrier, Michael Payten (online), Hilary Johnson (online).

WaterNSW: Andrew George, Clair Cameron, Ronan Magaharan, Brendan Maher, Jonathan Belej, Rooban Roobavannan, Ben Coffey, Geoff Watson, Jon Hocking, Toni Hayes and online for specific agenda items: David Stockler and Sonia Townsend.

Agency and external staff: Ria Pryce, David Andersen, Kate Drinkwater, Amanda Chadwick (DCCEEW/online), Keeley Reynolds (NRAR), Fiona Court and Daniela Hauri (SEC Newgate).

Meeting Opened: 9.30am.

1.1 Welcome and introductions

1.2 Acknowledgement of Country

1.3 Apologies: Ed Fagan, Nick Turner, Gavin Rhodes, Jock Coupland, William Back, Tim Bell.

1.4 Confirmation of Agenda Items:

1.5 Declaration of Interest(s):

- Declarations of interest were sought from attendees in relation to the meeting's agenda items. No interests were declared. Items included in the agenda are not considered confidential unless declared as such.

1.6 Minutes of Previous Meeting, 7 November 2023:

- Resolved the minutes of meeting held on [7 November 2023](#) be confirmed as a correct record. Taken as read.

*T Green/G Turner
carried*

1.7 Actions arising from minutes

- See action sheet attached.

2. Regional Operations

2.1 Water Planning and Delivery update (J Belej)

- WaterNSW presented a review of recent operations in the Lachlan and Belubula valleys, including storage and inflow update, dam operations, water availability and account balance, weather outlook and long-range forecast (July to September), comparison of drought inflows, water availability and water account balance, and storage forecast.
- EWA used was for management of the Pelican breeding event at Lake Brewster.
- The Lachlan Airspace Reference Panel met in February to discuss a bulk water transfer and agreed to release 2200ML/day for 7 days to provide some airspace and minimise risk. Irrigation orders expected to finish by mid-March.
- Translucent delivery may trigger if inflows to the dam exceed 250GL (from 1 January) and other conditions of the Water Sharing Plan (WSP) are met. Inflow from 1 January to 19 February is 110GL.

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- Stock and Domestic delivery started from July 2023 for next water year as top up (delivered to Merrowie creek (1528 ML) following the excess flow delivery for environment purpose). Exploring possible delivery for Willandra creek, Merrimajeel and Muaggabah (resembling 2016/17 delivery).
- Lake Cargelligo storage was returned to operation October 2023 with 75% capacity constraint. The Water Planning and Delivery team is providing ongoing support to the Projects and Regional Operations teams to identify new capacity targets and fill strategy without compromising safety of storage, while maximising available resource. There are plans to use the downstream tributaries and any airspace/spill (if weather condition provides) from Wyangala to build up the Lake Cargelligo storage. Refer also agenda item 5.1.
- Lake Brewster is operating under a revised capacity constraint of 79.5% based on dam safety advice. The capacity of the inlet channel is still maintained to 950ML/day for safety. Members highlighted poor water quality issues as a result of the Pelicans (adding nutrients/waste to the water).
- Discussion occurred on the [water availability and allocation update](#) published by DCCEEW on 8 March. Members questioned why the operational allowance is not decreasing as we approach the end of the water year.

Action LAC2403.01: WaterNSW to review the March resource assessment calculation with DCCEEW and consider if an adjustment is an option.

Responsibility: J Belej

2.2 Regional Operations update (B Coffey)

- WaterNSW provided an update on the Regional Operations operating model. Under the new model, WaterNSW has brought diverse teams (water monitoring, asset maintenance and field services) together under the Area Managers and established Regional Project Delivery Teams (south, north, metro).
- There have been many immediate benefits of sharing resources (staff, plant, equipment) across valleys and throughout the region, including a more consistent approach across the business. Future efficiencies are being explored, including consolidating offices and workshop facilities, working with Dam Safety to reduce dam surveillance, potential to self-deliver some regional projects, a review of existing water monitoring runs etc.
- Members suggested WaterNSW do a 'roadshow' along the river to meet customers (explain the structure, introduce staff, provide contact details) and visit sites along the river as well as gain local and historical knowledge from customers in the valley. WaterNSW will take feedback on board for consideration.

Action LAC2403.02: WaterNSW to organise a 'river run' in the Lachlan valley, in collaboration with Lachlan CAG members.

Responsibility: B Maher

- Members commented that there is a time lag with water quality and monitoring in the Lower Lachlan, with some samples taking 2-3 weeks to get results. WaterNSW is trying to find the balance between levels of service and what quality we can provide for the costs customers can afford. These are the types of efficiencies we are looking at under the new model.
- Work to repair flood damage at Lake Brewster, weir, inlet channel and storage is still underway. Sandbagging at the 2 erosion sites was completed in September and ring-banking at these sites commenced 26 February. Members noted there is a risk to spending money to do the repair work with potential of another flood later in the year.
- Works at Cucumber Weir will commence once river levels drop (likely autumn/winter). Construction is likely to be less than 2 weeks with no outages to customers. Members noted this is

causing grief to landholders, with access problematic in wet conditions, and questioned if there are any plans to raise the weir. WaterNSW will look at design parameters and provide a response.

LAC2403.03: WaterNSW to advise if there are any plans to raise Coocumber Weir.

Responsibility: B Coffey

2.3 CAG Survey update (B Maher)

- WaterNSW provided an overview of the results of the CAG Survey conducted in December 2023 (provided with business papers), including state-wide and valley-specific results. The purpose of the survey is to help us better understand how the CAG process is working for customers (what works well, what doesn't work, suggestions for future meetings etc).
- Further input and feedback was sought from CAG members on proposed engagement into the future.

Feedback/discussion:

- o members regard CAGs as a 2-way flow of information; WaterNSW is the only organisation that manages/talks to the whole valley
 - o environmental members find the CAG forum very valuable to better understand other customer concerns and plans – this exposure is important
 - o if changing to 2 CAG meetings, information needs to be very well targeted; if issues pop up between meetings, what are the other channels for engagement and how will that occur?
 - o 3 meetings are good with an option to go online
 - o I like the idea of more targeted engagement (site visits, drop-in sessions/workshops)
 - o the CAG round is a great opportunity for WaterNSW to drop in and see customers/site visits; customers have confidence that they are dealing with people (face to deal with); dam visits have been a part of this in the past
 - o CAGs are the only forum that represents the whole valley top to bottom – members gain an understanding of how everything ties together in the valley and how it relates, so the CAG forum is important
 - o worries me if we cut back to 2 – just start going down round of less consulting and more mailouts
 - o no problems with doing 2 face-to-face and 1 online
- The survey will be re-opened and the link re-sent to all members to provide opportunity to those who have not yet contributed. We want to hear from all members, primary and alternate, including those who have not attended a meeting in some time.
 - WaterNSW will provide some options to CAG members for input prior to the next meeting.

3. Non-Urban Metering Reforms:

3.1 Update on Metering Review (R Pryce – DCCEEW)

- DCCEEW provided an update on the review of the Non-Urban Metering Reforms (as presented at the last meeting). The purpose of the review was to look at how to remove barriers to implementation and identify practical changes to the rules to improve compliance.
- An issues and options paper was released last year, which confirmed issues identified and general support for improving metering and measurement of water across the state. Submissions and a what we heard report have been published on DCCEEW's website. <https://www.dpie.nsw.gov.au/water/nsw-non-urban-water-metering/review-of-the-non-urban-metering-rules#what-we-heard-during-consultation>

- The review is now complete and DCCEEW will provide feedback and final recommendations to the Minister for consideration. Once considered, the Minister will be looking to advise and provide certainty on the way forward.
- DCCEEW is aware of customers' frustrations around availability of DQPs (under resourcing, work overload, small issues requiring DQP validation, S91i sign off etc). The key things the review will address is how to remove barriers to entry and simplify the process for DQPs to encourage uptake.
- Members stated the process around S91i applications needs to be simplified and the process needs to be clearer around what is required, what needs DQP sign off etc.
- Further information on the non-urban metering review can be found on [DCCEEW's website](#).

4. Customer Services:

4.1 Customer Services update/Q&A (D Stockler)

- An update on what's happening in the Customer Services space was provided, including current status of DQP enquiries, hints and tips for DAS alarms, water order to delivery review, debtor management process, improvements and new transaction types now available in the customer portal and a digital roadmap for the Water Market System (WMS).
- Members queried if customers can receive a notification/update at the same time the DQP does (if rejected, issues etc). Taken on notice.

LAC2403.04: *WaterNSW to investigate if customers can receive a notification/update the same time the DQP is notified (if rejected, any issues etc).*

Responsibility: D Stockler

- An update on the evaporation reduction calculation was provided, including an explanation of the delivered solution and impact of trade. All accounts have been reconciled and are accurate and letters were sent to all licence holders with updated statements of account explaining the change.
- The Water Sharing Plan (WSP) is silent on the impact of trades and how evaporation liabilities are applied. Currently the evaporation reduction liability remains with the seller. DCCEEW confirmed its intent to apply the evaporation reduction rate to water held in both GS accounts and carryover water traded from a GS account to a HS spillable account. The change to the WSP will be effective 1 July 2024 and will not be retrospective. WaterNSW will arrange a meeting with Lachlan Valley Water and customers to discuss impacts of these changes and the best way forward.
- WaterNSW is reviewing the definition and understanding of 'what a water order is' and how they are managed, to help ensure the ongoing compliance of all aspects of the process and remove ambiguity in this space. More detailed information will be provided at the July meeting to ensure customers are engaged throughout the process and have an opportunity to discuss any proposed changes.
- Members commented there should be more flexibility for orders at the bottom end of the system with a long water order period (33 days) making it hard to manage (eg orders entered into iWAS and the WPD team advise when water can be taken based on what is in the system). WaterNSW is aware of the issues.
- Members also stated that there are many variables, making it hard to know what is needed every day, so a practical process is needed.
- Enhancements to the WMS (customer portal) include screen sharing tools, guided product selector, in-application support, third party access, a regional office support trial and verification and fact sheets. In the next 6 months, existing customers will be able to view all current Approvals and

Licences (May) and make enhancements to registration and management of business details (October).

- New transaction types becoming available include applications for Water Supply Works, Water Use or Combined Approvals and application tracking (May) and making works active/inactive (June).
- The Water Market System is being co-developed and is co-invested by the three water agencies (WaterNSW, DCCEEW and NRAR) into one platform.
- **Discussion and actions for the pricing component of this session have been recorded by SEC Newgate (attached).**

5. Project Update:

5.1 Lake Cargelligo update (G Watson)

- WaterNSW provided an update on the Lake Cargelligo Embankment upgrade, including key points recap, detailed review, current state, current progress, next steps and project strategy, cost and time drivers and project focus areas.
- During October 2023 and February 2024, WaterNSW conducted a detailed review which included assessment of the design, review of the methodology, cost forecasting and a quality specification review. The outcomes of this review showed a misalignment in intended outcomes for the project.
- WaterNSW decided to stop the project and suspend work in February. A detailed review of costs incurred to date is underway and an independent cost estimator has been engaged to look at the forecast for the remaining works. WaterNSW is also reviewing procurement options for remaining works and aiming to be back on site to complete the works in spring (*note: since the CAG meeting this restart date is likely to change to early 2025*).
- The major design feature that addresses the leaking through the embankment is the sand filter. This has been built for banks B and C (bank B has a temporary filter only). Whilst the risk is still elevated, we will be able to respond and maintain the safety of the bank. The work that has already been done is the highest priority work.
- Significant cost and time drivers discussed. The cost of the works is significantly higher than estimated due to a number of factors.
- This is a critical asset that is beyond its useful life. Whilst we can manage the risk in the short term, we can't not plan for the long-term future. We will be heavily challenging the design of embankment A, which is in better condition than B and C, to try to minimise the necessary work.
- We are conducting a detailed review and assessing the efficiency of what has been done to date and what remains to be done and reviewing procurement options for the remaining works. The efficiency assessment of this project will be included in our submission to IPART.
- Members stated they have raised concerns for the last 2 years and will be making a submission to IPART indicating they are not willing to pay for the project. The project has been an ongoing issue and customers continue to pay for lost water.

6. Pricing Engagement:

6.1 Engagement on 2025 Pricing Proposal

Discussion and actions in this session have been recorded by SEC Newgate (attached).

Customer Advisory Group presentations (attached) in March 2024 sought customer input as planning commences for the price proposal submissions. WaterNSW, DCCEEW and NRAR sought thoughts and feedback on an approach to cost sharing and charges, and the valley-to-valley costs to deliver water with all required regulatory and policy projects included.

Discussion included:

- The cost drivers, and wider value, of NRAR services to achieve compliance with the rules, including a gauge of acceptable levels of compliance across NSW within the context of investment levels.
- A high-level discussion on potential price caps on the increase in WAMC charges, illustrated by high level 'persona' scenarios of customers of different conditions, water entitlements, usage, and valley locations.
- The revenue requirement of WaterNSW for bulk water delivery - driven by partially controllable and partly uncontrollable cost increases. This included a discussion of a set of scenario options that could reduce the base case cost increase to customer bills in 2025-2030. The scenarios also outlined the risks to WaterNSW.
- An ongoing discussion on the potential introduction of a revenue cap, with modelling demonstrating how the options of a revenue cap or price cap (with varying levels of fixed cost to variable cost ratios) would have worked with the same real water volumes that have occurred over the past 10 years, shown valley by valley.
- A capital expenditure discussion outlining the "must do", "should do", and "could do" projects that pertain to individual valleys, seeking feedback on customer appetite for these projects, including discussions on who should foot the bill for projects with different direct business relevance to customers and community.
- The question of Government-Owned Meters (for relevant valleys), including a potential transition to customer ownership at their end of life, ideas on customer and/or government funding of renewal and replacement, and testing some options with customers who have Government-Owned Meters.
- Further discussion on the proposed investment in 2025-2030 in the customer portal (with an associated lift in the data management and IT systems), that result in the replacement of a legacy customer service systems with newer, more adaptable, and higher capacity system that can meet future customer and water sector needs.

7. Business Papers:

- Noted and taken as read.

8. General Business:

8.1 Belubula Water Security Project (M Payten)

- Members noted there was consultation on this project some time ago but customers have not heard anything for some time. WaterNSW advised this is a DCCCEW project. The NSW and Australian governments are jointly funding \$7.7M to develop a final business case for the project.
- More information, including subscribing for project updates, can be found on DCCCEW's website at <https://water.dpie.nsw.gov.au/our-work/water-infrastructure-nsw/regional-projects/belubula-water-security-project>

Meeting Review and Close

Next Meeting: 16 July 2024

Meeting closed: 3.35pm

Lachlan Customer Advisory Group – Actions – 12 July 2024

Carried forward actions

Action No.	Action	Responsibility	Status
	Nil carried forward actions.		

New actions

Action No.	Action	Responsibility	Status
LAC2403.01	WaterNSW to review the March resource assessment calculation with DCCEEW and consider if an adjustment is an option.	J Belej	Complete.
LAC2403.02	WaterNSW to organise a 'river run' in the Lachlan valley, in collaboration with Lachlan CAG members.	B Maher	
LAC2403.03	WaterNSW to advise if there are any plans to raise Coocumber Weir.	B Coffey	Complete. There are no plans to raise Coocumber Weir. Repair works have been completed to address the erosion.
LAC2403.04	WaterNSW to investigate if customers can receive a notification/update the same time the DQP is notified (if rejected, any issues etc).	D Stockler	

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