

Greater Sydney Customer Advisory Group

Minutes of Meeting

Location: Warragamba Dam
Date: 5 December 2024
Time: 10.00am

Present: Matt Trapp (Chair), Peter Griffiths, Brendan Logue, Gary Wallace, Trevor Sultana.

WaterNSW: Brendan Maher, Ramen Charan, Ashely Webb, Brian Mayhew, Mohammed Abedin, Tessa Hockly, Sonia Townsend (online), Rita Buttenshaw (online) and Toni Hayes. Joining online for specific agenda items: David Stockler, Martin Brooks, Justin Cairns.

Agency and external staff for specific items: David Andersen (NSW DCCEE, online).

Meeting Opened: 10.00am

1. WELCOME AND INTRODUCTIONS:

1.1 Acknowledgement of Country:

1.2 Apologies: Marina Hollands, Daylan Cameron, Anthony Muscat, Jenny Zadro, Paul Saad.

1.3 Confirmation of Agenda Items:

1.4 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.

1.5 Minutes of Previous Meeting, 3 July 2024:

- Resolved the minutes of meeting held on [3 July 2024](#) be confirmed as a correct record. Taken as read.
P Griffiths/M Trapp (carried)

1.6 Actions arising from minutes

- Refer to action sheet (attached).

2. CUSTOMER SERVICES:

2.1 Non-Urban Metering Reforms review update (D Andersen, NSW DCCEE)

- NSW DCCEE provided an update on the Non-Urban Metering (NUM) review. The purpose of the review was to identify ways to accelerate the implementation of the non-urban metering reforms by identifying practical changes to the rules that will help deliver the reform faster, create opportunities to reduce costs, make the rules easier to understand, implement, comply with and enforce, and make the system work more efficiently.
- Key recommendations of the review centre around reprioritising efforts towards larger water users (concentrating resources towards larger water users where they will have the greatest impact), increasing meter installation and validation rate (providing better support and training for the DQP workforce) and supporting integrity in water resource management (enabling more effective use of compliance and enforcement tools).
- Proposed key changes to the metering rules and implementation priorities presented and discussed. It is proposed the deadline for coastal water users to become compliant with the AS4747 standards be extended to December 2026 (all works nominated by total entitlement $\geq 100\text{ML}$, unless otherwise exempt), and all works nominated by total entitlements of $>15\text{ML}$ and $<100\text{ML}$ (unless otherwise exempt) be extended until 1 December 2027 or by renewal of work approval, whichever is later.

- There are no changes proposed for water users with ≥ 500 mm pumps and inland water users with cumulative entitlements ≥ 100 ML (unless otherwise exempt) – if not compliant, ACT NOW.
- **Current obligations exist until the rules are changed.**
- A DQP Concierge Program will be available in the coming months, offering tailored support to DQPs and customers by providing access to expert support, simplifying the compliance process and improving data management.
- NSW DCCEEW will undertake a targeted education and engagement campaign for water users in coastal NSW and work in collaboration with WaterNSW and NRAR to reach a broad audience and are open to feedback on the best ways to engage.
- To subscribe to NSW DCCEEW non-urban metering updates – www.watergroup.dpie.nsw.gov.au/non-urban-metering-subscribe

2.2 Customer Services update (D Stockler)

- WaterNSW provided a Customer Services update, including water ordering and compliance, third party consent for groundwater temporary trades, customer experience improvements, new features in the water market system (customer portal) and IPART submission update.
- WaterNSW clarified that daily extractions impact **water delivery**, not **water order compliance**. How the volume is taken over the days specified in the water order (100ML over 10 days) has no bearing on compliance but **can impact** water delivery (end of system losses or delivery shortfalls) if the daily extraction is different to the water order.
- To ensure compliance, daily extractions in aggregate must not exceed the total order volume, however **customers are encouraged to be a good neighbour by ordering as you intend to take** to maximise the resource and minimise any third-party impact. This will also assist the Water Planning and Delivery team to effectively manage the system.
- A new **third-party consent process** for groundwater temporary trades came into effect on 1 July 2024. Based on customer feedback, WaterNSW has updated documentation and is investigating options to make it easier for applicants whilst still managing our legal obligations (including an objections-style process or an optional fee for facilitation service (cost recovery) where WaterNSW will identify and seek consent on behalf of the applicant). Alternatively, the current consent process will remain in place for applicants who wish to complete the process themselves.
- Information on the triage and assessment process and FAQs on trading water can be found at [Trading water - WaterNSW](#) and [Groundwater temporary trades \(71T Dealings\)](#)
- Customer experience improvements include changes to the Interactive Voice Response (IVR) system based on customer feedback; enhancement to features in iWAS (ML converter calculator tool and how-to videos); a free opt-in [recording and reporting SMS reminder service](#); and trialling customer outreach days in towns where we don't have a physical presence.
- Enhancements to the Water Market System (customer portal) presented and discussed, including future co-existence between WLS and WMS, allowing registered customers to view the details of their licences and approvals in one place.
- WaterNSW lodged its Rural and Greater Sydney Bulk Water pricing submissions and joint WAMC submission to IPART on 30 September (refer also to agenda item 4.1). Due to time constraints, some WAMC items were not able to be discussed as part of the broader consultation process (metering, floodplain harvesting and consent transactions) so WaterNSW briefed customers on these three functions via state-wide online sessions on 12 November once IPART made the submissions public and prior to the public hearings.
- Members stated they are extremely disappointed with WaterNSW's submission to IPART, stating they have been unable to get the modelling for Fish River, which has been 'dumped' in with the other rural valleys (which had substantial modelling), and the costs proposed are not sustainable. Members will make their comments known within the IPART submission process.

- WaterNSW advised that each of the valleys are looked at separately and WaterNSW made it very clear over 12-18 months that we did not want to propose any prices and were transparent around the cost obligations and pressures on the business. WaterNSW had no alternative but to put in a submission and various scenarios were included which resulted in prices for the Government and IPART to consider. WaterNSW is not advocating for any specific prices.
- WaterNSW advised the modelling for Fish River was presented at a meeting out of session with Fish River customer councils. Members stated the modelling suggests how WaterNSW recovers costs, however customers have asked for more transparency on why the costs are the costs (more visibility on what the costs are and how they came about). WaterNSW advised this is now sitting with IPART, who will determine if the prices are prudent and efficient.
- Members requested the actions from meetings held out of session (if the meeting resulted from a CAG request) be recorded on the CAG action sheet so they are recorded formally. Agreed, refer to action sheet.

3. OPERATIONS:

3.1 Regional Operations update (B Mayhew)

- An update on Sydney regional operations was presented and discussed, including the valve replacement works at Warragamba-Prospect pipeline, Oberon Dam intake tower, project milestones and business improvements.
- The last few months have been ‘unremarkable’, with no flood operations or significant water quality events, which has allowed focus on routine operations and maintenance, catch up on corrective maintenance, and operations support for projects.
- WaterNSW is working hard to reduce operating costs and has made some changes to the water monitoring program and bushfire risk mitigation and response in Sydney drinking water catchments. We are working on finding further savings in high voltage electrical maintenance, grounds maintenance and vegetation management costs. To reduce capital costs, a new regional project delivery team has been established and the process for smaller, lower complexity projects has been simplified.
- An overview of WaterNSW's role in PFAS monitoring and reporting was provided, including background, sampling results, operating response and ongoing monitoring. To find out more about PFAS, including testing and investigations, please visit <https://www.waternsw.com.au/water-services/water-quality/pfas>

3.2 Water Planning and Delivery update (R Charan)

- WaterNSW provided a review of recent operations, including total system storage, monthly rainfall totals, inflows, environmental releases, BOM forecast and water quality.
- Members queried what happens to the water that spills (is it lost?). WaterNSW advised it goes to the environment. When the dam is spilling, environmental flows are met by the spill. It varies from valley to valley and the calculation is different in regional areas.
- The trigger to recommence Shoalhaven transfers is 75% of total system storage. The earliest expected date for storage decline to 75% is mid-2025.
- Water quality presented and discussed. Lake Oberon is now stratified with no further mixing events expected through summer. Dissolved oxygen dropping through the profile resulting in increased Mn, currently not challenging supply. Geosmin is present in surface waters, however WaterNSW is drawing from 8-12m to avoid Geosmin in supply.

4. PRESENTATIONS/CONSULTATION:

4.1 Update on 2025 Pricing Proposal (B Maher)

- Refer also agenda item 2.2.
- WaterNSW lodged it's Rural and Greater Sydney Bulk Water pricing submissions and joint WAMC submission to IPART on 30 September.

- IPART has published submissions and released the issues paper on 1 November inviting feedback from the community. Public hearings were held on 14 (Rural Valleys and Greater Sydney) and 21 November (WAMC). Customers are encouraged to make a submission to the issues papers and participate in the process.
- Since we last presented, the numbers have remained consistent, and the scenarios presented to CAGs have been reflected in our submission. Valley fixed vs variable ratios have not changed.

Joint WAMC Proposal:

- IPART's consultant is now forensically reviewing the proposal to test whether proposed costs are efficient.
- WAMC's prices are currently set well below the level needed to fully recover the efficient costs of delivering water management services in NSW.
- In the 2025 determination period, costs of water management will be higher than IPART allowed last time, due to:
 - Greater volume, scope and complexity of statutory planning compared to IPART's allowance due to requirements to address climate change and our legal obligations
 - Higher costs of NRAR's compliance and enforcement services to meet public and customer expectations
 - Investment in digital solutions to improve customer experience, data quality and availability, metering data availability and compliance management.
- WAMC is proposing caps on price increases to transition to prices that reflect the efficient user share of costs, while managing price shocks.
- If IPART adopts the WAMC pricing proposal:
 - **Prices for the smallest customers who pay the minimum annual charge will continue the current rate of increase of 2.5% per year (plus inflation)**
 - **All other water management prices will increase by 15% per year (plus inflation)**
- This means that over the next price determination period, **customers will pay 42% of costs** and we will seek the remainder from Government.
- IPART has released an issues paper – submissions due 9 December.
- There will be another opportunity to provide feedback when IPART releases its draft report and determination in March 2025.
- Members requested details on the cost in Fish River for WAMC, stating it shouldn't be applied as an arbitrary cost. If WAMC is state-wide, how are the costs applied to Fish River?

Action GS2412.01: NSW DCCEEW to provide details of how the costs for WAMC are applied to Fish River.

Responsibility: K Drinkwater (NSW DCCEEW)

4.2 Future CAG Engagement and Next Term of Office (B Maher)

- WaterNSW is taking a refreshed approach to CAGs in 2025 and has included feedback from CAG members to inform future engagement. We will move to 2 face-to-face meetings per year starting 2025, with the option of an additional online meeting as required or requested.
- Additional engagement opportunities for customers may include community drop-in centres, field days, tailored online information sessions, local dam visits for customers and community, river runs in the lead up to peak water use periods, online Water Planning and Delivery updates in times of need and potential for attendance at water user group meetings (as requested).
- WaterNSW is working on developing a new CAG format with NSW DCCEEW's Water Group, considering the feedback that has been provided by the CAGs. The new format will take better coordination and efficiency of engagement into account and will be launched in 2025. NRAR will attend on an as-needs or as-requested basis.

- A new policy for engagement with customers and community is being developed (effective 1 July 2025). A draft version will be shared with CAG Chairs in February and with members at the next CAG meeting.
- WaterNSW offered Greater Sydney CAG members tours of some of our sites in the Warragamba, Upper Nepean, Shoalhaven and Fish River catchments in August however this was not taken up by members. If there are specific sites customers would like to tour, please let us know and we can organise something.
- Members noted the need for CAG content to be specific to the audience, stating some presentations are not relevant to all customers and suggested splitting the CAG into morning and afternoon sessions for relevant customers. WaterNSW advised we are reviewing how we engage with the different customer types in the Greater Sydney area. We also meet with the CAG Chair prior to each meeting to discuss the agenda and meeting content.
- Members stated that what is provided in the finance reports for CAGs is not adequate and should be tailored for customers.

Next term of office:

- The current term of office ends 30 June 2025. WaterNSW will call for nominations ~April 2025 by writing to all current members and representative groups as well as advertising via media and social media. Current members are encouraged to reapply through their nominating representative group.
- WaterNSW invited members to bring along other members of their representative group and other eligible organisations to the next CAG meeting to see what the CAGs are about.
- Members stated that all major users in the system should automatically have a seat on the CAG without having to submit a nomination.

4.3 Renewable Energy Storage Program update (J Cairns)

- WaterNSW provided an overview of the Renewable Energy Storage Program (RESP) in which WaterNSW sought private investment to unlock suitable land and assets to develop commercially viable, large-scale renewable energy and storage projects. Following a competitive tender process, WaterNSW granted selected developers (ACEN, UHH, ZEN) the right to investigate agreed sections of WaterNSW land.
- All development and construction activities and costs associated with the projects, including property engagement and environmental (EIS) approvals, will be borne by the developer. Project timeline presented and discussed.
- WaterNSW has awarded an agreement to Zen Energy, following a competitive tender process, to identify the feasibility of a renewable energy project at Lake Burragorang, in Western Sydney. The project would include a 1000MW 12-hour storage pumped hydro scheme, utilising Lake Burragorang as a lower reservoir and repurpose a colliery as the upper reservoir. Planning assessment has started and, if approved, the project is on track to start construction in 2027 and be operational by early 2030s, pending program delivery. WaterNSW will continue to update the CAG as the project progresses.
- Into the future, WaterNSW is aspiring to bring 2GW of additional shovel-ready pumped hydro energy storage projects to market by leveraging our land and assets. As a first step, WaterNSW will soon start Government-led pumped hydro feasibility studies to identify suitable locations. If the projects progress, they could supply electricity to up to two million homes.
- WaterNSW is exploring how it can build on the success of the RESP to identify whether there are opportunities for more sites across regional NSW for long duration pumped hydro energy storage projects.
- WaterNSW expects to have more information on this next program in mid-2025 and will host community drop-in sessions and a Feedback Survey to better understand local communities' views before we embark on the next phase.
- More information on the program is available at [Renewable Energy and Storage Program - WaterNSW](#)

5. BUSINESS PAPERS (taken as read)

- Opex and Capex reports discussed, with members stating they are not fit for purpose for the CAG. They are difficult to understand and are not adequate for the audience. Members have been requesting the reports be updated for a number of years. WaterNSW advised the Finance team are aware and reports will be updated for the next determination period (from 1 July 2025, per action GS2307.04). This has also been communicated to the team through the IPART process.
- Members stated they are being asked to participate in the IPART determination process, with costs being a key component to this, and questioned how they can respond if they don't understand the numbers.

6. GENERAL BUSINESS:

- Nil general business raised.

Meeting review and close:

Next meeting: 27 March 2025

Meeting closed: 12.50pm

Greater Sydney Customer Advisory Group – Actions – 5 December 2024

New actions

Action number	Action	Person responsible	Status
GS2412.01	NSW DCCEEW to provide details of how the costs for WAMC is applied to Fish River.	K Drinkwater (NSW DCCEEW)	

Carried forward actions

Action number	Action	Person responsible	Status
GS2407.01	WaterNSW to ensure Gary Wallace (Oberon Council) and Peter Griffiths (Energy Australia) are included in all communications relating to Oberon Dam renewals.	T Hayes	Complete. Customer details have been passed on to the Project Team for inclusion in communications going forward.
GS2407.02	WaterNSW to arrange dam and site tours for customers to visit and view Greater Sydney assets and circulate to CAG members.	B Mayhew/T Hayes	Complete. Dates circulated to CAG members on 25 July 2024 and a reminder sent on 5 August 2024.
GS2407.03	WaterNSW to confirm with NSW DCCEEW if the recommendations put to the Minister as part of the Non-Urban Metering review are publicly available.	T Hayes	Complete. The recommendations report was released on 29 August 2024. Information on the Non-Urban Metering review can be found on NSW DCCEEW's webpage here .
GS2407.04	WaterNSW to investigate unresolved transaction request raised by Lower Nepean Hawkesbury WUA member (details provided).	B Mayhew	Complete. This matter has been resolved.
GS2407.05	WaterNSW to send the <i>Water Working Groups Final Report</i> to Lower Hawkesbury Nepean Water User Group (Jenny Zadro).	T Hayes	Complete.
GS2407.06	WaterNSW to contact NSW DCCEEW and request that a team member contact Paul Saad to discuss concerns in relation to Water Sharing Plans.	T Hayes	Complete. NSW DCCEEW has advised that flooding interrupted public consultation for the 2023 plan replacement. Further consultation on changes to rules in affected areas will occur by 2028. For more information on the WSPs for Greater Metropolitan Region refer to NSW DCCEEW's website here .

GS2307.04	WaterNSW to look at how the financial reports are presented to the CAG and how the information could be provided in more granular detail for customers.	J Su	To be reviewed for next determination. B Mayhew has been liaising with Finance on a format for new reports and will continue to follow up.
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Sub-committee actions (from August 2024 meeting with Fish River Water Supply members)

Action number	Action	Person responsible	Status
SC-GS2408.01	WaterNSW to provide data where possible for transparency, including in the event that an exit charge arises in the future.	T Hockly	Ongoing. Presentation delivered to Fish River larger customers 29 October.
SC-GS2408.02	WaterNSW to incorporate risk management options within its proposal to address risks associated with customer movements (material volume changes) or material changes to the Water Sharing Plan for the valley.	T Hockly	WaterNSW included Attachments 27 Cost Pass Throughs and True-ups and 13 Form of Control as part of its proposal to address a number of known avenues of risks. It should be noted that these mechanisms can only manage the revenue requirement risks within the scope of the IPART economic regulatory framework. Matters outside of that scope must be addressed through policy avenues.
SC-GS2408.03	WaterNSW to explore opportunity to provide costs by stage within Fish River acknowledging that opex may be difficult and it may be limited to asset costs (aligns with previous request for transparency of medium term plans for capex and opex).	T Hockly	Presentation delivered 29 October.
SC-GS2408.04	WaterNSW to provide back a version of the analysis used in other valleys to examine valley level benefits/risks of the different forms of regulation/fixed structures.	T Hockly	Complete. Presentation delivered 29 October.
SC-GS2408.05	WaterNSW to provide a more detailed version of the analysis above that draws out the profiles for the 4 largest customers.	T Hockly	Complete. Presentation delivered 29 October.
SC-GS2408.06	WaterNSW to explore opportunities to advocate for temp trading within the fish river scheme as a means to increase water availability within the system and support cost recovery.	T Hockly	Ongoing.

SC-GS2408.07

WaterNSW to respond to request to improve financial reporting in the CAGs. Customer feedback is that it is not clear.

T Hockly

Refer to action GS2307.04.