

# Greater Sydney Customer Advisory Group - Minutes of Meeting



**Location:** Video Conference

**Date:** 9 July 2020

**Time:** 9.00am

**Present:** Lachlan Hammersley, Gary Wallace, Paul Rasmussen, Justen Simpson (10.15am), Mark Gervasoni (observer), Jonathan Dickson, Toni Hayes, Peter Littlejohns, David Swift-Hoadley, Emma Oates and Enrico Proietti.

The following staff attended for specific agenda items: A Fraser (2.1), B Mayhew (3.1), C Braddock (3.2), A Fisher (6.2).

**Meeting Opened:** 9.00am.

## 1. Introduction:

### 1.1 Welcome and introductions

**1.2 Apologies:** Marina Hollands, Daniel Buckens, Peter Griffiths, Michelle Cavallaro, Luke Moloney.

### 1.3 Confirmation of Agenda Items

- The annual election of Chairperson will be carried over to the next face-to-face meeting.

### 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, 5 March 2020:

- To be carried over to next meeting.

### 1.6 Actions arising from minutes

- See action sheet attached.

## 2. Water Delivery:

### 2.1 Water Delivery and Operations Update (P Littlejohns)

- WaterNSW presented an Operations update for the Greater Sydney and Fish River valleys including dam storage, water quality, demand, rainfall and storage forecast. The plan is publicly available on WaterNSW's website at [www.waternsw.com.au/customer-service/news/operations](http://www.waternsw.com.au/customer-service/news/operations).
- Due to the very heavy rainfall recorded in February, subsequent rainfall in Greater Sydney's catchment areas has resulted in further minor inflows to storages. As at 25 June total system storage is 81.2%. Shoalhaven transfers, which ceased in February, will remain off until total system storage falls below 75%.
- The rainfall wasn't as heavy on the Fish River Water Scheme and Level 4 Water Restrictions are still in effect. The Blue Mountains system has not required any water from the FRWS since February. Transfers from Duckmaloi Weir are being made whenever possible.

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- Members questioned if proactive measures were going to be taken against using Duckmaloi and what initiatives are there to protect Oberon's water supply? WaterNSW advised that some solutions will be proposed in the Macquarie Fish River Drought Strategy which is due for release next month. WaterNSW will discuss with Council's prior to progressing to the Minister. Discussed.
- Water Quality in the Greater Sydney raw water supply system continues to be impacted by inflows from the February rain event. Elevated levels of metals, colour and total organic carbon continue to be observed in several storages.
- Algal risk at Warragamba Dam is currently low due to cooler temperatures but may increase in spring following lake turnover.
- Members queried whether the \$10M reported expenditure/recovery plan after the bushfires is absorbed within current budget or will there be a cost flow on to users to recover this. WaterNSW advised a component is recoverable through our insurance policy however will take the question on notice.

**Action GS2007.01:** WaterNSW to find out if expenditure on bushfire recovery is absorbed within current budget or if there will be a cost apportioned to customers.

*Responsibility: B Mayhew*

### **3.1 Asset Maintenance Update (B Mayhew)**

- Asset performance and maintenance in the Greater Sydney and Fish River valleys presented and discussed, including routine preventative and corrective maintenance delivery.
- Members questioned what work is being done on the break near Tunnel Hill. WaterNSW advised that Steve Hamson has been liaising with Lithgow Council on this. The project team is working to realign some of the pipe in that section, however finding it difficult to carry out satisfactory repairs.

**Action GS2007.02:** WaterNSW to find provide a timeframe for work to be completed at Tunnel Break and provide to Lithgow Council out of session.

*Responsibility: B Mayhew*

- Members questioned why corrective and routine maintenance is significantly over budget (refer to Opex report). Question taken on notice.
- Members concerned that this will have a flow on effect in the next determination.

**Action GS2007.03:** WaterNSW to provide more information on the \$4.4M discrepancy in corrective and routine maintenance in the Opex report.

*Responsibility: B Mayhew*

### **3.2 Rural Pricing Submissions: FY22 & FY23-26 Capital Plans (C Braddock)**

- As discussed at agenda item 3.1, IPART has indicated that a 1-year deferral is required, so there will be a 1-year Pricing Submission for FY22 (due 30 June 2020) followed by a 4-year Pricing Submission for FY23-26 (due 30 June 2021).
- In the FY22 pricing determination, the Fish River valley capital budget will be increased due to higher volume of critical renewals and replacement works being proposed than the current period.
- Members queried figures provided in the Capex report and if unspent money is carried over into the next determination. WaterNSW advised that the expenditure is likely to come within +/- \$1M in the current period noting that if the capital funds are not spent they do not hit the customer RAB.

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#### **4. Business Papers:**

- Noted and taken as read.

#### **5. General Business**

##### **5.1 Suspension of Metering Service Charge**

- Customers questioned if the suspension of the MSC (metering service charge) will continue until compliance issues are sorted out. WaterNSW advised there is no charge to be raised at this point, with meters required to be compliant first. Once compliant, charges will be discussed.

#### **6. Presentations/Consultation:**

##### **6.1 Regulatory Economics – Pricing Determination Engagement (J Dickson)**

###### **Rural Determination:**

- As discussed at previous meetings, members supported WaterNSW's proposal of a 2-year determination, locking in WaterNSW revenues at 20/21 levels (noting inflation), deferral of Customer Juries and adjusting the 20-year rolling average and IPART cost shares.
- The only change to these proposed principles in the Final Draft submitted to IPART is the change from a 2-year determination to a 1-year determination. During preparations with IPART it became clear a 2-year deferral would not be supported.

###### **WAMC (Water Administration Ministerial Corporation) Determination:**

- WaterNSW has heard broad consistency from customers on the key messages proposed around transparency (understanding what you are paying for across Agencies), cost reflectivity (paying a fair price reflective of the costs to deliver) and value for money (to provide least cost solutions).
- There is no change to these proposed principles in the Final Draft, which was submitted to IPART on 30 June 2020.
- NRAR and DPIE will make a joint submission to IPART, however there will be a single determination made for all Agencies.
- WaterNSW's submissions will be published as part of IPART's review process at [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au)

##### **6.2 Major Projects Update (A Fisher)**

- As previously advised, in October 2019 the Prime Minister and NSW Premier announced the planning and delivery of three new or augmented dams in NSW (Wyangala Dam raising, and construction of new dams on the Mole River and Dungowan Creek). The projects have been identified as Critical State Significant Infrastructure (CSSI) projects in the *Water Supply (Critical Needs) Act 2019*.
- The projects are focussed around drought resilience to provide significant improvement in water security and reliability, flood mitigation improvements downstream of Wyangala Dam and potential benefits to the Barwon-Darling system.
- Delivery timelines, project delivery models, current status, program challenges, key delivery milestones and community and stakeholder engagement presented and discussed.
- The projects have been fast-tracked with early works to commence October 2020 and main wall construction expected October 2021. There will be more detailed consultation with CAGs and community groups as the projects progress.

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**Action GS2007.04:** WaterNSW to provide information out of session on where the work at Warragamba Dam is up to.

Responsibility: J Dickson

### Western Weirs Update (A Fisher)

- The NSW Government has committed to funding the development of a strategic business case to look at holistic management and operation of the weirs in the Barwon-Darling unregulated and Lower Darling regulated systems to support remote community water supplies and environmental and other benefits.
- The program has been identified as a CSSI Project (per previous agenda item) and is in the very early stages. Current status and key project delivery milestones presented and discussed.
- Members questioned if there is any strategic development planned on weirs in the Hawkesbury/Nepean. It is not in the scope of this project, however will take on notice.

**Action GS2007.05:** WaterNSW to provide information out of session on whether there is any planned strategic development work on weirs in the Hawkesbury/Nepean.

Responsibility: A Fisher

### 6.3 Water Reform Implementation Plan (WRIP) Update (D Swift-Hoadley)

#### Metering update:

- The Water Renewal Taskforce was disbanded on 30 June 2020 with WaterNSW overseeing the operational implementation of the reform.
- Irrigation Australia has a list of certified meter installers on its website [www.irrigationaustralia.com.au/](http://www.irrigationaustralia.com.au/) and WaterNSW has developed a DQP portal for Duly Qualified Persons to enter validation certification.
- There is a list of compatible data logging and telemetry devices (LIDs) and solutions on DPIE's website at <https://www.industry.nsw.gov.au/water/metering/telemetry/list-of-compatible-data-logging-and-telemetry-devices-and-solutions>. WaterNSW's DAS (data acquisition service) is a cloud-based system to securely collect and store water usage data.
- New reporting and recording obligations are being introduced and updated work approval and licence conditions are being mailed out (refer agenda item 3.6).
- Customers should be aware that start dates for metering compliance still apply. Existing licence and approval conditions apply until the new dates come into effect.
- To be compliant, customers need to be aware of their compliance dates, understand their approval and obligation, engage a DQP to discuss options and lodge relevant certificates and understand their recording and reporting obligations.
- Members questioned whether COVID-19 will impact the timelines for implementation/meter handover. WaterNSW and the Taskforce acknowledge COVID-19 and have done a risk analysis. We are on track to do the work to the current timeline, with COVIDSafe work practices implemented. There may be more engagement with landholders, however we don't think it will change the timeline.
- Members expressed concern around the impact of COVID-19 on farmers/irrigators. A lot of farmers in the Hawkesbury/Nepean are going through hard times trying to keep businesses viable on the back of drought, bushfires, floods and now COVID-19. Highlighting there may be some issues in relation to meter handover and WaterNSW should be aware. WaterNSW will pass on this feedback.

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- Members queried whether NRAR is aware of the timeline, stating there has been some incidences of NRAR telling farmers their meters are not compliant and giving out warnings. WaterNSW advised that NRAR is very much aware, they were part of the Taskforce. They have a statement on their website indicating how they will deal with compliance. They are aware of rollout due dates and WaterNSW's program. They know all our state-owned meters and due dates for privately owned meters.
- Members highlighted that many customers in the Hunter don't have access to the internet, so lack of communication has been a problem and there has not been an opportunity for face to face communication with NRAR on the metering regulations.
- Current state-owned meters will be made compliant prior to any handover. All meters will be assessed and made compliant if the landowner wants to take them on. Whilst ever they are owned by NSW Government, it is our responsibility to ensure they are compliant.
- If a meter is faulty, there are reporting and recording requirements and customers must submit a S91i form. Take also needs to be recorded. This hasn't changed from what has always been in place.
- Members queried whether riparian and basic landholders (BLR) are required to be compliant. Taken on notice.

**Action GS2007.06:** WaterNSW to clarify whether riparian and BLR are required to meet the metering requirements.

*Responsibility: J Dickson*

#### **6.4 Fixed Fee Rebate update (E Proietti)**

- The NSW Government has confirmed the fixed fee rebate will again be applied to WaterNSW invoices for approved users. WaterNSW continues to advocate for further rebates to assist those with no access to water.
- The rebate will be applied quarterly to bills for 2020/21, up to \$1000 per quarter for regulated, and on the annual bill for those customers applicable for unregulated and groundwater. Customers do not need to do anything in order to receive the rebate.
- For more information go to [www.dpi.nsw.gov.au/climate-and-emergencies/droughthub](http://www.dpi.nsw.gov.au/climate-and-emergencies/droughthub)

#### **6.5 WSP Conditions Notice (J Dickson)**

- Conditions notifications are being prepared with DPIE to send notifications over the next few months (timeline presented).
- Formal notification is the trigger for the additional conditions to come into effect.

#### **Meeting Review and Close**

**Next Meeting:** Tuesday 3 November 2020

**Meeting closed:** 11.45am

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## Greater Sydney Customer Advisory Group – Actions – 9 July 2020

### Carried forward actions

| Action No.       | Action  | Responsibility | Status  |
|------------------|---|----------------|---|
| <b>GS2003.01</b> | WaterNSW to provide information to the Greater Sydney CAG on why routine maintenance (as per OPEX report) is over budget. | B Mayhew       | <p><b>Complete.</b></p> <p>Predominantly the increase in routine maintenance was driven by Energy costs and, to a lesser extent, Motor Vehicle costs that previously were treated as overhead, but now are a valley-specific reported item.</p> <p>Corrective maintenance increased mainly from Contractors assisting with specific activities.</p> |

### New actions

| Action No.       | Action  | Responsibility | Status   |
|------------------|---|----------------|--|
| <b>GS2007.01</b> | WaterNSW to find out if expenditure on bushfire recovery is absorbed within current budget or if there will be a cost apportioned to customers. | B Mayhew       |  |
| <b>GS2007.02</b> | WaterNSW to find provide a timeframe for work to be completed at Tunnel Break and provide to Lithgow Council out of session.                    | B Mayhew       |  |
| <b>GS2007.03</b> | WaterNSW to provide more information on the \$4.4M discrepancy in corrective and routine maintenance in the Opex report.                        | B Mayhew       |  |
| <b>GS2007.04</b> | WaterNSW to provide information out of session on where the work at Warragamba Dam is up to.  | J Dickson      | <p><b>Complete.</b></p> <p>This project is being undertaken by Infrastructure NSW.</p> |
| <b>GS2007.05</b> | WaterNSW to provide information out of session on whether there is any planned strategic development work on weirs in the Hawkesbury/Nepean.    | A Fisher       |  |

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|                  |  |           |   |
|------------------|--|-----------|---|
| <b>GS2007.06</b> | WaterNSW to clarify whether riparian and BLR are required to meet the metering requirements. | J Dickson | <b>Complete.</b><br><b>Per the NSW Non-Urban Water Metering Policy (attached):</b><br><b>Works taking water under basic landholder rights:</b> A work used to take water pursuant to a basic landholder right will not require a meter. However, if a work is used to take both basic landholder rights water and licensed water, a meter will be required if the work meets one of the metering thresholds previously stated. Recording and reporting requirements will also apply (see Part 5). |
|------------------|--|-----------|---|

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