

# Greater Sydney Customer Advisory Group - Minutes of Meeting



**Location:** Video Conference

**Date:** 5 May 2021

**Time:** 9.00am

**Present:** Peter Griffiths (Chair), Marina Hollands, Paul Rasmussen, Lachlan Hammersley, Peter Freewater, Gary Wallace, Michael Trapp (observer), Jonathan Dickson, Ben Shallis, Emma Oates, Enrico Proietti and Toni Hayes.

The following attended for specific agenda items: B Mayhew (2.1), C Braddock (2.2), D Swift-Hoadley (3.1), A Wakenshaw, M Sexton, V Byrow (3.2), C Boys (3.3), A Fraser (6.1),

**Meeting Opened:** 9.00am.

## 1. Introduction:

### 1.1 Welcome and introductions

1.2 **Apologies:** Robert Horner.

### 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, 10 December 2021:

- Resolved the minutes of meeting held on 10 December 2021 be confirmed as a correct record. Taken as read.

*P Rasmussen/M Hollands  
carried*

### 1.6 Actions arising from minutes

- See action sheet attached.

## 2. Assets:

### 2.1 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.
- The recent flooding at Warragamba Dam was the fourth largest flood recorded at the dam with a peak of 1.54m above full storage level and peak rate of spill 500GL/day.
- Customers stated there was a lot of damage sustained d/s of the dam from Yarramundi Bridge, which has also occurred in the past, and questioned if WaterNSW can better predict the flow to bring dam levels down to mitigate the damage that has occurred.
- In terms of WaterNSW's ability to model and predict rainfall events, unfortunately east coast low events or big rainfall events on the coast can only be predicted about 4 days out. If in a situation where the dam is at 91% and a significant rainfall event occurs, we do our best but there's not much that can be done in this situation. We would have had to release 75% of the storage in order to

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capture the water in this event, which was not possible. The government is looking at other options, including raising the dam wall.

- Customers questioned if WaterNSW has access natural disaster funding. WaterNSW advised that we deal with our insurer for flood damage repairs, not sure if we can access other disaster funding.
- Customers stated corrective maintenance on the fish river pipeline is disproportionate. It is well known the pipeline is aged and there appears to be a lot of money spent on band-aid repairs. Does WaterNSW have plans to rectify this long term? WaterNSW has identified priority locations for pipe replacement in areas that are vulnerable to breaks, but ultimately comes down to funding. Customers commented that money should be reserved from previous years to do future work. Noted.
- Customers commented the real time dam surveillance work is very interesting, innovative and great moving forward and would be keen to find out more from WaterNSW out of session.

**Action GS2105.01:** WaterNSW to provide staff contact information to Goulburn-Mulwaree Council to discuss the real time dam surveillance work being done at Cordeaux and Cataract dams.

*Responsibility: E Oates*

## **2.2 Rural Pricing Submission & Capital Plan update: FY22-25 (C Braddock)**

- WaterNSW presented an update on the rural pricing submission capital plan FY22-25 for the Greater Sydney and Fish River valleys, including air valves replacement, pressure management, Oberon Dam renewals and scour bay draining and manganese treatment.
- Customers stated there is a big difference between maintenance and renewal noting the organisation has known the condition of assets for a long time yet money has not been set aside to replace, and now customers are being asked to pay for it. This is not acceptable to smaller customers who are required to pay a lot more for the same thing.
- WaterNSW noted a lot of the program items are renewals (renewing old valves etc) and our maintenance and asset refurbishment programs go hand in hand. We are doing our best to strike a balance to keep assets in the best condition possible.

## **3. Presentations/Consultation:**

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

- WaterNSW provided an update on the non-urban metering reforms, including a recap on the roll out dates, conditions that apply now for all water users and pathways to compliance.
- From 1 April 2019, conditions that apply for **all water users**, regardless of rollout date, include requirements for faulty metering equipment (self-report within 24 hours on S91i, manually record take, repair/replace within 21 days), new or replacement meters (pattern approved, tamper proof and validated by DQP, LID) and inactive works (check approval).
- There are currently 15 pattern approved meters [listed on the MDBA website](#) ranging from 25mm to 1800mm.
- DPIE maintains the [list of compatible data logging and telemetry devices \(LIDs\)](#), which is designed to help water users and DQPs understand which devices have been tested and meet requirements of the DAS. It is the responsibility of water users to ensure they purchase a fit-for-purpose device that meets their needs.
- For DQP Portal enquiries, email [DQP.Enquiries@waternsw.com.au](mailto:DQP.Enquiries@waternsw.com.au). For questions on Government-owned meters, email [Meter.Maintenance@waternsw.com.au](mailto:Meter.Maintenance@waternsw.com.au)

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- DPIE and NRAR have a number of resources available to help water users understand the new metering rules, including a [Metering Guidance Tool](#), [metering leaflet](#) and [compliance fact sheets](#).
- DPIE recognises that progress around supply and implementation of telemetry is slow. Advice to all water users is to take steps and act early. Even if it is not possible to immediately install a telemetry device, water users are strongly encouraged to take the first step to contact a meter installer (list available on [Irrigation Australia's website](#)). It is important to note that every time an installer conducts activities on your behalf, it will be recorded in the DQP portal and is evidence that you have taken steps to be compliant. NRAR also has access to this information.
- Customers highlighted that many pump sites in the Hawkesbury-Nepean were washed out in the floods and a lot of recovery and restoration work has been going on along the system, which will take some time to get back to normal. WaterNSW is aware of the impact of the floods and is looking at what work we need to do in the area, particularly in relation to government-owned meters. Many S91i forms have already been submitted and we are working through these case by case. Customers impacted are encouraged to contact WaterNSW and submit a S91i form where necessary. NRAR is also aware of the impact on water users (*refer also agenda item 3.2*).

### **3.2 Natural Resources Access Regulator (NRAR)**

#### **NRAR's use of discretion in the compliance process (A Wakenshaw)**

- NRAR approaches investigations on a case by case basis and uses discretion to determine its response, with consideration to harm, culpability, history and attitude. Serious, substantiated and wilful acts of non-compliance will face the full force of the law. Where non-compliance occurs out of ignorance, with little harm caused, other tools or educational measures may be used.
- NRAR's approach to water compliance model presented and discussed.
- NRAR has a range of tools at its disposal for regulatory response and uses discretion to apply them. Punitive measures include statutory direction, penalty infringement notices, civil action, licence action and prosecutions. Other tools include education and awareness campaigns, advisory letters, written and verbal warnings, cautions, enforceable undertakings and corrective action requests.
- The Floodplain Harvesting (FPH) disallowance created some uncertainty, with FPH licences to be issued in 2021. Until that time, water taken must be in accordance with an access licence, works/use approval, exemption or basic landholder right. NRAR will use discretion to investigate suspected breaches and will take action against wilful, harmful and serious non-compliance. NRAR will consider the ambiguous environment the disallowance has created alongside key regulatory principles.
- Many issues arise when water users don't know or are unsure of the rules. NRAR is creating a suite of education resources to help water users, including a new video [Know the Rules – Licences and Approvals](#). Other [NRAR education resources](#) can be found on NRAR's website.
- A full list of NRAR actions, including prosecutions, can be viewed on the [NRAR Public Register](#).
- Customers sought advice on how to follow up reports that have been lodged with NRAR, stating a customer of Council logged a report in February but has not had a response other than acknowledgement of receipt, and has now approached Council for assistance. NRAR advised all reports are logged, go through a triage process and are risk assessed, with the level of investigation dependent on risk. Every matter is investigated to some degree and complainants will receive a case number and feedback from NRAR.
- To contact NRAR, please email [nrar.enquiries@nrar.nsw.gov.au](mailto:nrar.enquiries@nrar.nsw.gov.au) or call 1800 633 362

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### **Satellites in water monitoring and compliance (M Sexton)**

- In NSW NRAR monitors, audits and regulates water take across >800,000 sq/km; >42,000 water access licenses and >33 000 works approvals for irrigation alone, therefore technology and innovation are crucial.
- Water take assessments play a key role in proactively assessing where and whether potential non-compliance may be occurring. A water take compliance assessment framework is applied to determine if the water take is lawful with regard to timing, volume and location.
- NRAR uses technology systematically to monitor and assess compliance across vast areas on almost any water issue in NSW, with technology and capability improving all the time.
- NRAR has access to many technologies, tools and expertise, including Sentinel and Landsat satellite imagery, Planet satellite imagery, SkySat, nearmap and drones, as well as external agency expertise such as MDBA, DPIE and Geoscience Australia.
- Examples of how NRAR uses satellite imagery and technology to detect potential unapproved irrigation presented.
- To ensure compliance, water users should be proactive, notify WaterNSW of errors or omissions, understand and follow the terms and conditions of your Works Approvals, Access Licences and Water Sharing Plans and contact NRAR if you are unsure.
- Customers queried if NRAR is seeing an increase/decrease in non-compliant water take and if there a trend. Part of the work NRAR is doing in using technology is to understand the baseline rate of compliance and is still working on what the trend is looking like over time. We are also seeing a lot of compliance.

### **3.3 NSW Fisheries (C Boys)**

#### **Fish Screens: better farming, better fishing**

- NSW Fisheries has been working on research to create a new design criteria to protect Australian native fish species and has been installing modern screens to create showcase sites in the Macquarie and Lachlan valleys, which has been possible through collaboration with water users, engineers, manufacturers and anglers.
- NSW Fisheries has been working on the research to create new design criteria to protect Australian native fish species and through this has created [Fish Screens Australia](#), which is hosted by the angling peak body OzFish.

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

- WaterNSW presented an update on the rural and WAMC pricing submissions, proposed price changes and WaterNSW's comments on IPART's draft report, which was released on 16 March 2021. A public hearing was held on 30 March 2021, with new pricing to take effect 1 July 2021.

#### **Rural Pricing Determination**

- WaterNSW will respond to IPART with a number of comments and questions and seek to understand some of the recommendations in the draft report, including opex reductions, catch up efficiencies approach, insurance, fishways, capex reductions, cost allocation, WACC and inflation.
- The draft report, [Review of WaterNSW's Rural Bulk Water Prices](#), is available on IPART's website.
- Customers queried whether WaterNSW has a standard WACC. Previously the WACC has been up to 6%, so is quite a difference to go down to 1.3%. The volume of regulatory change over the last 18

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months has had an impact on the organisation in that we have been asked to do additional work outside the scope of our Operating Licence.

## **WAMC**

- WaterNSW/DPIE/NRAR's proposal to cap fees at +5% has been reduced by IPART to +2.5%.
- The draft report, [Review of Prices for the Water Administration Ministerial Corporation](#), is available on IPART's website.
- WAMC proposed price changes over the 4-year determination presented. WaterNSW is responding to IPART on the methodology IPART has proposed on consent transactions (20% reduction), water take assessment charges (reduced), WACC (set at 1.3%), customer management charges (reduction of \$5M) and opex and capex reductions (top-down reductions) and will go back to IPART to seek to understand this more.

## **Metering**

- WaterNSW submitted its proposal to IPART on 30 November 2020 (delayed from 30 June due to developing regulations). IPART has not yet confirmed its final position on the proposal, recognising costs for implementation of metering reforms will need to be covered. A final report is due in June 2021.
- Obligations for compliance to the non-urban metering reforms is the responsibility of the work approval holder. There are ongoing obligations for the majority of all works in terms of recording and reporting and for metered works and regular maintenance to ensure the equipment is working accurately.
- WaterNSW's submission was designed to support water users in meeting their compliance obligations and minimise any risk of non-compliance and seeks to provide water users value for money and remove barriers to the uptake of telemetry. Our ability to support water users as we had planned and priced in our submission is contingent on funding.
- Proposed costs and inclusions/benefits presented and discussed, including government-owned meters. Costs were allocated by licence and meter rather than by entitlement as water user obligations are similar irrespective of pump or entitlement size.
- WaterNSW is continuing to work with IPART in a detailed manner, understanding Regulations, clarifying assumptions and working on ways WaterNSW can reduce costings to customers.
- Customers stated the metering reforms and telemetry are costly to implement, along with maintenance costs over time, and weigh heavily on small-medium users who are considering whether to continue farming. WaterNSW noted customers concerns and advised that some LID costs are reducing.

### **3.5 Major Projects update (taken as read)**

- Taken as read.

### **3.6 IPART Economic Framework Review (J Dickson)**

- IPART has started a review on its approach to regulating water pricing and licensing in monopoly water businesses in NSW. The review will provide an opportunity for stakeholders to help shape the future performance of the water sector.
- The review, released in November 2020, is available on [IPART's website](#).

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### **3.7 Engagement Landscape – Customer Conversations (J Dickson)**

- As presented at the previous meeting, WaterNSW proposes to broaden its engagement for the next pricing proposal (FY25-FY29) which is due in 2024. CAG membership will be first of those engaged, with the addition of a wider community of customers and water users to ensure that what we propose in terms of investment reflects our customers' views.
- Engagement will commence in three stages, with WaterNSW producing a 'conversation kit' for small groups to talk and respond online to questions on trade-offs WaterNSW manages. Meetings will then follow on emerging and common themes discussed. We anticipate this will contribute to a more informed pricing discussion on the areas customers believe WaterNSW should spend their time on leading to the potential of a customer supported pricing determination submission.
- Customer Conversations will be launched in the next month.

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

- Noted and taken as read.

### **5. Water Delivery:**

#### **5.1 Operations Update (B Shallis)**

- The total available water held in Greater Sydney storages at 26 April was 95.6%, with recent rainfall resulting in 11/15 water supply dams spilling. The rain event also caused major flooding in the Hawkesbury-Nepean not seen since August 1990.
- Warragamba Dam experienced its fourth highest peak since it was built in 1960, with peak inflow rate at 750GL/d and the peak outflow at 500GL/d. The total cumulative inflow was 2052GL (94% of the annual long-term average). WaterNSW worked closely with its partner agencies to manage the incident effectively.
- Supply to customers has been maintained despite a period of challenging water quality conditions in Warragamba Dam. Based on a scenario of no further rain, the trigger to commence Shoalhaven transfers is March 2022.
- In contrast, the Fish River Water Scheme remains in drought, however there was a moderate increase in storage from the Winter/Spring inflows. The system is still on Level 2 restrictions, with the storage at just under 45%.
- The 2020 Major Outage program was completed. The 2021 Upper Canal outage has been deferred until September to provide contingencies and extra supply options while Warragamba water quality settles after the rain event.
- The Sydney Desalination Plant continues to produce water at approximately 50ML/d.

#### **Water Quality**

- Water Quality in the Greater Sydney raw water supply system has been impacted over the last 15 months by inflows following extensive bushfires and has deteriorated following the March 2021 flood event. Elevated levels of metals, colour and total organic carbon continue to be observed in several storages. Algal ASU has also increased in several storages impacting water filtration plants (Cascades, Macarthur, Nepean, Illawarra and Prospect).
- During the major inflow event, outlets at Warragamba Dam were lowered well down in the water column to avoid the turbid intrusion and the Warragamba pipelines were configured in Orchard Hills contingency supply to avoid further deterioration of water quality while Prospect WFP was supplied from Prospect Reservoir.

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- Raw water quality issues continue to be observed in the Fish River system, mainly in relation to elevated manganese. Discussion on options to manage treatability of manganese have been ongoing with independent consultants commissioned to provide solutions as a priority.
- Oberon Council stated this has been a huge issue that WaterNSW has stayed silent on, with Council facing backlash from the community. Whilst it is good to promote what we do to respond to incidents there is an opportunity to be proactive to highlight what is being done to find a solution (refer also Action GS2012.01).
- WaterNSW is looking at the potential for an aeration system at Oberon Dam which will help with water quality and filtration. Discussions have been held with stakeholders, including Oberon Council, at Fish River operational meetings.
- Manganese occurs naturally when storage levels are low, where water is drawn from low in the storage to avoid turbidity. Customers commented whether manganese goes through the system is a matter of how the takeout valve is situated at the dam wall. The issue is customers are paying the same price for water that is bordering on unusable. Noted.

## **6. General Business:**

### **6.1 Regional Water Strategy update (A Fraser)**

- In late 2019, WaterNSW consulted with customers on options for inclusion in the 20-Year Infrastructure Options Study (20YIOS), which we were intending to take to IPART to seek funding for customer preferred infrastructure options in the valley. This included 2 different transfer sizes from Duckmaloi to Oberon and a water quality project at Duckmaloi.
- In early 2020, DPIE commenced work on the Regional Water Strategies (RWS), which included broader options that go beyond the asset options identified by WaterNSW in the 20YIOS, including river operations, rules of the valley, and environmental water and Aboriginal water use.
- In June 2020, WaterNSW was requested to cease work on developing the 20YIOS and provided our findings to DPIE to incorporate into the RWS work. WaterNSW has since reviewed original costings of the 38 options and developed to delivery status, (more detailed accurate costings), and provided to the department for consideration and further development.
- DPIE is now leading this project, with WaterNSW input. DPIE met with stakeholders to identify and develop a long list of options for these valleys. The RWS is progressing an assessment tool to identify options and priorities, producing stochastic models for climate change impacts on water availability and progressing with Aboriginal consultation.
- DPIE has engaged ARUP to cost the options for the whole state and is about to commence the second stage of the RWS to narrow the list of options to be progressed. A document will then be produced for further discussion to move to the next phase in the process.
- The Chair stated that Energy Australia was mentioned in the RWS around the potential reallocation of its water given the closure of Wallerawang Power Station. Energy Australia is keen to lower its operation costs, stating 80:20 is a significant cost for water that is rarely used, which they will continue to highlight through the RWS process.

## **Meeting Review and Close**

**Next Meeting:** Thursday 29 July 2021

**Meeting closed:** 12.30pm

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## Greater Sydney Customer Advisory Group – Actions – 6 May 2021

### Carried forward actions

Action No.	Action	Responsibility	Status
GS2012.01	WaterNSW to contact Gary Wallace at Oberon Council to discuss communications going forward.	P Littlejohns	<p>Nicole Richardson, Corporate Communications Manager, is aware of this action and will contact Oberon Council when joint communications are required.</p> <p><b>6/5/21:</b> Desire is to see a protocol for how WaterNSW will respond to all users within the catchment about the potential for actions to occur and would like to have the discussion on future communication planning. WaterNSW will follow up this action with the Communications Team to make contact.</p>
GS2012.02	WaterNSW to provide an overview of the incident in the Fish River system (succinct version of event and how it happened) to Oberon Council to share with Councillors.	P Littlejohns	<p><b>Complete.</b></p> <p>Normally the lake is stratified in summer when oxygenated water is closer to the surface and anoxic water in deeper parts. This means lesser dissolved manganese and iron in the upper layer where water can be supplied from. Unseasonal weather this summer led to the lake experiencing intermittent mixing causing anoxic conditions (leading to elevated soluble manganese and iron) in the upper layer also. There was no or limited flexibility in selecting good quality water.</p> <p>This led to supplying water high in dissolved manganese which got oxidised when pre-chlorinated (leading to deposition in pipes/tanks). Whatever manganese could not be oxidised ended up at the treatment plant which had to be removed to meet Australian Drinking Water (aesthetic) Guideline. Elevated dissolved manganese can cause staining in washings.</p> <p>See also video <a href="#">Managing Water Quality After Turnover</a></p>

### New actions

Action No.	Action	Responsibility	Status
GS2105.01	WaterNSW to provide staff contact information to Goulburn-Mulwaree Council to discuss the real time dam surveillance work being done at Cordeaux and Cataract dams.	E Oates	<b>Complete.</b>

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