

Coastal-Hunter Customer Advisory Group

Minutes of Meeting

Location: Tocal Agricultural College, Tocal
Date: 26 August 2026
Time: 9.00am

Present: Julia Wokes, David Williams, Alan Andrews, Geoff Seccombe, Ken Bray, Andrea Molteno, Peter George, Wayne Clarke (online), Phillip Rudd (online).

WaterNSW: Rob O'Neill, Joe Pizzinga, Brendan Maher, Amanda Fuller, Mahmood Khan, Kate Masters, Jack Finch, Damien Ashlin, Michelle Yeaman, Lachlan Browne, Teegan Hayward and Toni Hayes. Online for specific agenda items: David Wood.

NSW DCCEEW: David Andersen

Meeting Opened: 9.00am

1. WELCOME AND INTRODUCTIONS:

1.1 Acknowledgement of Country

1.2 Apologies: Shane Gee, Chris Rooney, Paul Saad, Jenny Zadro, Melissa Balas.

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 Coastal-Hunter CAG Meeting, 22 April 2026

- Resolved the minutes of the meeting held on [22 April 2026](#) be confirmed as an accurate record of the meeting. Taken as read.

G Seccombe/A Molteno (carried)

1.6 Actions arising from minutes

- Refer to action sheet (attached).

1.7 Election of Chairperson

- Shane Gee was nominated by Julia Wokes. Nil other nominations received. Accepted and carried.

2. WATERNSW UPDATE:

2.1 WaterNSW Executive update (R O'Neill)

- WaterNSW provided an overview of its new Corporate Strategy, focused on strengthening core operations, diversifying revenue and modernising the organisation to improve efficiency, customer outcomes and long-term affordability.
- Key organisational challenges were noted, including ageing infrastructure, climate variability, reform uncertainty and increasing costs.
- A significant focus is being placed on delivering capital works, including accelerated infrastructure investment, fishway projects, cold water pollution (CWP) initiatives and ongoing asset renewals and investment.
- Diversifying revenue sources is a key strategic priority to help reduce reliance on traditional revenue streams. As the fourth largest landholder in NSW, WaterNSW is exploring opportunities to generate

additional revenue from its land holdings, including carbon market opportunities, pumped hydro and long-duration energy storage projects, including potential partnerships with energy providers.

- WaterNSW highlighted opportunities to leverage artificial intelligence, technology and data to improve business processes and customer service, supported by ongoing investment in workforce capability and digital skills.
- Members expressed concerns regarding the lack of communication and transparency around pumped hydro proposals, noting that much of the information available has been through media reports. Members sought greater clarity on project status and potential impacts on water users, including future costs and allocations. WaterNSW advised that the projects remain in the early feasibility stage, which are fully funded by project proponents, including fees paid to access WaterNSW land.
- WaterNSW advised that project proponents are responsible for securing and accounting for their own water requirements through existing licensing processes. Water allocations and shares would not be affected, and projects would operate on a largely closed-loop basis, with arrangements in place to account for any water losses.

Action CVH2608.01: WaterNSW to engage with the project team and provide current information on pumped hydro projects in the Hunter Valley.

Responsibility: M Yeaman

- For up to date information on pumped hydro projects in the Hunter Valley, please visit [AGL Projects - WaterNSW](#) and [Glenbawn Pumped Hydro Energy Storage](#)
- Members sought clarification of WaterNSW's role in water planning processes. WaterNSW advised that Water Sharing Plans are reviewed through a multi-agency process, including consideration by the Natural Resources Commission (NRC) and the Department. WaterNSW participates in the process to provide operational and customer perspectives however, responsibility for policy settings and final decisions sits with the Department.
- Discussion occurred regarding broader water quality considerations and associated management challenges.
- Members noted surprise at WaterNSW's position as the fourth largest landholder in NSW. WaterNSW advised that it manages approximately 400,000 hectares of land and noted that some holdings reflect historical legacy ownership arrangements.
- Questions were raised regarding the relationship between the strategy's objective of reducing cost pressures for customers and recent increases in regulated water charges. Affordability considerations to be discussed at agenda item 2.2.
- Members raised concerns about the quality and accuracy of existing data systems, including issues relating to the classification of works. WaterNSW acknowledged concerns and noted that data governance is a key consideration in its modernisation program. Staff capability, training and governance arrangements will be critical to ensuring technology and AI are implemented appropriately and effectively.
- Members encouraged WaterNSW to continue considering the long-term affordability impacts of annual price increases on communities dependent on regulated river systems in the northern and southern coastal valleys. WaterNSW noted that government affordability contributions were significantly increased in the last determination but acknowledged that longer-term affordability remains an important consideration for future pricing reviews.

2.2 WaterNSW's Financial Performance (J Pizzinga)

- WaterNSW is committed to improving transparency, accountability and customer engagement under the Rural Valleys determination. A high-level overview of financial performance was presented, including unaudited FY26 results, the FY27 business plan outlook following IPART's final determinations, and key financial risks, assumptions and future considerations. Valley-specific information was also provided.
- WaterNSW highlighted improved financial sustainability following the organisational transformation program and final IPART determinations. Financial performance has improved substantially, with Rural

Valley finances more sustainable than previously forecast. Government affordability contributions remain important to future sustainability and infrastructure investment remains a high priority.

- The determination strengthens WaterNSW's financial position, supporting ongoing service delivery, infrastructure investment and access to funding.
- A member queried the increase in forecast NPAT and sought clarification on the drivers of increased profitability. WaterNSW advised that increased revenue was a key contributing factor.
- Members raised concerns that escalating water charges may influence customer behaviour over the determination period, including reduced water use, reduced agricultural production and potential surrender of water access licences, that could affect forecasts.
- Members commented that some customers now view water entitlements as a financial liability, particularly in sectors facing increasing cost pressures. Concerns were raised regarding the affordability impacts on the dairy industry and other agricultural sectors, with members highlighting limited capacity to absorb further cost increases.
- Members expressed concerns that IPART primarily relies on formal submissions and may not fully understand the differing water use requirements, operating environments and financial pressures faced by various agricultural industries, including dairy, cropping, livestock and turf production, stating that assumptions underpinning pricing determinations can have significant flow-on effects across agricultural industries and regional economies.
- Members emphasised the importance of IPART understanding affordability impacts across different agricultural sectors earlier in the next determination process and strengthening engagement with customers on pricing and affordability matters. WaterNSW acknowledged customer sentiment and agreed this should be considered as part of future regulatory reviews and will communicate this feedback to IPART.

Action CVH2608.02: WaterNSW to pass on customer feedback to IPART regarding the importance of understanding affordability impacts across different agricultural sectors earlier in the next determination process and strengthening engagement with customers on pricing and affordability matters.

Responsibility: J Pizzinga/B Maher

- Members also commented that broader regional factors in the Hunter Valley, including mine closures and businesses exiting the valley, may have a greater impact on future water usage and WaterNSW revenue than irrigator behaviour alone.
- WaterNSW advised that it is in a stronger financial position to support customers going forward and will continue working with customers throughout the next determination period.
- A member sought clarification on how WaterNSW profits are utilised. WaterNSW advised that dividends are paid to the NSW Government, with remaining funds reinvested into the business.
- A question was raised regarding the treatment of depreciation expenses. WaterNSW confirmed that depreciation is accounted for within NPAT calculations and that funds are retained for future asset replacement. Dividends are not paid from depreciation provisions.
- Members thanked WaterNSW for the presentation and acknowledged the level of detail provided. While recognising that price increases are challenging for customers, members appreciated the transparency of the information presented and acknowledged that pricing outcomes are now largely set under the current determination.

3. OPERATIONS:

3.1 Regional Operations (M Yeaman)

- WaterNSW provided an update on regional operations and the FY27-29 Capital Works Program, including valley snapshots, priority projects, deferred works and project delivery across the Hunter, North Coast and South Coast.
- In the Hunter Valley, WaterNSW highlighted increased capital funding under the current determination, enabling greater investment in infrastructure renewals. Priority projects are largely focused on renewals,

with deferred projects managed through a risk-based prioritisation process to ensure available funding is directed to the highest-risk and highest-priority assets.

- WaterNSW provided an update on the Glennies Creek Dam Spillway Remediation Project following the flood of record event, which resulted in significant downstream erosion and sediment build-up. The project, funded through insurance, has now moved into phase 2 which involves reinforcing the affected riverbank to prevent further erosion and ensure channel capacity during high-flow events. An update on the project's current status and anticipated delivery timeframes was provided.
- North Coast projects included road repair works at Toonumbar Dam and the Eden Creek Weir Removal Project, which remains paused pending further investigations by NSW Fisheries.
- WaterNSW outlined the funding arrangements that apply across different valleys. The Hunter Valley operates under different cost-sharing arrangements, with project-specific funding contributions varying depending on project type. In the North Coast and South Coast valleys, most capital works are funded on a 50:50 cost-share basis, while renewal projects remain fully customer funded.
- WaterNSW highlighted that government funding contributions are currently only committed for the first year of the determination period.
- Members sought clarification regarding how capital investment priorities align with asset life cycle planning and ageing infrastructure. WaterNSW advised that investment decisions are increasingly focused on managing risks associated with ageing infrastructure. A recent asset audit rated asset condition and criticality, and findings have informed a more risk-based and fit-for-purpose preventative maintenance program, with resources prioritised towards higher-risk assets and critical infrastructure.
- Members sought clarity on future government funding commitments. WaterNSW advised that further information is expected following a government Expenditure Review Committee process later this year and noted that future funding uncertainty may require reprioritisation of some programs.
- Members expressed concern regarding funding uncertainty and queried whether the NSW Treasury review may influence future government contributions. WaterNSW advised that the Rural Valleys determination recognised the need for government to consider WaterNSW's long-term financial sustainability. Broader reform discussions are ongoing, and future government decisions remain uncertain.

3.2 Water Planning and Delivery (M Khan)

- WaterNSW presented a review of operations in the Hunter and Coastal valleys, including recent rainfall and temperature outlooks, storage levels, dam operations, water allocations, water usage and balances, orders vs usage and discussion around water ordering and lead days. An overview of the water resource monitoring dashboards for each valley was also presented and discussed.
- Members were advised that rainfall across Hunter catchments had been below average over the past six months but had improved during the past three months, with strong rainfall recorded in the previous month. Forecasts indicate an increasing likelihood of above-median rainfall conditions.
- Current storage levels across the Hunter Valley remain strong, with all Hunter dams above 93% capacity. Toonumbar Dam is currently at 101% and spilling, while Brogo Dam is at 100.1%.
- The supplementary flow event in the Hunter Valley is continuing. Access to supplementary water in the first management zone temporarily ceased due to high extraction demand but is now recommencing.
- Evaporation data for Hunter Valley dams was presented in response to a request from the previous meeting. Members thanked WaterNSW for providing the information and noted that the data was valuable and informative.
- WaterNSW provided an update on its proposal to strengthen compliance with water order lead times across the Hunter Valley. Members were advised that some customers are placing water orders on the same day they intend to extract water, without accounting for the time required to release and deliver water through the system. Providing sufficient notice through appropriate lead times will improve operational efficiency, support delivery scheduling and assist downstream irrigators by ensuring water is available when needed.

- WaterNSW is planning community engagement sessions in the new year to raise awareness of water ordering requirements. Customer Field Officers are also discussing lead time requirements with customers during routine metering visits.
- WaterNSW provided an update on current Drought Flood Risk Index (DFRI) conditions across the valleys:
 - Hunter: classified as Dry Conditions. While inflows remain below average, allocation remains at 100% and water availability is not affected.
 - Paterson: classified as Normal Conditions. The catchment is smaller in scale, with storages currently filling and spilling. The three-month outlook indicates drier conditions may develop.
 - Richmond: classified as Normal Conditions.
 - Brogo: classified as Dry Conditions.
- A member raised concerns regarding the Southern Water Supply Storage project in the Eurobodalla Shire and its potential impacts on downstream water users. WaterNSW advised it would provide further information regarding gauging and related matters outside the meeting in response to a letter from NSW Irrigators' Council.
- Operational updates are available at [WaterInsights](#).

4. CUSTOMER OPERATIONS AND EXPERIENCE:

4.1 Customer Assessments and Approvals (A Fuller)

- WaterNSW provided an overview of customer service standards, and updates on classifying works, end of water year trade submissions and third party consent for temporary trades.
- Application processing times have increased in some areas due to resources being redirected to support the statewide works classification program. WaterNSW has engaged additional temporary staff and improvements are expected by October 2026.

Works Classification Program

- An update on the works classification program and improvements made in response to customer feedback was provided, including additional guidance materials and support through the WaterNSW website. Customers can also book appointments with WaterNSW staff for assistance throughout the classification process. WaterNSW is also conducting drop-in sessions across the coastal valleys to provide face-to-face support and answer customer queries.
- Members noted ongoing challenges with the Customer Portal, particularly for customers managing large or complex approvals, and difficulties navigating the new platform. WaterNSW acknowledged these concerns and advised that customer feedback received to date has been shared with our technology teams and improvements are being prioritised based on customer needs.
- Members raised concerns regarding the accuracy of some default classifications, noting examples where existing works had been identified as unconstructed. The Department advised they used an automated process to establish default classifications based on available approvals and historical water use data, which did not accurately reflect all individual circumstances. While the process has been challenging for some customers, it will ultimately result in more accurate and up-to-date records, addressing historical data gaps and legacy information issues.
- Customers are encouraged to review the details of works listed on their approvals and contact WaterNSW if updates are required prior to classifying works.
- Size exemptions may also apply so having the current information is important.
- WaterNSW reported positive feedback from customers attending drop-in sessions, with many customers valuing the opportunity for face-to-face assistance.
- Customers were reminded that the fee-free period remains available until 30 September, after which a reduced classification fee will apply. Members queried whether this period could be extended, given the issues experienced by some customers during implementation. WaterNSW advised that the matter is currently being considered.

- WaterNSW stated there is a perception in the community that updating information within a works approval may automatically trigger compliance action or an inspection by NRAR. This is not the case.
- Members raised the need for additional support and consideration for flood-affected customers. WaterNSW acknowledged the feedback and advised that it has been noted for further consideration.
- Members stated that WaterNSW staff have been helpful in assisting customers through the classification process.

Temporary Trades

- WaterNSW advised that the earlier end-of-water-year temporary trade submission deadline introduced this year improved processing outcomes and is expected to remain in place for future years and will be proactively communicated to customers going forward.

Third-Party Consent

- No final decision has yet been made regarding potential discontinuation of temporary trade third-party consent, as discussed at the previous meeting. Any future changes would be supported by a comprehensive communications and implementation process.

5. BUSINESS PAPERS (taken as read):

- Taken as read.

6. GENERAL BUSINESS:

6.1 H5N1 Avian Influenza (R O'Neill)

- WaterNSW provided an update on the detection of H5 avian influenza in wild birds across multiple Australian states.
- WaterNSW is working with the Department of Climate Change, Energy, the Environment and Water (DCCEEW) and the Department of Primary Industries and Regional Development (DPIRD) to monitor the situation and ensure appropriate preparedness measures are in place. DPIRD is the lead response agency in NSW.
- WaterNSW has developed operational response protocols, identified higher-risk sites and is assessing potential impacts on water quality and water supply operations and is collaborating with DCCEEW on management strategies for priority wildlife locations, including Lake Brewster and the Menindee Lakes.

6.2 Town Water Risk Reduction Program (B Maher)

- WaterNSW is supporting Local Water Utilities (LWUs) across regional NSW to strengthen raw water quality risk management through the Town Water Risk Reduction Program (TWRRP). Funded by NSW DCCEEW, the program supports regional communities in managing water quality risks and building long-term drinking water resilience.
- WaterNSW leads the source water component of the program, focusing on identifying raw water quality risks and supporting local water utilities to proactively manage those risks at the source, recognising source water protection as the first and most effective barrier to safe drinking water.
- To learn more about TWRRP, please visit our [website](#) or email info.TWRRP@waterNSW.com.au

6.3 Fish Kill

- A member provided feedback from a recent EPA information session, noting that the EPA was complimentary of WaterNSW's response to the fish kill event. WaterNSW's response during the incident was acknowledged by members.
- Members queried how lessons from the event would be incorporated into future processes and communications should a similar incident occur again. WaterNSW advised it has written to the EPA confirming its willingness to assist with communications to customers during any future incidents. No formal communication process has been established to date.

6.4 Water Use by Industry

- A member noted that a recent Minerals Council publication indicated mining accounts for a relatively small proportion of overall water use, despite common perceptions that the sector uses significantly more water. It was suggested that this information be more widely communicated to improve public understanding of water use across industries. Similar perceptions were noted regarding AGL's water use, where actual usage may be lower than commonly assumed.

Meeting review and close:

Next in person meeting: TBC (Total)

Meeting closed: 12.30pm

New actions

Action number	Action	Person responsible	Status
CVH2608.01	WaterNSW to engage with the project team and provide current information on pumped hydro projects in the Hunter Valley.	M Yeaman	
CVH2608.02	WaterNSW to pass on customer feedback to IPART regarding the importance of understanding affordability impacts across different agricultural sectors earlier in the next determination process and strengthening engagement with customers on pricing and affordability matters.	J Pizzinga/B Maher	

Carried forward actions

Action number	Action	Person responsible	Status
	Nil carried forward actions.		