

Greater Sydney Customer Advisory Group

Minutes of Meeting

Location: WaterNSW Office, Warragamba Dam
Date: 27 August 2026
Time: 9.30am

Present: Matthew Trapp (Chair), Peter Griffiths (online), Brenden Logue, Arli Miller (online), Marina Hollands (online), Gary Wallace, Gary Brassington, Graeme Mellor, Anthony Muscat and Paul Saad (observer).

WaterNSW: Andrew George, Rob O'Neill, Joe Pizzinga, Leeanne Chau, Brendan Maher, David Tomlinson, Brian Mayhew, Jack Finch, Teegan Hayward and Toni Hayes. Online for specific agenda items: Amanda Fuller, Anne-Maree Burke.

Meeting Opened: 9.30am

1. WELCOME AND INTRODUCTIONS:

1.1 Acknowledgement of Country

1.2 Apologies: Bruce Blunden, Clinton McAllister.

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 Greater Sydney CAG Meeting, 23 April 2026

- Resolved the minutes of the meeting held on [23 April 2026](#) be confirmed as an accurate record of the meeting. Taken as read.

G Wallace/G Brassington (carried)

1.6 Actions arising from minutes

- Refer to action sheet (attached).

1.7 Election of Chairperson

- Matt Trapp was nominated by Brenden Logue, seconded by Gary Wallace. No other nominations received. Accepted and carried.

2. WATERNSW UPDATE:

2.1 WaterNSW Executive update (A George)

- WaterNSW provided an overview of its new Corporate Strategy, which is centred on three priorities: strengthening the core business, growing new revenue streams and modernising the way we work. The strategy is intended to improve operational efficiency, decision-making, customer outcomes and long-term affordability for customers.
- WaterNSW outlined several challenges facing the organisation including ageing infrastructure, shifting customer expectations, climate variability, reform uncertainty and rising operational costs and funding pressures.
- 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 raised concerns regarding the accuracy and availability of customer information within WaterNSW systems, including difficulties accessing historical records (information previously submitted is no longer there) and updating information through online platforms. WaterNSW acknowledged challenges associated with legacy records and advised that further customer support, including drop-in sessions, would be provided.
- Members discussed future water supply challenges associated with population growth. WaterNSW noted that long-term supply planning is addressed through broader water strategies, while WaterNSW's role is to ensure reliable water delivery.
- Members highlighted the long-standing action item and the need for improved financial reporting and transparency for the Fish River Scheme (refer to agenda item 2.2).
- Members raised concerns that recent workforce reductions may be affecting service delivery, citing examples of delays in administrative processes.
- Discussion occurred regarding competition within the water sector, including the role of desalination and how alternative water supply sources influence long-term planning and investment decisions. WaterNSW advised that the Sydney Desalination Plant is not government-owned and that competition relates to decisions about where water supply is sourced, rather than competition between government agencies.
- WaterNSW noted that the Fish River Scheme presents unique challenges and opportunities and that its future role is being considered as part of longer-term strategic planning. Members reiterated the need for ongoing consideration of its long-term sustainability and future direction.
- Members sought clarification on WaterNSW's ability to respond to future droughts and emergency events. WaterNSW advised that drought response planning is considered outside the pricing process and that government support would be available in emergency situations.
- An update was provided on flood recovery metering works, with replacement and repair activities progressing. Discussions on remaining issues will continue outside the meeting with affected water users. Work has commenced on ground for meters identified as operational and non-flood damaged.
- Members raised concerns regarding proposed ownership arrangements for telemetry-based meters following completion of Government Owned Meter (GOM) replacement works. It was noted that telemetry systems are impractical and costly in floodplain environments due to flood risks, safety considerations and potential replacement and maintenance costs. WaterNSW advised that policy decisions are for the Department.

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. Greater Sydney remains the primary contributor to overall financial performance.
- Members discussed WaterNSW's financial performance, including return on investment (ROI), profitability and the reinvestment of earnings. Members sought additional context on historical ROI performance and the level of return considered appropriate for a utility business. WaterNSW advised that acceptable returns are generally linked to the level of risk being undertaken, with utility-sector returns typically around 6-6.5%.
- As a State Owned Corporation, WaterNSW is required to operate efficiently while balancing the expectations of both the regulator and shareholders. WaterNSW advised that shareholder dividends are paid to Government, with remaining earnings reinvested into the business to support ongoing operations and future investment.
- WaterNSW provided an update on the Fish River Scheme, noting that the Government contribution has increased to 15%, which has assisted in improving customer pricing outcomes. Members were also advised that the fixed and variable charge structure (80:20) has contributed to affordability outcomes for customers.
- Discussion occurred regarding the long-term sustainability of the Fish River Scheme, including the condition of assets, changing operating environment and future investment needs. WaterNSW advised that it is considering the long-term strategic direction of the scheme as part of broader planning activities.
- Members reiterated the importance of greater financial transparency for the Fish River Scheme and requested improved visibility of operating and capital expenditure. WaterNSW acknowledged the feedback and advised that further work is being undertaken to review and improve financial reporting.

3. OPERATIONS:

3.1 Regional Operations (B Mayhew)

- WaterNSW provided an update on regional operations and the FY27-29 Capital Works Program, including priority and deferred projects across Greater Sydney and the Fish River Scheme.
- WaterNSW advised that maintenance activities within the Fish River Scheme are currently behind target, with resources largely focused on corrective maintenance activities in response to asset failures.
- Water quality monitoring activities remain on track, with scheduled site inspections being completed as planned.
- WaterNSW highlighted issues with illegal dumping on WaterNSW-owned land within south-west Sydney, including along the Upper Canal corridor (including asbestos waste), which has resulted in significant clean-up costs and increased operational risks. WaterNSW has responded through increased surveillance and monitoring activities and noted that population growth and urban expansion are contributing to the issue.
- Significant concerns remain regarding the ageing pipeline supplying Rydal Dam, where repeated failures have occurred despite previous repair works. WaterNSW advised that temporary measures have been implemented, including the installation of bypass infrastructure to maintain supply while longer-term repair options are developed. Long-term solutions are being investigated, including relining sections of the pipeline, with the project expected to represent a significant capital investment.
- Members were advised that water losses associated with the pipeline are substantial, with annual losses estimated to be equivalent to the combined annual water usage of Lithgow and Oberon.
- Members commented that the project report for Stage 2 upstream Rydal Dam renewal (in business papers) indicates "no service delivery impacts are anticipated" despite customers already having experienced supply disruptions associated with pipeline failures.
- Discussion occurred regarding the long-term viability of the Fish River Scheme and the significant investment required to maintain ageing infrastructure. WaterNSW advised the scale of investment required presents challenges under a user-pays funding model, particularly given the relatively small

customer base supported by the scheme. The Executive Team and Board are actively engaging with Government to explore alternative funding solutions and broader strategic considerations for the scheme.

- Members emphasised the importance of ensuring reliable water supply into the future, particularly given increasing drought risk and future regional water security needs. WaterNSW advised that future investment decisions are closely linked to broader Regional Water Strategy outcomes and longer-term decisions regarding the future role of the scheme.
- WaterNSW provided an overview of current capital works priorities across Greater Sydney and the Fish River Scheme. Members were advised that priority projects remain heavily focused on asset renewals, with project ranking based on regulatory requirements, asset serviceability and safety considerations.
- Members queried the number of projects deferred from previous funding periods and whether current funding levels are sufficient to address growing infrastructure needs. Projects not funded through the current determination remain deferred pending future funding opportunities.
- Members noted concerns that rising costs and ongoing project deferrals may increase future funding requirements and further challenge the sustainability of the current funding model.
- Members commented that critical water supply infrastructure, including the Fish River pipeline, should remain a high priority given its importance to water security, water quality and customer service outcomes.

3.2 Water Planning and Delivery (D Tomlinson) – operational updates are available at [WaterInsights](#)

- WaterNSW provided an update on operations across Greater Sydney and the Fish River Scheme, system and dam storages, rainfall, inflows, demand, environmental releases, outlook, outage programs, water quality and seasonal outlook.
- Total system storages remain strong, with the trigger to recommence Shoalhaven transfers set at 75% total system storage. Based on current forecasts, system storage is not expected to decline to this level until at least mid-2027.
- Greater Sydney water demand is in line with expectations, while demand in the Fish River Scheme continues to fluctuate and remains below both historical usage levels and available supply capacity. Energy Australia usage is low due to the pipe break.
- WaterNSW advised that 14GL of environmental water was released in July 2026 in accordance with Water Sharing Plan requirements. Once flows reduce, environmental releases will temporarily cease to allow Shoalhaven works to be undertaken.
- The Bureau of Meteorology outlook indicates below-average rainfall and above-average maximum temperatures are likely across much of Australia between September and November. Warmer conditions could affect water quality in the lakes.
- WaterNSW provided an update on planned outages, including major works affecting transfers downstream of Fitzroy Falls, which are expected to continue until at least October.
- WaterNSW provided an update on water quality conditions across key storages. Minor algal activity has been detected at Fitzroy Falls and continues to be monitored.
- At Lake Burragorang, cold water inflows from upstream catchments are affecting the middle water column. Algal levels remain low and no taste and odour compounds have been detected, and monitoring has been increased to twice weekly. Elevated manganese levels continue to be recorded in bottom waters, with water offtakes currently positioned higher in the water column to manage risks.
- At Lake Oberon, water quality remains generally stable, with the lake well mixed. While manganese levels remain elevated, the material is present in particulate form. Geosmin concentrations have declined below problematic levels and continue to be monitored.
- WaterNSW advised it is working with the Department and Oberon Council to investigate potential water quality management options. Members were also advised that the Pindari Bubble Plume trial has been successful and that opportunities to trial similar approaches elsewhere are being explored.

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 an appointment](#) with WaterNSW staff for assistance throughout the classification process.
- Feedback on the [Customer Portal](#) has been shared with our technology teams and improvements are being prioritised based on customer needs.
- Customers are encouraged to review the details of works listed on their approvals and contact WaterNSW if updates are required prior to classifying works.

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.

Meeting review and close:

Next in person meeting: date TBC (Warragamba Dam)

Meeting closed: 12.30pm

Greater Sydney Customer Advisory Group – Actions – 27 August 2026

New actions

Action number	Action	Person responsible	Status
	Nil new actions.		

Carried forward actions

Action number	Action	Person responsible	Status
GS2604.01	WaterNSW to provide data on volume of water lost through leaks in the Fish River system.	D Tomlinson	Complete.
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.	P Backo	Ongoing. Refer to agenda item 2.2