

Greater Sydney Customer Advisory Group

Minutes of Meeting

Location: Warragamba Dam Visitors Centre, Production Avenue
Date: 18 September 2025
Time: 9.30am

Present: Matthew Trapp (Chair), Marina Hollands, Ruwan Pillay, Bruce Blunden, Clint McAlister, Gary Wallace, Peter Griffiths, Brenden Logue, Arli Miller.

WaterNSW: Brendan Maher, Brian Mayhew, Ramen Charan, Tessa Hockly, Sonia Townsend (online), Yarraan Doyle (online) and Toni Hayes. Joining for specific agenda items: Andrew George, Russell Cocks, Ben Arabin, Amanda Fuller, Jack Finch, Bede Johnston, Allan Lal.

Meeting Opened: 9.30am

1. WELCOME AND INTRODUCTIONS:

1.1 Acknowledgement of Country

1.2 Apologies: Anthony Muscat

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, 27 March 2025

- Resolved the minutes of meeting held on [27 March 2025](#) be confirmed as an accurate record of the meeting. Taken as read.

B Logue/M Trapp (carried)

1.6 Actions arising from minutes

- Refer to action sheet (attached).

2. INTRODUCTION TO CAGs:

2.1 Election of Chairperson

- Matthew Trapp was nominated by Gary Wallace. Nil other nominations received. Accepted and carried.

2.2 Overview of Customer Advisory Groups (B Maher)

- WaterNSW provided an overview of Customer Advisory Groups, including agency roles in the water sector, CAG member roles and responsibilities, standard agenda items and CAG format and schedule. An overview of the [CAG Charter](#) and [CAG Code of Conduct](#) was also provided.
- CAG members represent WaterNSW customers in their valley. Input should be representative of members of your nominating organisation and reflect a broader contribution of all customers you represent. Members have an obligation to provide regular feedback to the water users they represent.
- Meetings will be in person twice per year (March/April and August/September) with the option of additional meetings online if required or requested. Schedules may alter to accommodate other engagement needs as required.
- WaterNSW will hold the CAG meeting in a morning session, focusing on WaterNSW agenda items and customer issues, followed by an afternoon session led by NSW DCCEEW (as required/relevant), focusing

on policy, programs and emerging priorities. Members are encouraged to suggest relevant agenda topics for consideration for both sessions via the Chairperson.

3. CUSTOMER SERVICES:

3.1 Customer Services update (R Cocks/B Arabin/A Fuller)

- WaterNSW provided an update on Customer Services, including the third-party consent trial for temporary groundwater trade, water market reform, IVT engagement, metering and the Water Market System (WMS).
- Based on customer feedback around the challenges of obtaining consent from impacted third-party landholders for proposed groundwater trades, WaterNSW has trialled an objection-style pathway on behalf of two applicants. These both resulted in objections to the application, which then resulted in a smaller volume being offered or the trade being rejected. WaterNSW is continuing to trial this process, and pending outcomes, may offer this service on a 'fee for service' basis to applicants in future. Applicants will still have the option to get their own approval from impacted parties. Refer to our [FAQs](#) for more information.
- A number of years ago, NSW DCCEEW undertook a review of the Non-Urban Metering Regulations. One of the key outcomes was that **only works actively taking water** are required to be metered and works not actively taking licensed water ('unintended work') would be exempt from the metering requirements.
- An 'unintended work' refers to a water supply work that is authorised, and under the *Water Management Act 2000* does not take, or is not capable of taking, water from a water source. There are a number of [categories that constitute an unintended work](#).
- WaterNSW has developed a series of communications for customers, including notification via letter or email, with follow up notifications via SMS to ensure they are aware of their options to classify works. To gain the unintended work exemption, water users must [amend the classification of their work approval](#) to categorise it as not taking licensed water, which can be done online via WaterNSW's [Customer Portal](#) (refer to our [how-to-guide](#) to register).
- WaterNSW will attempt to contact landholders multiple times, and if a response is not received, WaterNSW will assume the landholder agrees with the current classification and this will be the basis of compliance on that work approval going forward.
- Where a work is active, constructed or takes water from a water source, and you do not have an exemption, you are required to comply with metering or reporting obligations. Customers can view the non-urban metering requirements on our [website](#).
- An overview of features now available in the Customer Portal was provided. Registered customers can amend their contact details, view their existing approvals and licences and track the progress of any applications lodged through the portal. Customers can also apply for a BLR and subdivide, surrender and decommission BLR bores and update work status. In-application support is also available.

3.2 Non-Urban Metering update (D Andersen, NSW DCCEEW)

- NSW DCCEEW provided an update on the implementation of the Non-urban Metering Reforms including deadlines for larger and smaller works in coastal water sources, an overview of compliance requirements and due dates and exemptions.
- The metering rules are based on 2 key factors: total volume of entitlement for all water licences; and size and number of works. They apply to works taking licensed water under a water supply works approval and water access licence (WAL). The metering rules apply to both surface water sources (regulated and unregulated rivers) and groundwater sources.
- To ensure you are compliant, check your licence and approval details on the [NSW Water Register](#), use the [Metering Guidance Tool](#) to see if and how the rules apply to you, and if you are required to install a meter contact a DQP (the Irrigation Australia website has details of DQPs in your area).

4. OPERATIONS:

4.1 Water Planning and Delivery update (R Charan)

- WaterNSW presented a review of recent operations in the Greater Sydney and Fish River valleys, including total system storage, monthly rainfall totals, inflows, environmental releases, overview of Prospect system demand management, forecast rainfall and temperature and water quality.
- Rainfall has been above the long-term median, with high inflows since April, resulting in a large volume of environmental flows. Tallowa Dam has been spilling for the last 5 months.
- Members questioned the quality of water in the dam when storage levels drop. WaterNSW advised that when there is no rain and low inflows, the quality of water in the dam improves, however depending on conditions, different levels in the storage can pose different water quality issues (algae can spawn in hot weather). WaterNSW has 90m of water column that we can select from to release water.
- Members questioned what impact data centres have had on volume. WaterNSW advised that there is currently only one data centre using 7-10ML/day, but if more are added there will be demand/competition for water (refer also to agenda item 4.3).
- Members stated we are always one day closer to drought and requested a presentation from WaterNSW on what has been done since 2018 to prepare for the next drought, as well as a presentation from NSW DCCEE on what they are doing in relation to the Greater Sydney Water Strategy, for the next meeting. WaterNSW advised we work with Sydney Water on the strategy, noting we are one participant, we don't drive the strategy. Refer to [Greater Sydney Drought Response Plan](#).

Action GS2509.01: Add drought preparedness to the draft agenda for consideration at the next Greater Sydney CAG meeting.

Responsibility: T Hayes

- WaterNSW reiterated that Warragamba Dam is not a flood mitigation dam, it is purely a drinking water supply dam.
- WaterNSW closely monitors storms and cyanobacterial levels to pre-emptively configure offtakes and minimise risk of water quality issues.
- Lake Oberon remains destratified. Despite well oxygenated conditions, dissolved manganese and iron remains present in supply. Persistent geosmin is present in raw water throughout the water column.

4.2 Regional Operations update (B Mayhew)

- An overview of the Greater Sydney system and operations was presented, as well as the primary functions and operations of WaterNSW.
- The Greater Sydney system consists of 19 dams and multiple weirs, pipelines, canals, tunnels, chlorinators, pumping stations, roads and bridges, with 150 water monitoring locations in a 16,000km² catchment area. WaterNSW also operates the Duckmaloi water treatment plant.
- Members commented the schematic map of the catchment is excellent. Inclusion of the direction of the flow of water on the map would also be beneficial.
- Members questioned what the strategic thinking is to continue to supply through Glen Davis and whether that is cost effective. M Trapp advised there are Lithgow City Council customers at the end of the line, with not many connections. Council is pushing consultation around key topics, including Glen Davis, on whether feasible to continue.
- In response to IPART's interim outcomes to the Greater Sydney and Rural Valleys submissions, WaterNSW has adopted a risk-based prioritisation approach for capital investment, strategically balancing risk mitigation with cost efficiency and operational and commercial risks. Medium to low risk projects have mostly been deferred.
- The revised prioritised projects for the Greater Sydney and Fish River valleys were presented and discussed, as well as examples of some projects that have been deferred.

- Members commented that in the past WaterNSW consulted with customers on the list of priority projects. WaterNSW is happy to speak to customers on the project list if it's of interest. As our primary funding is from customers, we make a submission to IPART who determine how much we can charge customers (usually a 5-year determination). IPART has now only given us a 3 year determination for Greater Sydney, so the capital program has had to change due to this (refer also to agenda item 5.1).

4.3 WaterNSW Water Supply System Yield Model Review (B Johnston)

- The WATHNET model is one of the key tools used for water supply planning in Sydney. Outputs from the model, which is maintained and operated by WaterNSW, are used to determine the Secure Yield of the system, as well as assess impacts and advise on proposed policy changes, optimise supply releases (e.g. environmental flows, system balance), support drought response planning options, analyse climate change impacts and inform strategic investment and water supply augmentation planning.
- The model outputs also become inputs to a range of other models and processes, including economic modelling. The review will focus on the set up of the WATHNET model and input data. Review of operating rules, policies or scenarios are not within the scope of the review. Fish River is not included (is part of the Regional Water Strategies).
- The WaterNSW Operating Licence requires a formal review of the model and associated yield assessment methodology at least once during the term of the Licence. WaterNSW will engage an independent consultant by March 2026 to undertake this review and report its findings by 30 June 2026.
- An integral part of the review process is consultation with relevant stakeholders. If customers are interested in participating in stakeholder workshops, please contact Allen.Lal@waternsw.com.au to register your interest.
- Members queried how the modelling from the Department on the Fish River-Wywandly RWS contributes to this. WaterNSW advised the yield review covers the Sydney region only, with the Blue Mountains model and FRWSS out of scope of the review. WaterNSW has however worked extensively with NSW DCCEEW in recent years on the Fish-River Wywandly RWS and sub-strategies, both organisations have used the learnings to update our respective models and outputs on those projects.
- Members questioned if the Fish River modelling is available for review/comment, stating modelling around secure yield is a key model and there is an opportunity to share information and work together to ensure there is a single source of truth (given there are a number of models done by various agencies). WaterNSW advised NSW DCCEEW is leading the Fish River-Wywandly RWS, however offered to explore opportunities for provision of relevant datasets or information sharing where appropriate.

Action GS2509.02: WaterNSW to contact G Wallace and B Logue out of session to discuss Fish River modelling.

Responsibility: B Johnston

5. WATERNSW UPDATE:

5.1 Chief Executive Officer (CEO) update (A George)

- IPART's final decision on the Greater Sydney determination is due next week. WaterNSW is one business, however, is price regulated as 41 different businesses, which makes it more complex.
- Following the IPART determinations for Rural Valleys, Greater Sydney and WAMC, WaterNSW is in a financial position that requires a fundamental reset of the business. IPART's pricing decision means WaterNSW faces a significant revenue shortfall and insufficient operating cost (opex) allowance to cover our current cost base and obligations. Without significant action, the business risks insolvency within 18 months.
- An overview of WaterNSW's cost drivers was presented and discussed, including numerous non-commercial functions (fishways, environmental flows, water quality monitoring, land management), a small and shrinking customer base and complex regulatory obligations. A number of non-commercial programs have been paused given the lack of funding (eg fishways). It is recognised we have obligations, however there is no funding to undertake the work if it is not a core function.
- The Board has approved a business restructure to maintain financial sustainability and solvency, which includes a reduction of approximately 300 employees. Teams will be consolidated, and several

functions will be centralised or discontinued to streamline how we work and to reduce duplication. Formal consultation is underway with our people and their representatives about the proposed changes.

- An overview of the proposed future state operating model was presented and discussed. WaterNSW moved to the new structure in early September, with employee impacts and changes expected to conclude by the end of October. WaterNSW is focussed on maintaining a regional presence.
- WaterNSW will work hard to limit customer impacts throughout the transition period, however we may be unable to continue delivering some of our current functions, activities and projects in the same way. The most noticeable impact will be on planned capital projects, not front-line services (refer to agenda item 4.2).
- Discussion occurred around the shrinking customer base. Water entitlement is capped under WSPs and in regional NSW there is a shift from irrigation to environment, who have very different water use patterns and behaviours, which is introducing more volatility, which in turn means WaterNSW is carrying more debt (eg in the last 4-5 years we've recovered less than what IPART forecast through 'sales').
- Members queried the requirement for WaterNSW to pay a dividend to the government. WaterNSW is a state-owned corporation (SOC), and Treasury policy framework requires us to pay a dividend; if we are not able to pay dividends then we are not a corporation. The message from government is to reduce our costs. We have a plan and will be in a position to pay a dividend next year, however there will be some things we will be unable to deliver on for the government.
- Discussion on the recent housing reform announcement by the NSW Premier and potential impact this will have on WaterNSW into the future. It is not clear what this will mean for WaterNSW at this time.

6. BUSINESS PAPERS:

- Taken as read. WaterNSW is working on the new format for financial reports for the next meeting (new determination).

7. GENERAL BUSINESS:

7.1 Next meeting

- Members were pleased to welcome new member groups to the CAG and asked if there was an opportunity for Sydney Water to provide a presentation at the next meeting on their role, challenges, processes etc. To be added to the draft agenda for consideration.

Meeting review and close:

Next meeting: 23 April 2026 @ Warragamba Dam

Meeting closed: 1.10pm

Greater Sydney Customer Advisory Group – Actions – 18 September 2025

New actions

Action number	Action	Person responsible	Status
GS2509.01	Add drought preparedness to the draft agenda for consideration at the next Greater Sydney CAG meeting.	T Hayes	Complete.
GS2509.02	WaterNSW to contact G Wallace and B Logue out of session to discuss Fish River modelling.	B Johnston	Complete.

Carried forward actions

Action number	Action	Person responsible	Status
GS2503.01	WaterNSW to advise if there will be any engagement with customers on the plan for water quality per the new Operating Licence.	B Maher	WaterNSW intends to develop a new Raw Water Quality Policy for regional Local Water Utilities under Part 17 of the 2024-2-28 Operating Licence. This policy will be in addition to the current Water Quality Policy. The scope of the existing Water Quality Policy covers the declared catchment and the Fish River Water Supply Scheme in the non-declared catchment. For all areas in the scope of the current Water Quality Policy, we intend to retain the Raw Water Supply Agreements to ensure obligations are clearly communicated on an individual basis with each relevant council. Due to the delay in the pricing determination, WaterNSW has a one-year extension to develop and implement a WQMS. The regional policy for raw water has been drafted, including feedback from regional water suppliers, and once finalised will go to the Board for approval. The policy for Greater Sydney has been approved and is on our website. Discussion occurred around the wording 'endeavour to' as opposed to 'meet', the requirements of the Australian Drinking Water Guidelines (ADWG) with members requesting further discussion on inclusion of water quality parameters in Water Supply Agreements (WSA). WaterNSW will look to

			amend the wording in relation to drinking water supply in the WSA for Lithgow City Council. WaterNSW does a lot of monitoring and results are shared with local water utilities monthly. Any issues are reported to NSW Health. On an annual basis, WaterNSW does an annual water quality monitoring report to show, among other things, how we comply with the water supply agreements.
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	In progress. B Mayhew is continuing to work with the finance team to provide commentary and improved reporting to CAGs around the opex and capex reports. WaterNSW aims to have the new reporting in place for the next meeting.