

Lachlan Customer Advisory Group

Minutes of Meeting

Location: Agriculture and Research Centre, Fifield Rd, Condobolin
Date: 22 September 2026
Time: 9.00am

Present: Gordon Turner (Chair), Tom Green, Madeline Clark, Michael Payten, Glenn Daley, Michael Storrier, Phil Greenhill, Danika McDonald, Paul Doyle and Joanne Lenehan (online).

WaterNSW: Rob O'Neill, Jerome Douziech, Brendan Maher, Ben Coffey, Geoff Watson, Rooban Roobavannan, Abram Duffy, Kristen Gemmell and Toni Hayes. Online for specific agenda items: Amanda Fuller and John Tatkovic.

Meeting Opened: 9.00am

1. WELCOME AND INTRODUCTIONS:

1.1 Acknowledgement of Country

1.2 Apologies: Charlie Harris, Damian Byrne.

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 Lachlan CAG Meeting, 24 March 2026

- Resolved the minutes of the meeting held on [24 March 2026](#) be confirmed as an accurate record of the meeting. Taken as read.

M Payten/G Daley (carried)

1.6 Actions arising from minutes

- Refer to action sheet (attached).

1.7 Election of Chairperson

- Gordon Turner was nominated by Glenn Daley, seconded by Michael Payten. Nil other nominations received. Accepted and carried.

2. WATERNSW UPDATE:

2.1 WaterNSW Executive update (R O'Neill/J Douziech)

- 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 surrounding dams and reservoirs, including carbon market

opportunities, pumped hydro and long-duration energy storage projects, including potential partnerships with energy providers. Part of this involves understanding land ownership, land condition and identifying appropriate future uses.

- 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 sought clarification on whether returns generated from new revenue opportunities could be incorporated into the regulated asset base and impact customer charges. WaterNSW advised that, to date, this revenue has been treated as unregulated revenue and kept outside the regulated asset base.
- Members queried whether there is scope to audit valley assets to identify infrastructure that is no longer required. WaterNSW advised that a criticality audit and condition assessment of all assets has recently been completed. As part of that, we consider impact on customers, asset prioritisation and future asset requirements to determine if an asset is required.
- Questions were raised regarding the impacts, targets and timelines for potential revenue opportunities. WaterNSW advised that current investigations are focused on larger-scale opportunities, including pumped hydro and long-duration storage projects, with some initiatives more advanced than others. There is no target number for new revenue.
- Discussion occurred around the long-term sustainability of land monetisation initiatives, including opportunities associated with carbon credits and partnerships with organisations pursuing net zero objectives. WaterNSW advised that we are early in the process and multiple delivery models are being explored. No single approach or timeframe has been determined.
- Members sought assurance that risks associated with alternative revenue streams, including customer, operational, resource and structural risks, are being appropriately assessed. WaterNSW advised that risk minimisation is a key consideration in project development and that additional resourcing is being allocated to further investigate pumped hydro and long-duration storage opportunities, including assessment of benefits, risks and delivery options.
- Questions were raised regarding water use requirements for pumped hydro projects. WaterNSW advised that any initial water requirements would need to be licensed and that water needs would need to be sourced from the market.

2.2 WaterNSW's Financial Performance (V Malik)

- 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 financial performance for the Lachlan valley 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. Greater Sydney remains the primary contributor to WaterNSW's overall financial performance and supports overall earnings and financial stability.
- 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.
- Members suggested that future financial reporting includes a revenue profile alongside the cost profile to better understand the factors driving projected improvements in business performance. Concerns were raised that some outcomes appear reliant on external factors, particularly government funding and support arrangements. WaterNSW advised the forecast is based on IPART's 20-year rolling average and does not include projected new revenue streams (is based on the regulated business only).

- WaterNSW noted that while the government service activity component has been quantified through the IPART determination, government funding commitments are currently only confirmed for one year.
- Members questioned the source of the projected improvement in financial performance. WaterNSW advised that this is primarily driven by increased pricing under the current determination combined with relatively stable operating expenditure. Key risks to future performance include lower than forecast water sales and potential government policy changes.
- An overview of Lachlan valley financial performance and outlook was provided. WaterNSW advised that the valley is expected to remain profitable through to FY29, supported by increased government contributions, customer subsidies, and a lower operating cost base following organisational restructuring and efficiency initiatives.
- Revenue remains significantly influenced by water usage, with approximately 60% of revenue derived from water usage charges.
- Investment in essential infrastructure is ongoing. Key projects include the Lake Cargelligo Inlet Regulator and Fishway project, dam safety works and other regulatory and environmental initiatives, with the asset base projected to grow in support of long-term service delivery.
- Members queried whether declining water use trends may warrant review of the fixed and variable charging ratio, suggesting increasing the fixed portion to provide greater revenue certainty. WaterNSW advised that the current pricing determination includes a volatility mechanism that provides protection where water usage falls more than 5% below forecast levels, allowing recovery of revenue shortfalls through a future determination process.
- Members questioned if customers receive a corresponding benefit when water usage exceeds forecast levels. WaterNSW took this question on notice and advised that there may be an adjustment mechanism considered in future pricing determinations.

Action LAC2609.01: WaterNSW to advise if the water volatility mechanism also applies when water usage exceeds IPART's forecast levels.

Responsibility: V Malik

- Questions were raised regarding the increase in operating expenditure in FY26. WaterNSW advised that this was largely driven by one-off organisational restructuring costs associated with workforce reductions (redundancies), as well as some additional non-recurring costs.
- Members questioned whether WaterNSW could operate as a not-for-profit entity. WaterNSW explained that, as a State Owned Corporation, it is required to generate a return on investment for the NSW Government and therefore does not operate as a government agency or not-for-profit organisation.
- It was noted that government contributions to WaterNSW exceed the value returned through dividends, land tax and other payments. Members suggested that presenting the value of government contributions alongside returns paid back to government could help improve understanding of WaterNSW's financial position.
- Members agreed that there was no value in seeking survey responses from water user group members who had not been presented with the information.
- Members acknowledged and thanked WaterNSW for the level of engagement and transparency provided.

3. OPERATIONS:

3.1 Regional Operations (B Coffey)

- WaterNSW advised that inspections of Coocumber Weir have been completed following flood damage sustained during the 2022-23 flood events. Damage was identified to the mid-level crest, and the project will now be considered through the asset prioritisation process. WaterNSW noted that upstream de-silting remains a complex issue.

- Cabonne Council advised that cumbungi is not a priority weed and therefore its removal is not being actively pursued. As it is located on Crown Land, landholders may remove it if they choose to do so. The Council's Weeds Officer is available to provide advice to local landholders if needed.
- Members sought clarification on whether upstream de-silting would be required if repair works proceed at the weir. WaterNSW advised that some de-silting would likely be necessary to facilitate access and construction activities, although this would be limited to the areas required to undertake the works rather than the entire reach.
- Members raised concerns regarding the risk of potential changes to river flow paths and flood inundation risk for the nearby township, stating de-silting could assist with improving flow and offered to assist WaterNSW in relevant discussions where appropriate.
- Members stated there would be benefits in coordinating any upstream and downstream de-silting works to improve overall outcomes and efficiency. WaterNSW will seek advice from Council regarding responsibilities and priorities.

Action LAC2609.02: WaterNSW to seek advice from Cabonne Council regarding de-silting around Coocumber Weir.

Responsibility: B Coffey

- The Lachlan Valley has 89 identified projects across renewals, dam safety, environmental and other asset categories, with available funding supporting delivery of the highest-priority projects based on safety, compliance and customer service outcomes.
- Key investments include dam safety, bridge renewals, electrical upgrades and critical infrastructure works at Wyangala and Carcoar dams. A number of lower-priority projects have been deferred due to funding and prioritisation requirements.
- Members questioned how funding collected for fishway projects has been applied, noting that fishway works have been included in determinations since 2009. WaterNSW advised that funds are not specifically quarantined or tagged for individual fishway projects and can be allocated across the broader capital works program based on project prioritisation and business needs. Members expressed frustration that several projects have not progressed to delivery despite being funded.

3.2 Lachlan Valley Projects Update (G Watson)

- WaterNSW provided an update on the Lake Cargelligo Embankment Upgrade and Ballyrogan Bridge Replacement projects.
- Works on Embankments B and C1-C3 at Lake Cargelligo were completed in August, with the contractor demobilised from site, traffic management removed, handover completed and lake levels returned to full capacity.
- An update was provided on Embankment A, with cultural heritage inspections and preparatory activities completed, alternate access confirmed and procurement underway. Construction is scheduled to commence in early 2027 and be completed in Q2 2027.
- An overview of cost and funding arrangements was provided as requested by customers. WaterNSW advised that the project remains forecast to be delivered within the approved budget and outlined the funding and regulatory arrangements that apply to the works. Members stated original forecasts were significantly lower than current estimates.
- WaterNSW advised that while the project addresses dam safety risks and protects a critical water supply asset, Lake Cargelligo is not a declared dam regulated by Dam Safety NSW. As a result, IPART has not classified the project as a dam safety compliance activity. A case was put forward to change the classification, however IPART deferred a decision until the next pricing determination.
- Approximately \$1.88M in additional project costs will be absorbed by WaterNSW rather than recovered from customers through the RAB.
- Members requested greater transparency around cost escalation and project oversight and sought assurance that lessons learned have been incorporated into future project delivery. WaterNSW outlined significant improvements to project planning, estimating, contractor engagement and delivery

processes that have been implemented across the state. Project planning and delivery processes have evolved considerably since the Lake Cargelligo project was first conceived, providing greater confidence in the management of future infrastructure projects.

- An overview of Lachlan fish passage projects was provided, noting that some projects have been deferred while others remain subject to further assessment and funding decisions. Current funding supports delivery of one Lachlan Dam Safety Upgrade offset fishway project.
- Discussion occurred regarding the future of Torriganny Weir, with some members suggesting decommissioning should be considered. WaterNSW advised that this has been considered but involves operational, funding, stakeholder and political challenges, with differing community views regarding the future of the asset.
- Construction of the Ballyrogan Bridge Replacement remains on track for completion in early 2027. Key milestones to date include installation of the temporary bridge and road approaches, commencement of demolition of the existing bridge and piling works for the new bridge. Ongoing high channel levels have delayed cofferdam-related activities however, the project remains on schedule. The temporary bridge will be removed following completion of the replacement bridge.

3.3 Water Planning and Delivery (R Roobavannan)

- WaterNSW presented an update of operations in the Lachlan, including storage and inflow review, weather outlook, dam operations, an overview of the water resource monitoring dashboard, water availability and usage, water account balances, operational surplus summary, storage forecast and upcoming operations.
- The drought flood risk index for the Lachlan valley is sitting between 'dry' and 'very dry' conditions, indicating a slow move towards drought unless significant rainfall is received.
- Water availability for 2026-27 remains strong for essential licences, however general security allocations have been announced at 10%, with 348GL currently available in general security carryover accounts.
- Operational surplus exceeded the target, with contributing factors including rain rejection events, operational constraints associated with Lake Cargelligo works, limited use of private regulating structures in the Mid Lachlan, and constraints on capturing flows into Lake Brewster. The three-year rolling average operational surplus remains below 3%. Customers are encouraged to contact WaterNSW if there is a change to orders so water can be redistributed where available to reduce/minimise operational surplus.
- Members commented that the 12% difference of order vs take in 2025/26 is a good reason to reintroduce the water order trial in the Lachlan valley, which has a 10% tolerance. Members stated anxiety is driven by NRAR, which is driving additional ordering.
- Lake Cargelligo operated under a reduced capacity during embankment upgrade works, with storage limited to 70% for part of the season. Approval is being sought to return the storage to full operational capacity. Additional assessment of the Lake Cargelligo inlet structure is also underway.
- Upcoming operational priorities include extreme events preparedness, supporting major infrastructure projects, Ballyrogan Bridge replacement works, Lake Cargelligo embankment upgrades, and assessment of the Lake Cargelligo inlet structure.
- There will be some limitations on the inflow into Lake Brewster during the upcoming works on the Ballyrogan Bridge, although it isn't expected to have a significant impact on the day-to-day operations.
- Recent rainfall has improved off-river storage levels and supported preparedness for the upcoming irrigation season. An additional ~70GL of inflow into Wyangala Dam before 15 November would be required to trigger a translucent flow event.
- Operational updates are available at [WaterInsights](#).

3.4 Lower Lachlan Swamps and Great Cumbung Swamp environmental watering event (P Doyle/M Clark)

- The environmental water holders provided a review of the 2026 environmental watering event across the Lower Lachlan Swamps and Great Cumbung Swamp, including event delivery, monitoring activities and preliminary outcomes. This was the second largest the second largest single environmental flow in the Lachlan since NSW/Commonwealth acquired licensed water.
- The event was planned in response to forecasts indicating a hot and dry period and the assumption of a prolonged drought. Approximately 77GL of Commonwealth and NSW environmental water was delivered over a 57-day period to support key wetland habitats, including River Red Gum forests, lignum shrublands, Black Box woodlands and large lake systems throughout the floodplain.
- Preliminary monitoring indicates positive ecological outcomes, including 40 waterbird species recorded, sightings of Blue-billed Ducks, significant waterbird activity and encouraging Southern Bell Frog responses. Success is measured over a 5-10 year timestamp.
- A comprehensive monitoring program is underway, with expected floodplain inundation of 35,000–40,000ha. Every impacted landholder was contacted prior and agreed to the watering event.
- Planning is underway for a potential autumn replenishment flow into the Great Cumbung Swamp. Proposed operation would target approximately 300ML/day at Booligal for 20 days.

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.

Floodplain Strikeforce

- WaterNSW provided an update on the work of the Floodplain Strikeforce, including customer education initiatives, updated guidance materials, historical works review, publication of flood work application data and improved pre-application processes.
- A draft [Floodplain Strikeforce Interagency Action Plan](#) was released in March for consultation and feedback, and a dedicated working group has been established to review feedback and identify key barriers and potential solutions. The action plan and accompanying What We Heard report is available on our website [here](#).
- A [guide to applying for a flood work approval](#) has been developed by WaterNSW and NSW DCCEEW to assist landowners understand what a flood work is, when an approval is required and what is required to apply for a flood work approval.
- A separate flood work approval is no longer required where an existing work is specifically nominated under a Water Supply Work Approval (or combined approval) and its primary purpose is water supply.
- A member advised he is currently undertaking a flood study, and his consultant has been unable to obtain updated flow rate data for Hillston required for modelling. A previous application was rejected because older flow data had been used, leaving uncertainty about what data should now be used. NSW DCCEEW advised the information may be available and offered to work directly with the customer to assist.
- Concerns were also raised regarding the status of flood mapping, with customers indicating that mapping issues remain unresolved.
- Members questioned how applications for pre-existing works should be assessed where the works were constructed in accordance with the requirements and guidelines at the time, but updated flood mapping now results in different flood behaviour. WaterNSW advised that, unless specific provisions exist within the FMP, applications must be assessed against current rules and requirements.

- Historical works are being considered through the Strikeforce review process. It was noted that there are provisions in the FMP relating to historical works, particularly where works were lawfully approved under previous frameworks. Clarification is being developed regarding possible exemptions and how dual-approved works may be treated.
- Members requested practical guidance from WaterNSW and regulators to help applicants understand how to progress applications, particularly where historical works are involved. WaterNSW acknowledged there is significant uncertainty from customers, resulting in some landholders delaying action because they are unclear on requirements. Work is underway to develop clearer guidance and documentation relating to historical works, with a workshop proposed to help landholders understand assessment requirements and available pathways.
- WaterNSW is also looking to provide applicants with more detailed feedback on unsuccessful applications, including advice on missing information and actions required to progress an application, rather than receiving a rejection without clear direction.
- Upcoming consultation meetings on the Water Sharing Plan (WSP) were noted, including a session planned for Hillston. These sessions will provide an opportunity for customers to discuss concerns directly with agency staff and ask questions about the plan and proposed changes. The intention is for the plan to be gazetted and implemented by June 2027.
- WaterNSW advised that key stakeholders will be invited to participate in an online Strikeforce meeting where historical works and related matters will be discussed in greater detail. The meeting date is yet to be confirmed.

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.
- The fee free period for customers to classify their works has been extended to 1 December 2026.

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.
- June is the highest volume month in the water year for temporary trade applications, and a new approach was needed to ensure all applications could be processed in time without increasing operational and financial pressures.

Third-Party Consent

- No final decision has yet been made regarding potential discontinuation of temporary trade third-party consent for groundwater, 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 Next CAG meeting (B Maher)

- Members were advised that NSW DCCEEW is unable to attend the next CAG meeting if it is held before April due to the State election caretaker period.
- WaterNSW advised that the March meeting could proceed without NSW DCCEEW participation or be deferred until May/June to allow departmental participation. An option of an online WaterNSW-only meeting in March was proposed if the face-to-face meeting is deferred.
- Members noted that preferred timing would depend on seasonal conditions and issues requiring discussion at that time. WaterNSW will engage with CAG Chairs on options and preferences.

Meeting review and close:

Next meeting: date TBC, Condobolin

Meeting closed: 1.00pm

Lachlan Customer Advisory Group – Actions – 22 September 2026

New actions

Action number	Action	Person responsible	Status
LAC2609.01	WaterNSW to advise if the water volatility mechanism also applies when water usage exceeds IPART's forecast levels.	V Malik	Complete. IPART introduced a Demand Volatility Adjustment Mechanism (DVAM) with a $\pm 5\%$ threshold. Because water use can vary significantly between wet and dry years, IPART uses a 20-year average to forecast expected water usage, and the DVAM helps manage significant differences between forecast and actual demand. The mechanism is symmetrical, meaning significant demand variations can result in an adjustment in either direction, protecting both customers and WaterNSW from unusually large differences between forecast and actual demand.
LAC2609.02	WaterNSW to seek advice from Cabonne Council regarding de-silting around Coocumber Weir.	B Coffey	Complete. Cabonne Council has advised that given the section of the river in question is Crown Land, de-silting is the responsibility of the landholder, and a Part 7 permit would be required from NSW Fisheries.

Carried forward actions

Action number	Action	Person responsible	Status
LAC2603.02	WaterNSW to consider including Belubula operational updates on the Lachlan WaterInsights page.	J Belej	Complete. As WaterInsights is set up by Water Sharing Plan, many Lachlan River customers may not benefit from updates specific to the Belubula River, therefore announcements will continue to be managed separately in WaterInsights. Keeping these announcements separate helps to reduce communication noise and ensures important information is not missed.

If Lachlan customers would also like to receive updates about the Belubula, they can subscribe through WaterInsights (same as Lachlan updates).

Step-by-step guides on how to sign up for WaterInsights and manage announcement preferences can be found on the [WaterInsights website](#).

Further discussion 22/9/26:

Members requested that an announcement be posted on WaterInsights when the EOS requirements are turned on/off, which WaterNSW undertook to provide.