Murray-Lower Darling Customer Advisory Group
Minutes of Meeting

Location: **Deniliquin RSL Club, 72 End St, Deniliquin**
Date: **19 August 2025**
Time: **9.00am**

Present: Sally Dye, Cameron Sandral, Judith Damiani, Mark King, Rachel Strachan, Tom Douglas, Louise Burge, Michael Chalmers, Troy Mauger, Philip Baird, James Dyer, Linda Christesen, Sophie Baldwin, Steven Fawns, Hilary Johnson (online), Peter Hamilton.

WaterNSW: Brendan Maher, Jonathan Belej, David Wood, Kristen Carter, Sonia Townsend (online) and Toni Hayes. Online for specific agenda items: Andrew George, Amanda Fuller, Russell Cocks, Ben Arabin and Ben Coffey.

Agency and external staff: Shahadat Chowdhury, Peter Hansen (NSW DCCEEW) and Tom Zouch (MDBA).

Meeting Opened: 9.00am

1. WELCOME AND INTRODUCTIONS:

1.1 Acknowledgement of Country

1.2 Apologies: Ross Berry.

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, 11 March 2025

– Resolved the minutes of meetings held on 11 March 2025, be confirmed as an accurate record of the meeting (including proposed amendments as tabled). Taken as read.

1.6 Actions arising from minutes

– Refer to action sheet (attached).

2. INTRODUCTION TO CAGs:

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

- Members suggested WaterNSW consider aligning a site visit with the CAG meeting once per year. Noted for consideration.

2.2 Election of Chairperson

- Sally Dye was nominated for the position of Chairperson by Judith Damiani, seconded by Rachel Strachan. Nil other nominations received. Accepted and carried.
- Rachel Strachan was nominated for the position of Deputy Chairperson by Sally Dye, seconded by Judith Damiani. Nil other nominations received. Accepted and carried.

3. WATERNSW UPDATE:

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

- Following the IPART determinations for Rural Valleys and 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. It is proposed to move 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.
- Members were concerned to hear the customer base is shrinking, given there is the same amount of water, same use of assets etc and questioned if environmental customers pay the same fees as other customers. WaterNSW confirmed this is the case, however they may not be using the same volumes as irrigators. We are also seeing a change in usage patterns and different water use behaviour that is also driving the change (less water being used, more wet years etc) which has been flagged with IPART.
- Members wanted to know what customers can expect between now and 1 July 2026 and questioned if the state government would step in and make up the shortfall. WaterNSW advised the government was waiting for IPART to undertake their prudency and efficiency review of charges, which hasn't been done yet, but the clear message from shareholders is that there will be no assistance from government, at least until this review is complete.
- Members queried if WaterNSW has done an assessment of the effect of policy changes and additional regulatory obligations. This formed part of WaterNSW's submission to IPART. WaterNSW highlighted there would be additional costs on the business, and we would require revenue for this, however IPART made the decision that WaterNSW would have to absorb those costs.
- Members questioned how much of the $80M shortfall is made up of the dividend WaterNSW is required to pay to government and how much is land tax. Last year the dividend was $40M and due to the insolvency risk the Board recommended we don't pay the dividend this year, however this was declined. The land tax was $20M last year.

- Members raised concerns around the impact of a restructure and effect it will have on WaterNSW's engagement with customers going forward, particularly with no 'shop front', stating CAGs are an effective communication forum for both WaterNSW and customers. There are concerns that the level of customer service and engagement will diminish and potential loss of corporate knowledge. Concerns were also raised on the effect this will have on staff.
- WaterNSW reinforced that engagement with customers is important and will continue, however the question of how we engage is open for discussion and dependent on resources. WaterNSW has changed the way we engage with customers in recent years, and we will continue to adapt.
- Members are concerned that critical infrastructure, major works and replacement of assets continue to be deferred and questioned if there is potential to move those costs to the government as they provide a community outcome. WaterNSW advised that the cost recovery model needs to be looked at and this has been raised.
- An ongoing concern for customers is projects associated with the Basin Plan and the cost implications for WaterNSW, stating lack of communication and effective engagement with local knowledge hasn't been valued in government policy decisions, resulting in errors and inefficiencies. The Department has its own challenges with the WAMC determination however WaterNSW is working with them on the projects we are affected by.
- Members highlighted that with the new Floodplain Management Plans coming out soon, a lot of pre-existing infrastructure that previously did not require approval will now need to be approved, which will likely result in thousands of applications. Members asked that this be considered in the restructure. WaterNSW is aware and this is a consideration.
- Members congratulated WaterNSW on WaterInsights, stating it is a great tool and customers are using it more frequently.
- Members complimented WaterNSW for the drop-in session held in Wentworth in April, highlighting it is important to have local people 'on the ground'.

3.2 Regional Operations update (B Coffey)

- In response to IPART's interim outcomes for the Rural Valleys determination, 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 (eg crane safety, fleet, plant and equipment).
- The top 10 projects prioritised for the Murray-Lower Darling were presented and discussed, as well as examples of projects that have been deferred.
- Members queried if some projects will be delayed if Menindee is full. WaterNSW advised that some projects will be impacted by weather events therefore the execution phase will need to be flexible.
- Members questioned why WaterNSW is paying all the capital funding for Menindee when it is a shared resource. WaterNSW advised that some of the operating costs (opex) are shared however WaterNSW is responsible for the capital costs (capex).
- Members questioned if WaterNSW is accepting higher risks, are they new or pre-existing. WaterNSW advised that candidate projects are assessed against a risk assessment framework to get a risk value (the higher the number, the higher the risk). Risk of asset failure, consequences of failure, compliance, service delivery and ensuring staff safety are key assessment factors.
- Members questioned if the Pamamaroo Inlet Regulator is the reason WaterNSW is hesitant to surcharge Lake Wetherell. To prevent the Pamamaroo Inlet Regulator from further damage, operating restrictions are currently in place, including avoiding surcharging. Refer to attached fact sheet for more information.
- WaterNSW provided an overview of preventative maintenance plan, corrective maintenance work orders, current issues and outage plans. There has been some movement on the crest road at Hume Dam. Remedial works to the affected sections and resurfacing to seal the crest surface have been completed, with no impact to water delivery.

- An overview of the water monitoring program in the Murray and Lower Darling valleys was presented, as requested at the last meeting. Members questioned if there is any water quality monitoring at the bottom of the Darling. WaterNSW advised there has been increased monitoring as a result of flood and fish deaths and 3 new sites have been identified for gauges around the Talyawalka, plus 4 additional sites. WaterNSW also has funding for a temporary station that can be moved around for specific events and respond to different flood events.
- Members questioned if there will be any new monitoring sites in the Lower Darling, noting there is nothing between Bertundy and Wentworth, where water quality is getting progressively worse due to pumping and confluence. WaterNSW advised this is different to ongoing monitoring and the Water Quality working group is managing that incident and response.
- Members questioned if it is possible to reprioritise existing gauging sites or if WaterNSW can seek funding for new gauges. Taken on notice to investigate.

Action MLD2508.01: M King and J Dyer to provide further details for WaterNSW to investigate the possibility of reprioritising some existing gauging sites and/or seek funding for new gauges.
Responsibility: M King/J Dyer

4. CUSTOMER SERVICES:

4.1 Customer Services update (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.
- Members questioned what detail is included in the letter to potential impacted parties (eg impact to pressure), stating there would be many objections if landholders don't understand what the impact to them will be. WaterNSW advised this is difficult when there are multiple landholders, as impacts can vary, however the letter outlines what the impact 'could be'. Members suggested making the application 'live' for a period of time so landholders can see exactly what is being proposed, which may lead to less objections. Feedback noted.
- WaterNSW and DEECA (Victoria) are working together on a project to improve efficiency and equity of access to trade opportunities (IVT) between zones in the southern Murray-Darling basin, with an initial focus on the Murrumbidgee to Murray and Goulburn to Murray IVT accounts and the Barmah Narrows. An overview of types of options to be considered and next steps was presented and discussed. Consultation on the draft assessment framework is now closed and WaterNSW will work with DEECA to assess feedback, combine themes and develop a final assessment framework. Further public consultation is planned for early 2026 and contingent upon funding, implementation of the recommendations will commence in June 2026.

  Limiting trade volumes has been considered to ensure more opportunity for access and is one of the proposed options.
- Members questioned if landholders with land in both valleys will have priority. WaterNSW advised this is not part of this framework, which is around short term solutions, however it is part of discussions around longer term solutions.
- A number of years ago, NSW DCCEEW and WaterNSW 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.
- WaterNSW provided segmented metering data for the northern and southern basin as requested at the last meeting.
- 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.
- Members queried if NSW DCCEEW is implementing a more streamlined or simplified process for flood work approvals as part of the draft Floodplain Management Plans, stating the existing process is complicated and requires a lot of paperwork. To be raised in afternoon session with NSW DCCEEW. J Damiani advised that part of the Irrigation Infrastructure Operator (IIO) reforms is to look at unlicensed flood works. More information is to come.
- To book a face-to-face or phone appointment with one of our water licensing experts, please visit our website at https://www.waternsw.com.au/customer-services/water-licensing

5. OPERATIONS:

5.1 Water Planning & Delivery (D Wood)

- WaterNSW presented a review of operations in the Murray and Lower Darling valleys, including storages update and inflow review, 2024-25 final water use summary, weather outlook and an overview of Murray and Lower Darling operations.
- Members questioned why there is a negative balance for high security (regulated) carryover. WaterNSW advised this relates to water used in the previous year that was beyond entitlement. The negative balance is carried over to the new water year and taken off the balance when an AWD is credited to the account. The AWD must be reduced by the amount of overuse in the previous year. It is not parked water coming back onto licences.
- Members questioned if there is a penalty for overuse, if the information is passed on to NRAR and what the process/rules are for managing overuse. Taken on notice.

Action MLD2508.02: WaterNSW to provide clarity around negative balances and carryover; process/rules for managing overuse and penalties if any; clarify the difference between the share component and AWD volume. **Responsibility:** S Townsend (complete, refer to action sheet)

- Members sought further explanation of the 1% Regulated River (Conveyance) Environment 24/25 water use. The environment holds conveyance shares (per the WSP) and there was environmental conveyance water used during this period, which represented 1% of the total water use for the water year.

Action MLD2508.03: WaterNSW to discuss with NSW DCCEEW (CPHR Group) and provide further information on the Regulated River (Conveyance) Environment share (1%) and how it was derived (per the 24/25 water use summary).
Responsibility: J Belej

- If members have specific questions in relation to the water use summary, please email to Toni.Hayes@waternsw.com.au and to follow up with the Water Accounting team.

Murray operations:

- Lower flows moving out of winter supported annual planned maintenance on the Edward-Wakool system. Recent rainfall event saw higher flows, including overbank through Barmah Choke requiring operation of Forest regulators, which has provided a healthy flush through the Edward-Wakool.
- Minimum requirement in the Murray to remain low, restricting flow into the Edward system; balancing/considering system demand moving into higher irrigation periods.
- Irrigation demand is starting to increase. The Water Planning and Delivery team will work with the MDBA to understand southern basin demands and expected Murray flows into summer.
- Environmental water delivery was maintained above base flow through winter. Future plans will consider water availability/timing/restrictions. There will be spring flows through the Edward-Wakool system, with flows above base flow at Colligen, Yallakool and Wakool.

Lower Darling operations:

- There has been ongoing inflow, and recent rainfall in the northern basin has resulted in further flow responses, with Menindee forecast to receive a further 400-500GL to end of October (at 6 August).
- The Environment had been supporting releases from W32 above base flow through winter (~400ML/d). Base flow requirements at W32 as per WSP: May-Oct = 200ML/d; Nov-Dec = 300ML/d.
- With predominantly dry conditions across the southern basin, the MDBA has commenced their 'Call on Water' for 2025-26. A pulse of 5,000ML/d is currently being delivered, with flow to return to 3,500ML/d expected soon. Expect flows to change as MDBA's requirements shift as conditions change across the southern basin.
- Release strategies for Menindee Lakes are currently being coordinated by MDBA, DCCEEW and WaterNSW, including other key stakeholders as required.

5.2 Murray Darling Basin Authority update (T Zouch MDBA)

- The MDBA provided an overview of operations, including recent and current weather conditions, system inflows, active storages overview, annual operating outlook and current operations.
- The MDBA will be prioritising using Menindee to satisfy demand over Hume. There will be a larger call from Menindee in September and October.
- Annual operating outlook for storages presented and discussed.
- Members questioned at what point will there be a forward forecast for releases out of Menindee for September, stating landholders need advance notice and forecast options under different scenarios to prepare/manage risk. The MDBA will work with WaterNSW and consider what information could be made available.
- An update and overview of the Great Darling Anabranch Release Trial was provided, including outcomes.
- 16GL of environmental demand was met from Cawndilla/Menindee; 4.5GL of system water was transferred from Cawndilla to the Murray (not as much water made it to the Murray as expected); Cawndilla releases retained water in the upper two Menindee lakes; healthy golden perch and significant bird populations; and continued Murray GDA connectivity.
- There was no impact on water availability and significant data was captured during the trial.
- Operational communications discussed, with members stating that while landholders are supportive of releases down the GDA, they need more notice/information in order to manage stock etc.

- Members again raised concerns around lack of transparency around MDBA's fees and charges, stating they want more information around what they are paying for, and requested a presentation at the next meeting. Taken on notice.
- Members requested the MDBA include an update on repairs, maintenance and operations on assets going forward, and how costs are met/paid for. Noted, to be included in next presentation.

6. BUSINESS PAPERS (taken as read):

- Taken as read.

7. GENERAL BUSINESS:

7.1 Long Duration Storage (LDS) (B Maher)

- Sites near you are among several still under consideration as part of WaterNSW's Long Duration Storage Program. The program is WaterNSW's next step to identify and develop long-duration pumped hydro energy storage projects across NSW, building on progress of our Renewable Energy and Storage Program (RESP).
- Shortlisted dam sites under consideration will be formally announced shortly with final sites expected to be confirmed from 2026, followed by a commercial tender process to select potential private project developers.
- No decisions have been made, and like the RESP projects, any future development would involve detailed studies, community consultation, and formal approvals before proceeding.
- Any projects, should they progress, would be owned and funded by the private sector, not WaterNSW or the NSW Government. All land would continue to be owned by WaterNSW, and any development would not affect water entitlements to customers or water security for communities and the environment.

Meeting review and close:

Next meeting: March 2026 (date to be advised)
Meeting closed: 1.30pm

Murray-Lower Darling Customer Advisory Group – Actions – 19 August 2025

New actions

Action number	Action	Person responsible	Status
MLD2508.01	M King and J Dyer to provide further details for WaterNSW to investigate the possibility of reprioritising some existing gauging sites and/or seek funding for new gauges.	M King/J Dyer	
MLD2508.02	WaterNSW to provide clarity around negative balances and carryover - process/rules for managing overuse and penalties if any; clarify the difference between the share component and AWD volume.	S Townsend	**Complete.** NRAR has access to WaterNSW's Water Accounting System (WAS) and is able to conduct desktop reviews of negative balances. NRAR is responsible for issuing any penalties for overuse and regularly interact with customers in relation to rectifying negative account balances. The share component is a customer's entitlement on their Water Access Licence (WAL). A customer may not have access to their full share component, dependent on the Available Water Determination (AWD). The AWD is managed by NSW DCCEEW and is the amount of water allocated to a Water Access Licence (WAL) holder in a given year, expressed as a percentage of their licence entitlement. The AWD can increase during the year and will vary annually based on the water available.
MLD2508.03	WaterNSW to discuss with NSW DCCEEW (CPHR Group) and provide further information on the Regulated River (Conveyance) Environment figure (1%) in the 24/25 water use summary.	J Belej	

Carried forward actions

Action number	Action	Person responsible	Status
MLD2407.04	MDBA to review concerns and issues around changing patterns of water use and reduced river flows (in conjunction with NSW DCCEEW) and report back to the CAG.	J Hickey (MDBA)	**In progress,**
MLD2403.03	WaterNSW to contact the MDBA and ask if they can provide an update on the trial of releases with return flow to the Murray via the Great Darling Anabranch.	J Belej	**Complete**, refer to agenda item 5.2

MLD2503.03	WaterNSW to provide segmented metering data for the northern and southern basin for the next meeting.	D Stockler	**Complete,** refer to agenda item 4.1
MLD2503.04	NSW DCCEEW and L Christesen to liaise out of session regarding reestablishing the underuse working group to progress underuse issues in the Murray.	L Christesen/A Raine (NSW DCCEEW)	Initial conversations have commenced, and customers are comfortable with how this is progressing. **Refer to NSW DCCEEW afternoon session.**