

# Macquarie-Cudgegong Customer Advisory Group - Minutes of Meeting



**Location:** The Exchange, Dubbo

**Date:** 13 March 2024

**Time:** 9.30am

**Present:** Tim Gainsford (Chair), Lyn Davies, Rick Reid, Simon Earl, Tim Hosking, Mark Carter, Stewart Denston, Frank McKillop, David Walker, Michael Drum.

**WaterNSW:** Andrew George, Clair Cameron, Ronan Magaharan, Brendan Maher, Mahmood Khan, Shivani Ram, Michelle Yeaman, Jon Hocking, Mat Miller, Chris Bath, Toni Hayes and online for specific agenda items: David Stockler and Sonia Townsend.

**Agency and external staff:** David Andersen, Ria Pryce, Bart Waters and Amanda Kelshaw (DCCEEW/online), Keeley Reynolds and Scott Carpenter (NRAR), and Karim Ezzeldin (SEC Newgate) and Jackson Streeter (SEC Newgate/online).

**Meeting Opened:** 9.30am.

## 1. Welcome and Introduction

### 1.1 Acknowledgement of Country

**1.2 Apologies:** Michael Sutherland, David Ramsay, Glen Whittaker, Peter Schuster, Julian Geddes.

### 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, 8 November 2023:

– Resolved the minutes of meeting held on [8 November 2023](#) be confirmed as a correct record. Taken as read.

### 1.6 Actions arising from minutes

– See action sheet attached.

## 2. Operations:

### 2.1 Water Planning and Delivery update (M Khan)

– WaterNSW presented a review of recent operations in the Macquarie and Cudgegong valleys, including rainfall, storage status, dam operations, water availability, water usage and balance summary, S&D replenishment, water quality, weather outlook and planned outages and comparison of drought inflows.

– WaterNSW is currently operating under normal operations. Releases from the dam will be made to meet downstream demand and minimum flow targets and supplementary access will be provided when triggers are met. Delivery of Stock and Domestic replenishment is complete.

– There will be a translucent flow period in the Macquarie from 15 March to 30 November.

– Planned outages discussed. Penstock inspection and painting at Burrendong Dam is planned to commence in May 2024 and will take 6-8 weeks. The bypass valve will be available during this period with a maximum release capacity of ~200ML/day (for controlled releases).

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- Members questioned if the schedule of the outage could change if the dam fills. WaterNSW will be review this prior to commencement of any work. The work has been deferred 5 times due to not having the opportunity, so needs to be completed.
- A comparison of statistical vs observed inflows at Burrendong Dam over 36 months was presented. WaterNSW can compare how inflows are tracking against other droughts of record. The Drought Flood Risk Index tool provides WaterNSW with an indication of where we are heading (normal conditions/drought conditions/wet conditions). The tool takes into account a number of parameters and factors and based on this information an index is provided. Drought stages are declared by DCCEEW.
- The proposed bulk water transfer (BWT) from Windamere to Burrendong was discussed. The current plan as per the resource assessment is to start the transfer in June 2024, however based on the current situation starting in June is not required. Irrigators are concerned with the timing of the transfer, noting it takes 10 months. Irrigators are forward planning crops now and there are concerns the water won't arrive in Burrendong in time for customers to use it, which will have commercial impacts for water users.
- WaterNSW advised the planning horizon for resource assessment at the beginning of next water year will be as long as 22 months and based on the current available resources in Burrendong Dam and possible future inflows, the need to start BWT will be further delayed in the next water year, and there are risk factors that need to be considered. We try to leave in the headwater storage in Windamere for as long as possible as Burrendong has more chance to spill and fill. The risk of bringing the transfer forward will be water security for future years.

**Action MC2403.01:** WaterNSW to model some scenarios for the bulk water transfer for further discussion with customers.

Responsibility: M Khan

## 2.2 Regional Operations update (M Yeaman)

- WaterNSW provided an update on the Regional Operations operating model. Under the new model, WaterNSW has brought diverse teams (water monitoring, asset maintenance and field services) together under the Area Managers and established Regional Project Delivery Teams (south, north, metro).
- There have been many immediate benefits of sharing resources (staff, plant, equipment) across valleys and throughout the region, including a more consistent approach across the business. Future efficiencies are being explored, including consolidating offices and workshop facilities, working with Dam Safety to reduce dam surveillance, potential to self-deliver some regional projects, a review of existing water monitoring runs etc.
- An overview of the Groundwater IoT (telemetered meters) program was provided. WaterNSW is converting 630 sites from manual to telemetered to provide cost savings and non-financial benefits (safety risk reduction, CO2 emission reduction), as well as providing a significant increase of data for customers.
- WaterNSW staff visited the North Macquarie Marsh bypass channel in February for initial development of the scope of works and to progress to condition assessment and design. The site has been significantly impacted by the flooding events and has been inaccessible for some time.

## 3. Customer Services:

### 3.1 Update on Metering Review (R Pryce – DCCEEW)

- DCCEEW provided an update on the review of the Non-Urban Metering Reforms (as presented at the last meeting). The purpose of the review was to look at how to remove barriers to implementation and identify practical changes to the rules to improve compliance.

- An issues and options paper was released last year, which confirmed issues identified and general support for improving metering and measurement of water across the state. Submissions and a what we heard report have been published on DCCEEWS website. <https://www.dpie.nsw.gov.au/water/nsw-non-urban-water-metering/review-of-the-non-urban-metering-rules#what-we-heard-during-consultation>
- The review is now complete and DCCEEWS will provide feedback and final recommendations to the Minister for consideration. Once considered, the Minister will be looking to advise and provide certainty on the way forward.
- DCCEEWS responded to questions provided out of session regarding the 5-yearly revalidation process, which currently requires a DQP to do in-situ testing at the 5-year mark. Members raised concerns about the availability of DQPs to meet the needs of customers and the risk of works becoming non-compliant. DCCEEWS advised this has been explicitly recognised in the submissions. It is a requirement in NSW but is not a requirement in the national standards. There will be a recommendation to the Minister look at whether the requirement for in-situ accuracy testing is something that can be revisited.
- Further information on the non-urban metering review can be found on [DCCEEWS website](#).

### **3.2 Floodplain Harvesting Measurement update (D Andersen – DCCEEWS; K Reynolds – NRAR)**

- DCCEEWS provided an update on floodplain harvesting measurement, including how to nominate your measurement period in iWAS, an overview of the DAS dashboard, registering storage curves, exemptions, device and installation availability and programs to support measurement.
- The compliance date for installation of primary metering equipment in the Macquarie passed on 1 March 2024, so water take can only occur if primary metering is in place. If a meter is broken, submit a S91i application and use secondary metering equipment.
- Members raised concerns that the policy does not allow floodplain harvesting and irrigation to occur at the same time, with potential for water users to take water outside of policy and face enforcement by NRAR. DCCEEWS recognises this issue and advised the policy team is planning to consult with customers within the next month on an amendment. The Minister will need to sign off on any regulatory amendment however the aim is to align this with any non-urban metering review amendments.
- Members stated consultation with customers should occur prior to drafting any amendments to ensure issues are fully understood by the policy team.
- NRAR is currently verifying the compliance status of storages in the Gwydir, Border Rivers and Macquarie valleys. Satellites and other monitoring techniques will be used to identify water users who are capturing water from the floodplains.
- It is expected that any water user intending to take water from the floodplain will have primary metering equipment installed. NRAR is aware of the challenges and barriers in the market with DQPs and availability of equipment and will consider these factors, however those who take water without primary metering equipment in place may face enforcement in line with regulatory policy, regardless of the barriers.
- In the lead up to a wet weather event, NRAR will use the media and direct engagement with stakeholders to ensure NRAR's position is known.
- More information is available at <https://water.dpie.nsw.gov.au/plans-and-programs/floodplain-management/floodplain-harvesting-measurement> or emailing [metering.reform@dpie.nsw.gov.au](mailto:metering.reform@dpie.nsw.gov.au)

### 3.3 Customer Services update/Q&A (D Stockler)

- An update on what's happening in the Customer Services space was provided, including current status of DQP enquiries, hints and tips for DAS alarms, water order to delivery review, debtor management process, improvements and new transaction types now available in the customer portal and a digital roadmap for the Water Market System (WMS).
- WaterNSW is reviewing the definition and understanding of 'what a water order is' and how they are managed, to help ensure the ongoing compliance of all aspects of the process and remove ambiguity in this space. More detailed information will be provided at the July meeting to ensure customers are engaged throughout the process and have an opportunity to discuss any proposed changes.
- Enhancements to the WMS (customer portal) include screen sharing tools, guided product selector, in-application support, third party access, a regional office support trial and verification and fact sheets. In the next 6 months, existing customers will be able to view all current Approvals and Licences (May) and make enhancements to registration and management of business details (October).
- New transaction types becoming available include applications for Water Supply Works, Water Use or Combined Approvals and application tracking (May) and making works active/inactive (June).
- The Water Market System is being co-developed and is co-invested by the three water agencies (WaterNSW, DCCEEW and NRAR) into one platform.
- **Discussion and actions for the pricing component of the Customer Services session have been recorded by SEC Newgate (attached).**

## 4. Pricing Engagement:

### 4.1 Engagement on 2025-30 Pricing Proposal (WaterNSW, DCCEEW and NRAR)

**Discussion and actions in this session have been recorded by SEC Newgate (attached).**

Customer Advisory Group presentations (attached) in March 2024 sought customer input as planning commences for the price proposal submissions. WaterNSW, DCCEEW and NRAR sought thoughts and feedback on an approach to cost sharing and charges, and the valley-to-valley costs to deliver water with all required regulatory and policy projects included.

Discussion included:

- The cost drivers, and wider value, of NRAR services to achieve compliance with the rules, including a gauge of acceptable levels of compliance across NSW within the context of investment levels.
- A high-level discussion on potential price caps on the increase in WAMC charges, illustrated by high level 'persona' scenarios of customers of different conditions, water entitlements, usage, and valley locations.
- The revenue requirement of WaterNSW for bulk water delivery - driven by partially controllable and partly uncontrollable cost increases. This included a discussion of a set of scenario options that could reduce the base case cost increase to customer bills in 2025-2030. The scenarios also outlined the risks to WaterNSW.
- An ongoing discussion on the potential introduction of a revenue cap, with modelling demonstrating how the options of a revenue cap or price cap (with varying levels of fixed cost to variable cost ratios) would have worked with the same real water volumes that have occurred over the past 10 years, shown valley by valley.
- A capital expenditure discussion outlining the "must do", "should do", and "could do" projects that pertain to individual valleys, seeking feedback on customer appetite for these projects, including discussions on who should foot the bill for projects with different direct business relevance to customers and community.

- The question of Government-Owned Meters (for relevant valleys), including a potential transition to customer ownership at their end of life, ideas on customer and/or government funding of renewal and replacement, and testing some options with customers who have Government-Owned Meters.
- Further discussion on the proposed investment in 2025-2030 in the customer portal (with an associated lift in the data management and IT systems), that result in the replacement of a legacy customer service systems with newer, more adaptable, and higher capacity system that can meet future customer and water sector needs.

## **5. Presentations/Consultation:**

### **5.1 CAG Survey update (B Maher)**

- WaterNSW provided an overview of the results of the CAG Survey conducted in December 2023 (provided with business papers), including state-wide and valley-specific results. The purpose of the survey is to help us better understand how the CAG process is working for customers (what works well, what doesn't work, suggestions for future meetings etc).
- Further input and feedback was sought from CAG members on proposed engagement into the future.

### **Feedback/discussion:**

- o Members suggested they wouldn't go to industry specific engagement – is beneficial for us all to be in the room (industry/environment/etc)
- o consistency is important
- o industry-specific takes away the reason for having a CAG
- o ongoing commitment for WaterNSW to attend local events would be beneficial (eg rafts consultation – have a WaterNSW presence); having a WaterNSW presence when there are water discussions being held (catchment discussions);
- o three face-to-face meetings work well, and they are at the right time of the year;
- o ad-hoc meetings will be important as well, when required
- The survey will be re-opened and the link re-sent to all members to provide opportunity to those who have not yet contributed. We want to hear from all members, primary and alternate, including those who have not attended a meeting in some time.
- WaterNSW will provide some options to CAG members for input prior to the next meeting.

## **6. Business Papers:**

- Noted and taken as read.

## **7. General Business:**

- Nil general business raised.

### **Meeting Review and Close**

**Next Meeting:** 17 July 2024

**Meeting closed:** 3.15pm

## Macquarie-Cudgegong Customer Advisory Group – Actions – 13 March 2024

### Carried forward actions

Action No.	Action	Responsibility	Status
<b>MC1705.03</b>	WaterNSW to look at costing of re-routing channel at Bulgeraga Creek.	R Magaharan	<p><b>Action complete, works ongoing.</b></p> <p><b>March 2024 update:</b> Aboriginal Heritage Assessment currently underway with Russell Hill (WaterNSW) to present project to Native Title group for approval. Initial field assessment is then to take place, date to be confirmed.</p>
<b>MC1809.04</b>	WaterNSW to advise if there are any long-term plans to address issues at Gin Gin weir which affect customers in low flow conditions.	R Magaharan	<p><b>Action complete, works ongoing.</b></p> <p>There are plans in place to block the lower scour valve when water levels permit. This should keep the weir pool at a higher-level during periods of low flows.</p> <p><b>March 2024 update:</b> There is no change since the previous update, with water still over the crest. Work to commence once access to the crest is available.</p> <p>The future of the weir will form part of the Macquarie-Wambuul Water Security Project (formerly Macquarie-Re-Regulating Storage Project) <a href="https://water.dpie.nsw.gov.au/water-infrastructure-nsw/regional-projects/macquarie-wambuul-water-security-project">https://water.dpie.nsw.gov.au/water-infrastructure-nsw/regional-projects/macquarie-wambuul-water-security-project</a></p>

### New actions

Action No.	Action	Responsibility	Status
<b>MC2403.01</b>	WaterNSW to model some scenarios for the bulk water transfer for further discussion with customers.	M Khan	<b>In progress.</b>

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