



Consultative Forum Report

Annual Operating Licence Report

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About the Annual Operating Licence Reports

Hunter Water Corporation (Hunter Water) delivers services under an Operating Licence granted by the NSW Government. The licence protects consumers by prescribing minimum standards of service that Hunter Water must meet in relation to:

- Drinking water quality - supplying customers with safe drinking water
- Water continuity - providing customers with a reliable supply of water
- Water pressure - providing customers with water pressure as specified in the licence
- Wastewater transport - providing the reliable transport of sewage

The Operating Licence also sets out conditions relating to community consultation, customer and consumer rights, customer complaint and dispute handling, managing water demand and supply, environmental management, publication of environmental and Ecologically Sustainable Development (ESD) indicators and independent auditing of operational performance.

The current Operating Licence came into force from 1 July 2007 and is effective until 30 June 2012. The content of the licence was determined after a full public review by the Independent Pricing and Regulatory Tribunal (IPART) of the performance of the previous licence, which had been in place since 2002. A full copy of the Operating Licence is available on Hunter Water's website www.hunterwater.com.au

Each year, an independent audit of Hunter Water's operations is conducted to assess the Corporation's compliance with the Operating Licence. The audit assesses Hunter Water's performance against service standards and associated conditions of the licence. This annual audit is overseen by IPART.

To assist in the audit process, the Operating Licence requires a number of reports to be provided annually to IPART. These reports are:

- Catchment Report
- Consultative Forum Report
- Customer Services Report
- Drinking Water Quality Management Report
- Environmental Performance Indicators Report
- Integrated Water Resource Plan Report
- Service Quality and System Performance Report

The reports must be submitted by 1 September each year with the exception of the Drinking Water Quality Management Report, which is submitted by 31 December. All reports, or key elements of them as set out in the Operating Licence, must also be posted on Hunter Water's website or made available to the community free of charge at Hunter Water's offices.

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Executive Summary

The Consultative Forum is an advisory body that provides advice to Hunter Water on customer and consumer interests in relation to the Corporation's Customer Contract and the operational performance requirements of its Operating Licence.

The Forum works to a Charter which sets out its role, membership requirements and administrative arrangements, including meeting protocols and communication of Forum activities to the wider community. A copy of the Charter is placed on Hunter Water's website and can be found at: www.hunterwater.com.au/Community/Consultative-Forum

This report presents the activities undertaken by Hunter Water's Consultative Forum throughout 2010-11. During the year the Consultative Forum considered a number of matters including:

- Proposed major long-term upgrades to the Burwood Beach and Farley Wastewater Treatment Works
- Consultative Forum self-assessment
- Hunter River Catchment Effluent Management Master Plan
- Community Funding Program
- Tillegra Dam planning process and determination
- Sustainable Decision-Making Framework

Throughout 2010-11, membership of the Consultative Forum consistently complied with Operating Licence requirements. At all times, membership included a delegate from all mandatory community and environmental representative groups and was compliant with the Consultative Forum Charter. Throughout the year, member groups remained consistent, and two groups provided new delegates to represent their organisation and constituents to the Forum.

The Forum is a vehicle for obtaining timely feedback on issues of significance to Hunter Water and the community. It is a two-way means of communication between the community and Hunter Water's decision-makers, where requests are either addressed immediately, or through a Question on Notice system at the next Forum.

1 The Role of the Consultative Forum

Clause 5.4.1 of the Hunter Water Operating Licence requires that Hunter Water establish and regularly consult with a Consultative Forum to enable community involvement in issues relevant to Hunter Water's performance under the Operating Licence. Clause 5.4.2 of the licence states that Hunter Water may use the Forum to provide advice on customer and consumer interests relating to the Customer Contract and other key issues relating to Hunter Water's planning and operations.

Under Clause 5.4.4 of its Operating Licence, Hunter Water is to develop and maintain a Consultative Forum Charter that addresses, amongst other issues, the role of the Consultative Forum. This Charter, developed in 2003 and reviewed by members for its relevance to the Operating Licence in 2010, states that the Consultative Forum is an advisory body, whose role is to provide advice, feedback and assessment on appropriate matters. More specifically, the Forum is to provide:

- A means for achieving effective customer and community input into Hunter Water's decision-making processes in line with its obligations under its Operating Licence;
- A means for examining relevant matters raised by community representatives and Hunter Water management;
- Opportunities for matters raised by community representatives to receive direct consideration and response from Hunter Water; and
- A means of facilitating and encouraging two-way communication between the representative groups and Hunter Water.

2 Consultative Forum activities during 2010-11

The Consultative Forum's Charter requires the Forum to address matters relevant to Hunter Water's performance and obligations under its Operating Licence, key issues related to Hunter Water's planning, as well as other matters of public interest.

Issues raised and discussed were generated from both Hunter Water and its members. In accordance with the Charter, matters were either raised for the information of members or for active engagement where members were encouraged to provide feedback.

2.1 Key matters raised by members in 2010-11

2.1.1 Clarence Town Sewer System

In the September meeting, the Member for Dungog Shire Council asked for an update on the Clarence Town Sewer Scheme. As part of the December meeting, members received a report outlining the stage of construction of the project, a likely completion date and the outcomes of ongoing consultation with the local community.

2.1.2 Timing of Consultative Forum meetings

A member raised in the September meeting that the practice of morning meetings prevented him from attending regularly due to work commitments, so Hunter Water liaised with all members to ascertain if afternoon meetings would be acceptable for all members. It was agreed that afternoon meetings were convenient for all members so remaining 2010-11 meetings were scheduled accordingly. Meeting times will be reviewed annually in consultation with members to ensure no member is disadvantaged in their ability to attend meetings.

2.1.3 Cockle Creek pipeline

A member advised in the December meeting that the remaining section of Hunter Water pipeline across Cockle Creek had been causing a problem for rowers and other users of the creek and asked Hunter Water's Convenor if former plans to remove the pipeline had been abandoned. The Convenor advised that a contract had been let recently for work to soon commence to remove the remaining pipeline.

2.1.4 Price of Water Supplied to Central Coast

A member asked during the December meeting at what price Hunter Water sold its water to the Central Coast? The Convenor advised that the Central Coast Water Authority received a discount as set by IPART, as it is deemed an off-peak supply which did not require any extra infrastructure to be built by Hunter Water.

2.1.5 Recreational activities – Grahamstown Dam

A member advised that a constituent had asked if there was a problem with human waste going into the water supply at Grahamstown Dam as a result of recreational activities. The Convenor advised that recreational activities were limited to certain areas within the dam

and did not include full body contact with the water. Ongoing water quality testing had shown recreational use of the dam did not impact the quality of water stored in the dam.

2.1.6 Maitland infrastructure

In the March meeting a member noted that continual population growth is expected in central Maitland, and asked how Hunter Water was preparing the infrastructure needed to cope with the increase.

The Convenor noted Hunter Water regularly liaised with regional planners and the Department of Planning to remain aware of proposed development across Hunter Water's area of operations including Maitland, and ensure this is incorporated into infrastructure planning.

2.1.7 High nutrient levels at Marmong Point

In the June meeting a member noted that high nutrient levels had been recorded by the Waterwatch group at Marmong Point and asked for maps of the old wastewater treatment plant to assess if there was a possible link. Hunter Water provided these maps directly to the member for forwarding to the Waterwatch group for use in their monitoring.

2.1.8 Chichester Dam weed management

A member noted that there was significant lantana and weed growth around Chichester Dam that needed to be addressed. This information was forwarded to the Dams and Catchments team within Hunter Water, who advised the weed growth on the surrounds of the dam was to be cut back in coming weeks.

2.1.9 Nelson Bay Pumping Station

A member asked about the beautification of the pump station at Nelson Bay. The Convenor noted that Hunter Water would liaise with the member on this ongoing discussion item.

2.2 Key matters raised by Hunter Water in 2010-11

2.2.1 Burwood Beach WWTW Stage 3 Upgrade

Hunter Water's Manager System Planning and Project Manager for Burwood Beach Wastewater Treatment Works (WWTW) Stage 3 Upgrade provided a detailed presentation in the September meeting outlining the next 30 year master plan for the plant. A key component is the engagement of stakeholders and the broader community as part of the planning process.

2.2.2 Farley WWTW Stage 3 Upgrade

In September, Hunter Water's Project Manager for Farley WWTW Interim Upgrade provided an overview of the project outlining that the area around Maitland is one of the highest growth corridors in Hunter Water's area of operations. He noted that Hunter Water had sought input from the broader community regarding the issues and values to be considered as part of the interim upgrade.

2.2.3 Consultative Forum Self Assessment

The Convenor advised that good practice suggested Hunter Water's Consultative Forum conduct a self-assessment from time to time, as happened with our Board and other committees. A proposed questionnaire was put to members, who agreed to conduct a self assessment using the questionnaire provided. The members felt the template was comprehensive and the questions relevant and all members received the questionnaire prior to the December meeting.

The self-assessment questionnaire, completed by 10 of 15 members in late 2010, showed that the majority of members felt that the Forum was an effective means for Hunter Water to build relationships with community representatives. The results of the self assessment were presented back to members in the March meeting and a number of suggestions made through this process have been actioned since.

2.2.4 Sustainable Decision Making Framework

In the December meeting Hunter Water presented members with the Sustainable Decision Making Framework which would be used in decision making for strategic projects. The background to the framework was presented to members for their feedback. Members' feedback centred on how the weightings of different factors were determined for use in the framework. Hunter Water advised this was determined by a multidisciplinary group incorporating community members and a team from within Hunter Water including economists, environmentalists, delivery and project managers, as well as consultants working on the project.

2.2.5 Catchment Management Plan

The new Catchment Management Plan was presented to members in the December meeting. The Plan aims to provide clear priorities to protect our catchments and ensure we have sustainable access to safe quality drinking water and promotes further collaboration with stakeholders.

2.2.6 Changes to the NSW Government relevant to Hunter Water

Following the NSW election in March, Hunter Water provided an overview of the changes to the NSW Government in the June meeting, which included Hunter Water's portfolio and shareholding ministers, and changes to regulatory departments.

2.2.7 Lower Hunter Water Plan

Following the determination by NSW Planning not to proceed with the Tillegra Dam proposal, Hunter Water has provided regular updates to members on the development of the Lower Hunter Water Plan.

2.2.8 Hunter River Catchment Effluent Management Master Plan

Hunter Water is developing an effluent management master plan for wastewater treatment works (WWTWs) which discharge their effluent into the Hunter River. The team provided an opportunity for members to help guide the decision making process for the plan in the June meeting. Following a presentation on the background of the plan and current effluent

management scenarios, members were asked for their feedback on the perceptions of potential effluent management processes and systems to be considered as part of the Hunter River Catchment Effluent Management Master Plan.

3 Membership of the Consultative Forum

3.1 Membership requirements

Clause 5.4.3 of Hunter Water's Operating Licence requires the Consultative Forum to include organisations representing the following segments of the community:

- Business and consumer groups;
- Organisations representing low income households;
- People living in rural and urban fringe areas;
- Residential consumers;
- Environmental groups, including environmental education;
- Local government; and
- People from non-English speaking backgrounds.

To ensure that the membership of the Forum is limited to a number that is workable, the Consultative Forum Charter allows members to represent more than one community segment. The Charter also requires Forum membership to include representatives of Hunter Water senior management.

3.2 Membership selection and appointment criteria

Consultative Forum members are to be nominees of community organisations that meet one or more of the above criteria. Member organisations are chosen by a selection panel of Hunter Water senior management and Forum representatives. To qualify for representation, organisations must be able to demonstrate:

- That the organisation is a formally constituted entity, with membership of a reasonable size;
- Established mechanisms to facilitate two-way feedback between Hunter Water and the organisation;
- Primary objectives of promoting the interests of one or more of the nominated community segments;
- Direct links with the nominated community segments;
- That the organisation is non-party political in nature; and
- That the organisation has non-profit-making characteristics.

Appointed member organisations are responsible for nominating a representative to the Forum. Such representatives should meet the following criteria:

- An interest in water-related matters;
- An ability to report the views of their represented organisation to Hunter Water;
- An ability to provide feedback from Forum meetings to their organisation; and

- A commitment to work within the framework and philosophy of the Consultative Forum Charter.

At least once during each Licence period, Hunter Water will review the membership of the Consultative Forum. As part of this review, Hunter Water will consult with member organisations to confirm the continuation of their representation and their existing nominee.

The most recent membership review was undertaken during 2007-08. The review found that Consultative Forum members considered the size and composition of the Forum to be appropriate and to provide good coverage of Hunter Water's key stakeholder groups. It was suggested, however, that following the extension of Hunter Water's area of operations to the Dungog Shire, benefit could be gained by adding a representative from Dungog Shire Council.

In December 2007 advertisements calling for Expressions of Interest from organisations seeking representation on Hunter Water's Consultative Forum were placed in the local print media. Correspondence was also forwarded to all existing member organisations informing them of the Expression of Interest for membership and encouraging them to continue their membership of the Forum.

As a result of the review, the Forum welcomed new member organisations Dungog Shire Council and the Property Owners Association, as well as new representatives of existing member organisations the Hunter-Central Rivers Catchment Management Authority and the Hunter Business Chamber.

Hunter Water will undertake another review of its member organisations in 2012-13 prior to the beginning of the next Operating Licence period.

3.3 Current membership

During 2010-11 membership of the Consultative Forum comprised the following:

Table 3.1 – Consultative Forum members

Representative	Organisation	Representative category
Mr Kevin Young	Hunter Water Corporation	Convenor
Cr Glenn Wall	Dungog Shire Council	Local government
Cr Christopher Parker	Cessnock City Council	Local government
Cr Arch Humphery	Maitland City Council	Local government
Cr Wendy Harrison	Lake Macquarie City Council	Local government

Representative	Organisation	Representative category
Cr Mike King	Newcastle City Council	Local government
Cr John Nell	Port Stephens Council	Local government
Prof George Kuczera	University of Newcastle	Business consumer group
Mr Paul Murphy OAM	Hunter Business Chamber	Business group
Ms Ingrid Berthold	Hunter-Central Rivers Catchment Management Authority	Environmental group
Mr Kevin McDonald	Hunter Region Botanic Gardens	Environmental group
Ms Carolyn Gillard	Environmental Education	Environmental group
Mr John McDougall	Newcastle Combined Pensioners Area Council	Low income representative
Mr Alex Burns	Northern Settlement Services	Non English speaking background representative
Mr Rick Banyard	Property Owners Association	Residential consumer group
Mr James Hopson	Williams River Water Users Association	Rural and urban area representative

Two member organisations changed their representative before the December 2010 meeting. The current members for these groups are:

Representative	Organisation	Representative category
Cr Harold Johnston	Dungog Shire Council	Local government
Mr Jason Pauling	Hunter Business Chamber	Business group

4 Forum meetings

The Consultative Forum Charter requires Forum meetings to be held quarterly, usually in March, June, September and December. Minutes from the previous meeting, formal agendas and supporting materials are to be forwarded to Forum members one week prior to each meeting.

Forum meetings are to be chaired by the Hunter Water Managing Director or his nominee. Hunter Water is to provide the necessary administrative resources to enable the Forum to function effectively. Meetings are to include appropriate presentations and field visits to allow Forum members to gain an understanding of the matters before it for discussion.

A new initiative introduced in December 2009 enabled members to nominate an 'alternate' member from their organisation to ensure steady representation from each member organisation. Members agreed to determine an alternate representative from their respective organisations and provide their contact details prior to the March 2010 Forum meeting.

This alternate member system was used at the March 2011 meeting with the attendance of Cr Garry Edwards, alternate member representing Lake Macquarie City Council.

Standard agenda items included:

- Review of matters arising from previous minutes
- Hunter Water's Annual Reporting Program
- Questions on Notice received
- Managing Director's report
- Discussion items
- Members' issues and general business

Hunter Water provided minutes from the previous meeting to members at least one week prior to each meeting, along with the agenda and supporting materials.

Table 4.1 indicates each member's meeting attendance throughout 2010-11.

Table 4.1 – Member attendance for 2010-11

Representative	Attendance at meetings held			
	Sept 2010	Dec 2010	Mar 2011	June 2011
Mr K Young		✓	✓	✓
Mr J O'Hearn (acting as Hunter Water Convenor in place of K Young)	✓			
Cr W Harrison	✓	✓		✓
Cr G Edwards (representing Lake Macquarie City Council in place of Cr W Harrison)			✓	
Cr C Parker	✓			
Cr C Gillard	✓	✓	✓	✓
Mr J McDougall	✓	✓	✓	✓
Mr R Banyard	✓	✓	✓	✓
Mr A Burns				
Mr K McDonald	✓	✓	✓	✓
Mr J Hopson	✓	✓	✓	
Ms I Berthold	✓	✓		✓
Cr J Nell	✓	✓	✓	✓
Mr P Murphy OAM	✓	#	#	#
Prof G Kuzcera		✓	✓	✓
Cr M King	✓			✓
Cr A Humphery		✓	✓	✓
Cr G Wall	✓	#	#	#
Cr H Johnston	#	✓	✓	✓
Mr J Pauling	#	✓		✓
Ms F Marshall (as a guest of representative for Hunter-Central Rivers CMA)	✓			

Denotes this person was not a member of the Forum at the time of this meeting.

5 Communication of outcomes

As required by Clause 5.4.7(a) of Hunter Water's Operating Licence, the agendas and papers of the Consultative Forum are published on Hunter Water's website at www.hunterwater.com.au/Community/Consultative-Forum/Meeting-Papers

The minutes of each meeting are also incorporated into the Open Board component of a following Board meeting and published on our website at www.hunterwater.com.au/About-Us/Our-Organisation/Our-Board/

As stated by the Forum Charter, Hunter Water includes a summary of the Forum's activities for the previous year in its Annual Report.

Further, this report on the Forum's activities will be available free of charge on the Consultative Forum section of Hunter Water's website.

6 Operating Licence checklist

Table 6.1 – Operating Licence checklist

Section In Licence	Location in report
<p>5.4.7 (b)</p> <p>Hunter Water must:</p> <p>publish a report by no later than 1 September each year on the activities of the Consultative Forum for the immediately preceding financial year that addresses the following issues:</p>	
<p>i. the activities and achievements of the Consultative Forum; and</p>	Forum activities during 2010-11 (Section 2)
<p>ii. compliance of the Consultative Forum with the Consultative Forum Charter; and</p>	<p>Where Hunter Water has met the Consultative Forum Charter requirements:</p> <ul style="list-style-type: none">• The role of the Consultative Forum (Section 1)• Membership of the Consultative Forum (Section 3)• Forum meetings (Section 4)• Forum Activities throughout 2010-11 (Section 2)• Communication of outcomes (Section 5)
<p>Post this report on Hunter Water's website on the internet for downloading free of any charges imposed by Hunter Water and make available at its offices for access or collection by any member of the public, also free of charges imposed by Hunter Water.</p>	<p>This report will be posted on the Consultative Forum section of Hunter Water's website. Customers may also obtain a printed copy from any Customer Service Centre.</p>