HUNTER WATER COMMUNITY COMMITTEE

Overview and Terms of Reference

JULY 2025

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HUNTER WATER COMMUNITY COMMITTEE

Background

The Lower Hunter is a vibrant, diverse and growing community. From a thriving metropolis to small towns, new arrivals to the most ancient culture of all, the world's biggest companies to our smallest sporting clubs and community groups, everyone relies on water.

As a utility, we need to respond to the challenges of drought and climate change, support a growing population, and deliver the outcomes expected by our customers and community.

Most of the prices we charge are set by the Independent Pricing and Regulatory Tribunal (IPART) based on the efficient costs of Hunter Water providing essential services to our customers. IPART sets our prices every five years, with adjustments for inflation between reviews. Hunter Water is required to submit our plan to IPART for the services we'll provide, and the prices customers will pay. This is called our 'pricing proposal'. We submitted our 2025-2030 pricing proposal to IPART in 2024, and IPART released their final decisions in mid-June 2025. New prices came into effect on 1 July 2025.

In developing our pricing proposal, we undertook an extensive five stage engagement program with our customers and community over a two-and-a-half-year period to ensure our proposal reflected their values and preferences.

One of the commitments we made in our 2025-2030 pricing proposal was to establish an ongoing Community Committee, 'the Committee', under our Customer, Consumer and Community Consultation Procedure. The Committee will help keep us accountable for the delivery of customer outcomes and have a say on our annual performance assessment. This will help ensure transparency and keep customers and the community at the heart of all we do throughout the pricing period. We want to be open, transparent, and focused on the needs of our customers and the community. That's why we've brought together a diverse group to help us track how we're doing and share honest feedback.

Objectives

The Committee will make an invaluable contribution to ensuring our customers, community and stakeholders are confident that their values and preferences are driving our priorities and that we are delivering on our promises. These promises are articulated in our six Customer Outcomes, which are the foundation of our Pricing Proposal and seek to deliver on what our customers and community have told us they value (see Figure 1).

Figure 1: Hunter Water Customer Outcomes

The Community Committee will:

1. **recommend a performance rating for each outcome on our customer report card**

   In addition to quantitative performance, the Committee may consider qualitative factors such as the degree to which any target was exceeded or missed, the impact of external factors on performance, actions taken (effort) toward achievement of a target, and the number of targets achieved per outcome.

2. **be engaged on plans, strategies or proposals, as appropriate**

   As an example, the Committee will be offered an opportunity to engage with us in developing our next pricing proposal ahead of the 2030-35 pricing period, and in the periodic review of our Operating Licence, Customer Contract and other relevant plans as appropriate.

3. **be consulted if mid-period changes are necessary to the report card measures, or targets during the pricing period**

   We envisage this would only be required in exceptional circumstances - for example, if a measure could no longer be reliably tracked due to a change in a service provider or discontinuation of a measure adopted from a third party. In such circumstances, the Committee might be asked to consider an appropriate replacement and/or safeguards to ensure transparency. The Committee's feedback will be used to inform discussions with IPART.

Principles

- The Committee is comprised of at least 15-20 members and is demographically reflective of the population of Hunter Water's area of operations. Additional members may be recruited to restore demographic representation lost through attrition.
- Hunter Water will offer different levels of public participation based on the IAP2 Spectrum of Public Participation (e.g. consult, involve or collaborate) depending on the topic. Hunter Water will clearly articulate what level of participation is being offered for each topic considered by the Committee.

- New members will be made aware of any decisions previously made by the Community Committee and Hunter Water and informed of expected member code of conduct.
- Committee meetings will be conducted by an independent facilitator.
- Relevant contextual information will be regularly updated and provided to the Committee
- All Committee members are equals, there will be no chairperson.

Members agreed at the inaugural meeting that the following principles should guide overall behaviour:

> *The Committee should practice the principles of respect, patience, openness, and empathy. Committee members should remain focused on their shared goals and respect the process. The Committee should foster an environment where all members feel safe to speak up, learn from each other, and work together.*

The Community Committee is a collaborative process, which means participants will:

- Discuss issues, challenges and opportunities
- Hear what other customers and community members have said about our services and pricing
- Consider a broad range of information and hear from guest contributors
- Work together to provide feedback and advice to Hunter Water.

As part of this process, it's expected that everyone – including the independent facilitators, Hunter Water project team representatives, guest contributors, observers and committee members – are respectful of each other. Different views and healthy disagreements are encouraged and welcomed as part of the process.

We will be transparent about how we've performed and why. This includes how our performance has been influenced by things out of our control, and what's occurred due to our activities.

Code of Conduct and Conflicts of Interest

Everybody should feel safe

The rigorous independent recruitment process means that there are people in the room from right across our region and from all walks of life. To ensure everyone feels safe and respected, it's important that all members create space for others to contribute, including by holding back a little when needed so that no one feels judged or excluded.

The rules of social interaction that work for you and your friends probably may not apply to all cultural groups, all ages and genders. People have different senses of humour, different expectations about taking turns in conversations, and different ways of disagreeing.

Three useful rules to keep in mind:

1. Disagree without being disagreeable,
2. Monitor how much you're speaking, and don't take more than your share of the airtime, and
3. Speak to a facilitator if you don't feel comfortable.

Social media guidelines

The Hunter Water Community Committee is an open and transparent process.

Hunter Water may post highlights of the meetings on our website and to our social media channels. Hunter Water will take photos and videos at the in-person sessions and use these in corporate publications, website and social media channels. By participating, you give your consent to be photographed and for the photos to be used for these purposes unless you provide advance notice that you do not consent. Your personal information will be managed in accordance with Hunter Water's Privacy Policy.

Committee members are welcome to post on social media about their individual participation. However, please respect the privacy of fellow Committee members, guest contributors, Hunter Water and facilitators.

Any public comment on social media channels or other public forums should be respectful, factual and polite, and should only be from the individual's perspective – not on behalf of the Committee or Hunter Water. If members post photographs, it is expected that they have sought permission from any participant depicted.

Composition of the Committee

How Community Committee members are selected

Using a fair process to randomly select participants is an important part of ensuring that the diverse views of the community are represented on a committee.

Our Community Committee is made up of approximately 50 members as of 2025. Some are continuing members of the 2024 Pricing Proposal Community Panel (the Community Panel) that engaged deeply with us in developing recommendations on key challenges in our pricing proposal. Some are new members. This mix of membership reflects what we heard from the Community Panel and will help us to make sure that we have a representative mix of people in our community, a mix of views, and ability to share first-hand experience on why (and how) the Panel made its decisions.

Hunter Water is not involved in the selection of Committee members.

This approach helps build trust in the Committee's advice by ensuring a balanced and representative mix of voices. The selection process ensures the involvement of customers with different experiences, from different backgrounds and locations, who will have different approaches to problem solving. As natural attrition occurs, Committee membership may be 'topped up' to ensure it continues to reflect our community.

Roles and responsibilities

Community Committee members

Hunter Water expects that Committee members will:

- Attend Committee meetings and actively participate in discussions.
- Provide apologies in advance where meeting attendance is not possible.
- Treat members of the Committee and Hunter Water staff and stakeholders with respect and courtesy
- Challenge ideas, not individuals or their opinions.
- Not use inflammatory language or behaviour of any kind.
- Disclose any relevant interests and take reasonable steps to avoid conflicts of interests. A conflict of interest is considered when a Committee member can be perceived as materially benefiting by a decision made by the Hunter Water based on the Committee's feedback. Employees of organisations that receive grants or sponsorships from Hunter Water or are a significant provider of goods and services to Hunter Water, must declare their potential conflict of interest prior to any Committee session activity, or as soon as the potential conflict becomes known to the Committee member.
- Not speak on behalf of the Committee - if they are to make media or public comment, it must be clearly identified as their personal view.
- Protect and preserve the confidentiality of any information provided or discussed at meetings that is identified explicitly as being commercial-in-confidence or confidential. Committee members are encouraged to discuss topics raised at meetings with non-members that are not identified as confidential.

Termination of Committee membership could result from:

- Missing two or more consecutive meetings without an apology.
- Misconduct (such as inappropriate behaviour in meetings, or abuse of position on the Committee for personal gain).
- Disclosing information that has been explicitly identified as commercial-in-confidence or confidential.
- Violating the intent or purpose of the Terms of Reference.
- A member of the Committee becoming an employee or contractor of Hunter Water.

Hunter Water

Hunter Water will provide the Committee with the information required to perform its tasks. This includes speakers such as subject matter experts and/or community or stakeholder representatives as required and on request.

Hunter Water will offer help to ensure all members are able to participate fully on the Committee e.g. an interpreter, hearing or sight assistance etc.

Facilitation team

The independent facilitation team's role is to independently support Committee members and to guide the process in a way that helps participants to perform all tasks as effectively as possible. This includes ensuring the Committee can discuss and debate topics without influence from Hunter Water.

Observers

Observers help to build understanding and enhance the transparency of the process. Any observers will be provided with a set of rules that govern their behaviour and they can't disturb Committee members or disrupt the process.

It is important that planners, operators and decision-makers at all levels at Hunter Water hear firsthand views about the value Hunter Water provides and are accountable for Hunter Water's performance. Known observers may be Hunter Water employees, Executives and Board members. Keeping the process transparent may mean there are other stakeholder observers at the sessions from time to time. These may include employees from NSW government departments, NSW regulators (e.g. IPART, EPA or NSW Health), or customer advocacy groups.

Term limits

Committee members should participate in no more than one pricing proposal deliberative forum process. This will ensure ongoing independence and manage the risk of 'corporate capture' (real or perceived). In practice, this means that members continuing from the Community Panel ('continuing members') do not have a formal role in 2030-2035 pricing proposal deliberations. However, they may have the opportunity to participate in that deliberative process in a mentoring role for new members ('new members').

At the conclusion of the 2030-35 pricing proposal engagement process, continuing members (those that participated in the 2025-2030 deliberative forum) will be required to step down from the committee. As described in the 'principles' section, additional Committee members may be recruited to restore demographic representation lost through attrition throughout the life of the Committee.

The process for refreshing the Committee is depicted in Figure 2.

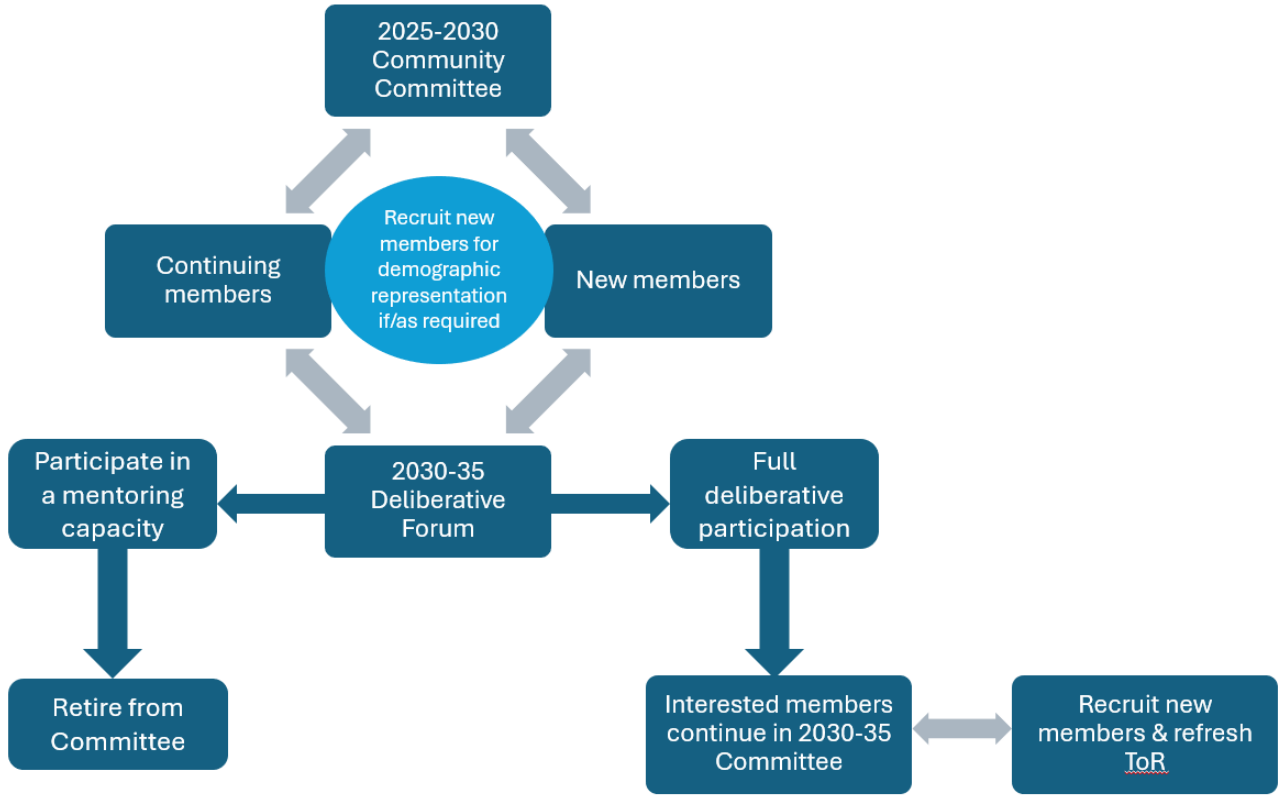

Figure 2: Process for refreshing membership

Meetings

Meeting frequency

The Committee will meet at least annually to help keep us accountable for the delivery of customer outcomes and have a say on our annual performance assessment. Additional meetings will be held as required to ensure that the Committee's objectives are fulfilled.

Decision-making processes

Committee members will be provided with detailed information to inform their ratings of Hunter Water's annual performance against targets (marking the Customer Report Card). This information will include, but is not limited to:

- Context – what each Customer Outcome aims to deliver and what each associated measure means in practice.
- Data trends – how performance against targets is tracking longitudinally across the pricing period, not just at a specific point in time.
- Description of thresholds to determine if performance against any given target is met (green), on track for regulatory period but below annual target (amber) or not met (red). Committee members will base their performance ratings on these thresholds.
- Description of the actions Hunter Water has taken and/or investments made to achieve targets for each measure.

We will aim for majority agreement (being more that 50% of those Committee members present agree) from the Committee on the assessment of Hunter Water's performance. If majority agreement is not reached, further discussion with the Committee will occur to understand reasons why and ensure that there hasn't been any misinterpretation. Any difference in views will be documented in the session report. See Table 1 for summary of 2025-2030 measures and targets.

Table 1: 2025-2030 measures and targets summary

Outcome	What we're measuring	How we're measuring it	Our current performance	Target for					Trend
				2025-26	2026-27	2027-28	2028-29	2029-30	
High-quality water services	Drinking water safety	Percentage compliance with Australian Drinking Water Guidelines	99.95%	≥ 99.75%	≥ 99.75%	≥ 99.75%	≥ 99.75%	≥ 99.75%	Steady
	Our response time to rectifying service issues	Percentage of service delivery issues raised by customers addressed within target timeframes	88%	≥ 88%	≥ 88%	≥ 88%	≥ 88%	≥ 88%	Steady
	Customers who are repeatedly affected by a service issue (low water pressure, bad odour and/or wastewater overflows)	Cumulative number of customers removed from our repeat service issue register (low pressure, odour and wastewater overflow issues)	40 per year	≥ 80	≥ 180	≥ 320	≥ 550	≥ 1,000	Improve
	Service interruptions	Operating Licence service standards met for water continuity, water pressure, dry weather wastewater overflows and repeat dry weather wastewater overflows [1]	4/4	4/4	4/4	4/4	4/4	4/4	Steady
Value for money, affordable	Value for money	Percentage of survey respondents that agree Hunter Water delivers value for money (via survey)	51%	≥ 51%	≥ 50%	≥ 50%	≥ 50%	≥ 50%	Steady
	Support for vulnerable customers	Percentage of customers who are accessing, or have accessed, our support programs that agree the program is effective (via survey) [2]	≥ 70%	≥ 70%	≥ 70%	≥ 70%	≥ 70%	≥ 70%	Steady
Water security	Leakage in our supply system	The average volume of leakage and overflow from our supply mains and service reservoirs. Expressed in a daily volume (litres, per service connection, per day) [3]	83	≤ 65	≤ 55	≤ 45	≤ 45	≤ 40	Improve
	Delivering Belmont Desalination Plant	Key milestones met in the delivery of the Belmont Desalination Plant by 2028 [1]	On Track	On Track	On Track	First water June 2028	Plant complete	N/A	Improve
Environmentally sustainable	The impact of our activities on the swimming quality of beaches	Percentage of Beachwatch sites graded as good, or grading unaffected by our activities	100%	100%	100%	100%	100%	100%	Steady
	Greenhouse gas emissions	Percentage reduction in carbon dioxide equivalent emissions compared to a 2020-21 baseline	30 %	≥ 40%	≥ 50%	≥ 60%	≥ 70%	≥ 80%	Improve
	Environmental compliance	Number of major environmental incidents [1]	2	≤ 3	≤ 3	≤ 3	≤ 3	≤ 3	Steady
Great customer service	Customer satisfaction with our customer service	Percentage of customers that are satisfied with their most recent interaction with us (via survey) [2]	≥ 70%	≥ 70%	≥ 70%	≥ 70%	≥ 70%	≥ 70%	Steady
Community-focused	Community trust	Percentage of survey respondents that agree they trust Hunter Water (via survey) [2]	≥ 75%	≥ 75%	≥ 75%	≥ 75%	≥ 75%	≥ 75%	Steady

Outcomes for activities undertaken by the Committee that are not related to annual performance assessment will be clearly articulated to members and aligned to the level of participation being offered.

Record-Keeping and Use of Information

Correspondence and documents created or received relating to the Committee's business are considered to be government records, and may be such are subject to Hunter Water's obligations under the provisions of the *Government Information (Public Access) Act* 2009.

Meeting procedures and reporting

The agenda for annual performance ratings sessions will primarily consist of activities related to the Committee marking the Customer Report Card. Sessions held outside of this annual cadence will be for specific purposes that will be described to Committee members when the meeting is called.

Outcomes from Committee meetings will be collated in a report that will be provided to members and made available on Hunter Water's website.

Feedback from the Committee will be sought regarding the format(s) of the annual Customer Report Card. Hunter Water will clearly articulate how Committee feedback on other topics will be used and will report back on how it has informed our decision-making.

Remuneration

Committee members will receive $175 for each full day session they attend and $85 for a part day session (either face to face or online). Payment will be made to attendees in the week following the session(s). Additionally, Hunter Water will reimburse travel at the Australian Tax Office (ATO) rate of $0.88 per kilometre travelled for Committee members that travel **more than** 30km from their residence to attend face to face sessions. These travel reimbursements will be paid for all face-to-face sessions held after June 2025.

Evaluation and Terms of Reference review

At the conclusion of each session members will be sent a 'post event' survey to understand members perceptions of how effective the session was, the usefulness of the information provided to them, and their satisfaction with their involvement. Opportunities for process improvement will be considered throughout the life of the Committee.

These Terms of Reference will expire at the conclusion of the current term of the Committee (final assessment of Hunter Water's 2029/2030 performance). Committee members views of the applicability and effectiveness of these terms will be canvassed. Amendments to these Terms of Reference will be considered by Hunter Water and the Community Committee established for the 2030-2035 pricing period.

Call
1300 657 657, weekdays 8am-5pm
1300 657 000, 24 hours, seven days
Translation service: 13 14 50

Head Office
36 Honeysuckle Drive
Newcastle NSW 2300

Email
enquiries@hunterwater.com.au

Mail
Hunter Water
PO Box 5171
HRMC NSW 2310

Connect
hunterwater.com.au