



# MEETING MINUTES

Committee Name:	Customer and Community Advisory Group (CCAG)
Venue:	Hybrid meeting In Person: Hunter Water Board Room, 36 Honeysuckle Drive, Newcastle West Online: Via Teams
Date and Time:	Wednesday 30 March 2022 9.30am – 12noon

## MEMBERS PRESENT

Cr Brian Adamthwaite	Lake Macquarie City Council <b>(Chair)</b>
Cr Dr Elizabeth Adamczyk	City of Newcastle
Ms Kerindy Clarke	
Mayor John Connors	Dungog Shire Council
Mr Ken Edwards	Save the Williams River Coalition (representing Ms Linda Bowden)
Cr Sally Halliday	Maitland City Council
Mr David Beins	
Cr Peter Francis	Port Stephens Council
Ms Jean McGarry	Lake Macquarie Sustainable Neighbourhoods Alliance
Mr Leroy Wilkinson	
Ms Amanda Watson	Business Hunter

## APOLOGIES

Mr Glenn Lyons	Hunter Local Land Services
Ms Sue Johns	National Seniors Association
Ms Sue Hirsch	Medowie Progress Association
Ms Linda Bowden	Save the Williams River Coalition
Mr Bill Lennox	Maitland Masonic Hall
A/Prof Troy Gaston	University of Newcastle
Mr Joe Popov	Community Disability Alliance Hunter

## IN ATTENDANCE

Darren Cleary	Managing Director
---------------	-------------------

Emma Turner	Senior Economist
Chris White	Senior Media and Stakeholders Advisor
Declan Clausen	Executive Officer (CCAG Secretary)

## WELCOME

The Managing Director, Mr Darren Cleary, opened the meeting at 9.35am, and acknowledged the traditional owners of the country across the Lower Hunter region.

The Managing Director advised that Cr Brian Adamthwaite, representative of Lake Macquarie City Council, had been appointed by Hunter Water as the independent Chair of the Customer and Community Advisory Group (CCAG). The Managing Director acknowledged the service of outgoing Chair, Paul Le Mottee, whose term as Deputy Mayor, Councillor and CCAG representative for Port Stephens Council had concluded in December 2021.

The Chair, Cr Adamthwaite, assumed the role of meeting chair for the remainder of the meeting.

New members were welcomed and introduced. It was noted that since the last meeting a number of new members had been appointed to the CCAG. The following new members were welcomed to the Group:

- Cr Dr Elizabeth Adamczyk, City of Newcastle
- Cr Peter Francis, Port Stephens Council
- Cr Sally Halliday, Maitland City Council
- Cr Karen Jackson, Cessnock City Council

## AGENDA OVERVIEW AND CONFLICTS OF INTEREST

No Conflicts of Interest were declared.

## MINUTES OF PREVIOUS MEETING

The August 2021 CCAG meeting minutes were adopted as a true and correct record of the meeting.

## MANAGING DIRECTOR'S REPORT

Mr Darren Cleary presented the Managing Director's report to the CCAG, which included:

- Hunter Water introduction, including an overview of Hunter Water's area of operations, remit, legislative and regulatory framework, strategy and purpose, including the role of the CCAG
- CCAG 2022 forward plan, including a proposed site visit
- Lower Hunter Water Security Plan update
- COVID update
- Water storage update
- Hunter Water's corporate scorecard and performance

The Managing Director responded to questions from the CCAG regarding the Central Coast pipeline connection, community concerns regarding desalination (principally energy and carbon demands), Hunter Water's drought response plan and leakage.

## NATIONAL PERFORMANCE REPORT

### Mr Darren Cleary, Managing Director

The Managing Director presented on the 2022 National Performance Report of Australian Water Utilities, providing information on Hunter Water's relative performance across a range of key report metrics.

The NPR assesses 86 of Australia's urban utilities across 166 indicators including water resources, pricing, finance, customers, assets, environment and health.

Additional background was circulated to members including Hunter Water's [performance summary](#) and the complete [NPR report](#). The slides presented by the Managing Director are enclosed with the Minutes.

Members queried Hunter Water's performance on leakage, and the observed changes in revenue.

## DRAFT OPERATING LICENCE AND CUSTOMER CONTRACT

### Ms Emma Turner, Senior Economist

Ms Emma Turner presented to the CCAG on IPART's review of Hunter Water's Operating Licence and Customer Contract. It was explained that the Operating Licence is Hunter Water's key regulatory document, and is issued by the Government on IPART's advice for a five year period. The current Operating Licence expires in June 2022.

The Licence requires Hunter Water to take certain actions with respect to water conservation, water quality performance standards, performance standards for service interruptions, organisational systems management, customer and stakeholder relations requirements, information and services for competitors, performance monitoring and reporting, and importantly, Hunter Water's Customer Contract.

IPART have worked with Hunter Water and key stakeholders to review the existing Licence. Ms Turner presented on work undertaken to understand customer expectations of rebates for service lapses, and the role of the CCAG.

The Managing Director advised that while the regulatory requirements may change, Hunter Water's was committed to maintaining a CCAG group.

The draft Licence is on public exhibition via IPART. IPART is receiving submissions on the draft licence until 8 April 2022. Members were encouraged to make a submission during the exhibition period.

## QUESTIONS ON NOTICE AND GENERAL BUSINESS

Nil questions on notice or items of general business were raised.

## MEETING CLOSE

Meeting closed 11.50am

## APPROVAL OF MINUTES

Draft minutes to be considered by CCAG at meeting on 14 June 2022.



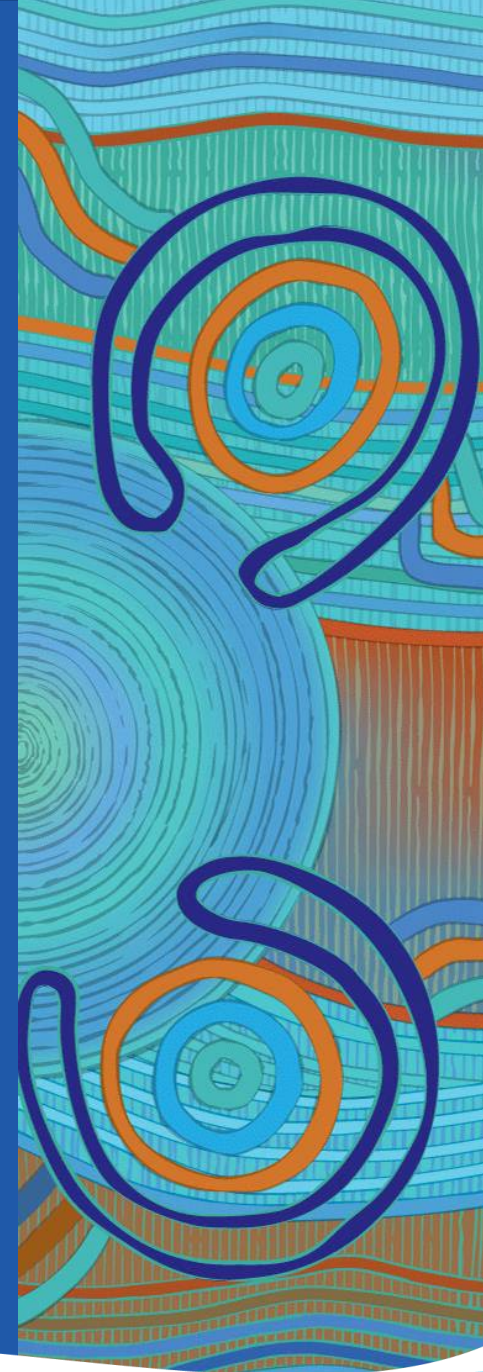
# **Hunter Water Customer and Community Advisory Group**

Wednesday 30 March 2022



## ACKNOWLEDGEMENT OF COUNTRY

Hunter Water operates across the traditional country of the Awabakal, Birpai, Darkinjung, Wonaruah and Worimi peoples. We recognise and respect their cultural heritage, beliefs and continuing relationship with the land, and acknowledge and pay respect to Elders past, present and future.





## Welcome new members

- Cr Dr Elizabeth Adamczyk, City of Newcastle
- Cr Peter Francis, Port Stephens Council
- Cr Sally Halliday, Maitland City Council
- Cr Karen Jackson, Cessnock City Council

## Appointment of Chairperson

- Cr Brian Adamthwaite, Lake Macquarie City Council

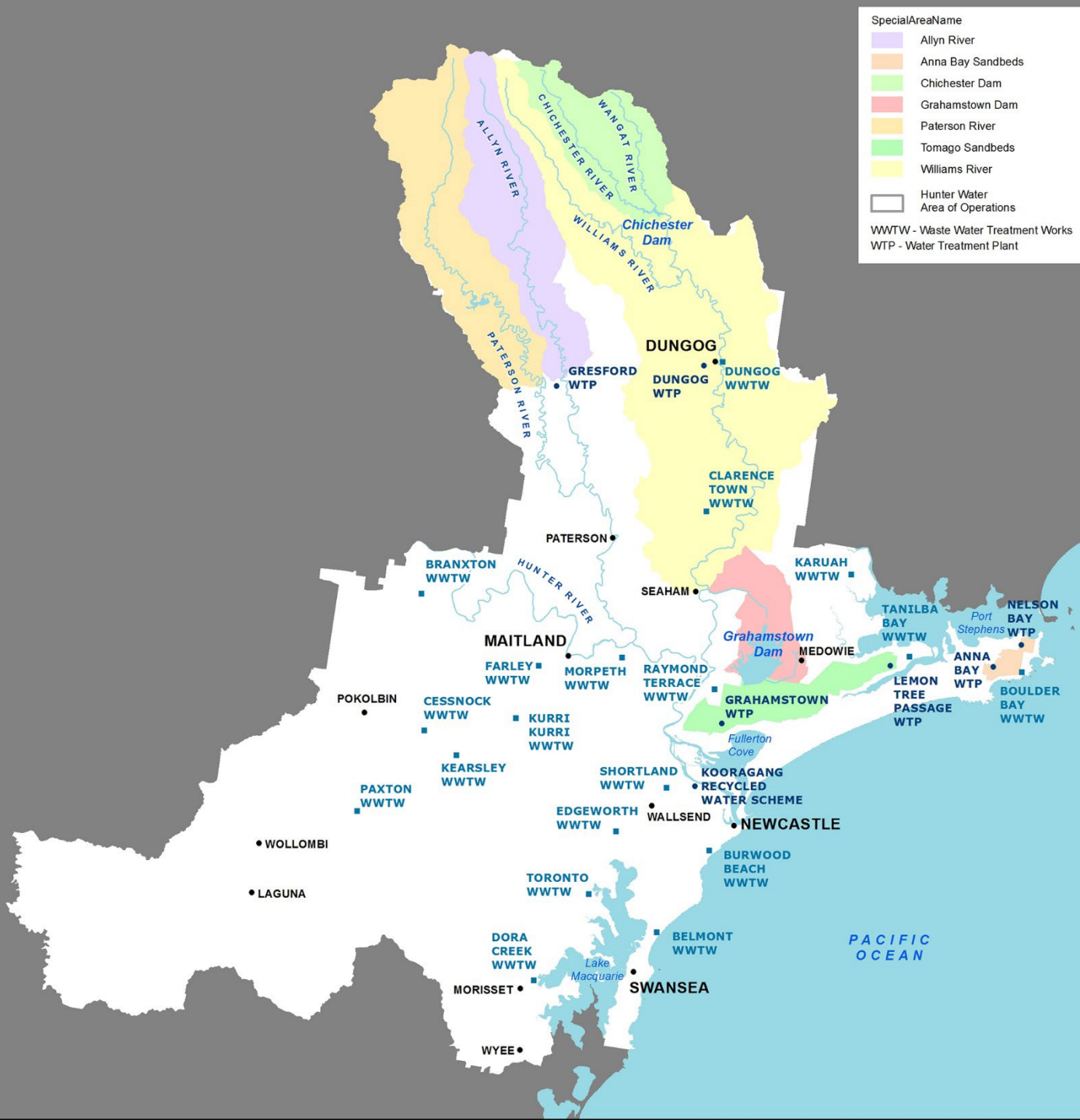


# About Hunter Water





# Hunter Water



- State-Owned Corporation
- Regulated monopoly service provider
  - IPART, EPA, NSW Health
- 130 years of operation in 2022
- 600,000+ consumers
- 6,671 km<sup>2</sup> area of operations
  - Cessnock, Dungog, Lake Macquarie, Maitland, Newcastle, Port Stephens, Singleton (part)
- Two dams (Chichester and Grahamstown)
- 5,000+ km of water main
- Approx 500 staff (headcount - including in-house field maintenance crew)
- \$3.1B asset base
- \$351m annual revenue





## OUR VISION

To be a valued partner in delivering the aspirations for our region

# TOWARDS 2024

## OUR PURPOSE

To improve and enable the quality of life for our communities



## OUR STRATEGIC PRIORITIES

- Customers and communities at the heart of all we do
  - Delivering sustainable, resilient and valued services
- Building a high performing and resilient organisation
- Being a valued contributor to our stakeholders



# HUNTER WATER VALUES



WELLBEING



LEADING



TRUST



INCLUSION



LEARNING



# Operational update





Department of Planning, Industry and Environment

# Draft Lower Hunter Water Security Plan

August 2021

## Lower Hunter Water Security Plan

- Draft Plan exhibited for 7-weeks in late 2021
- Summary sent to 235,000 households
- Positive feedback from community and stakeholders – 69% support for Plan
- All actions received >50% support. Water conservation most strongly supported (97%)
- Detailed ‘What We Heard’ submissions report available ([www.hunterwater.com.au/waterfuture](http://www.hunterwater.com.au/waterfuture))
- Plan currently being reviewed by Government, for release in mid-2022





## Water Storage Levels

**TOTAL STORAGE**

**98.7%**



**INDIVIDUAL STORAGE LEVELS**



**GRAHAMSTOWN**

**98.2%**



**TOMAGO**

**100.0%**



**CHICHESTER**

**100.0%**

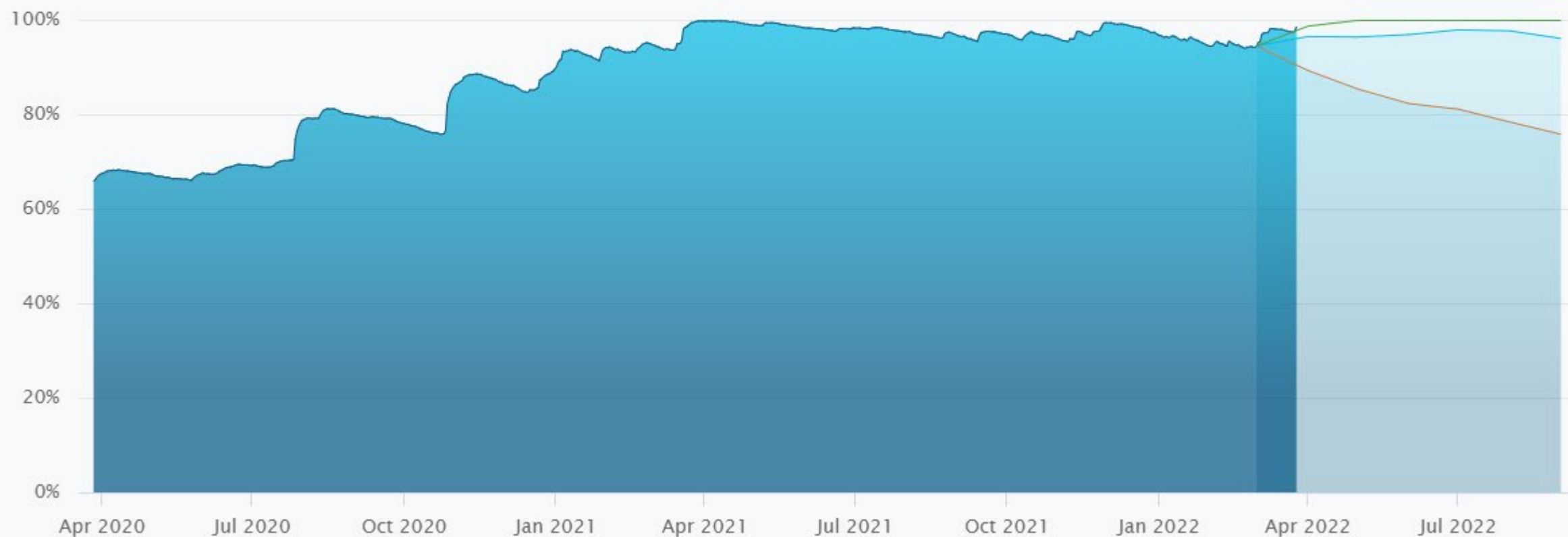


**ANNA BAY**

**98.3%**

# Historical water storage levels

AS AT 25 MARCH 2022





National performance  
report 2020–21:  
**urban water utilities**

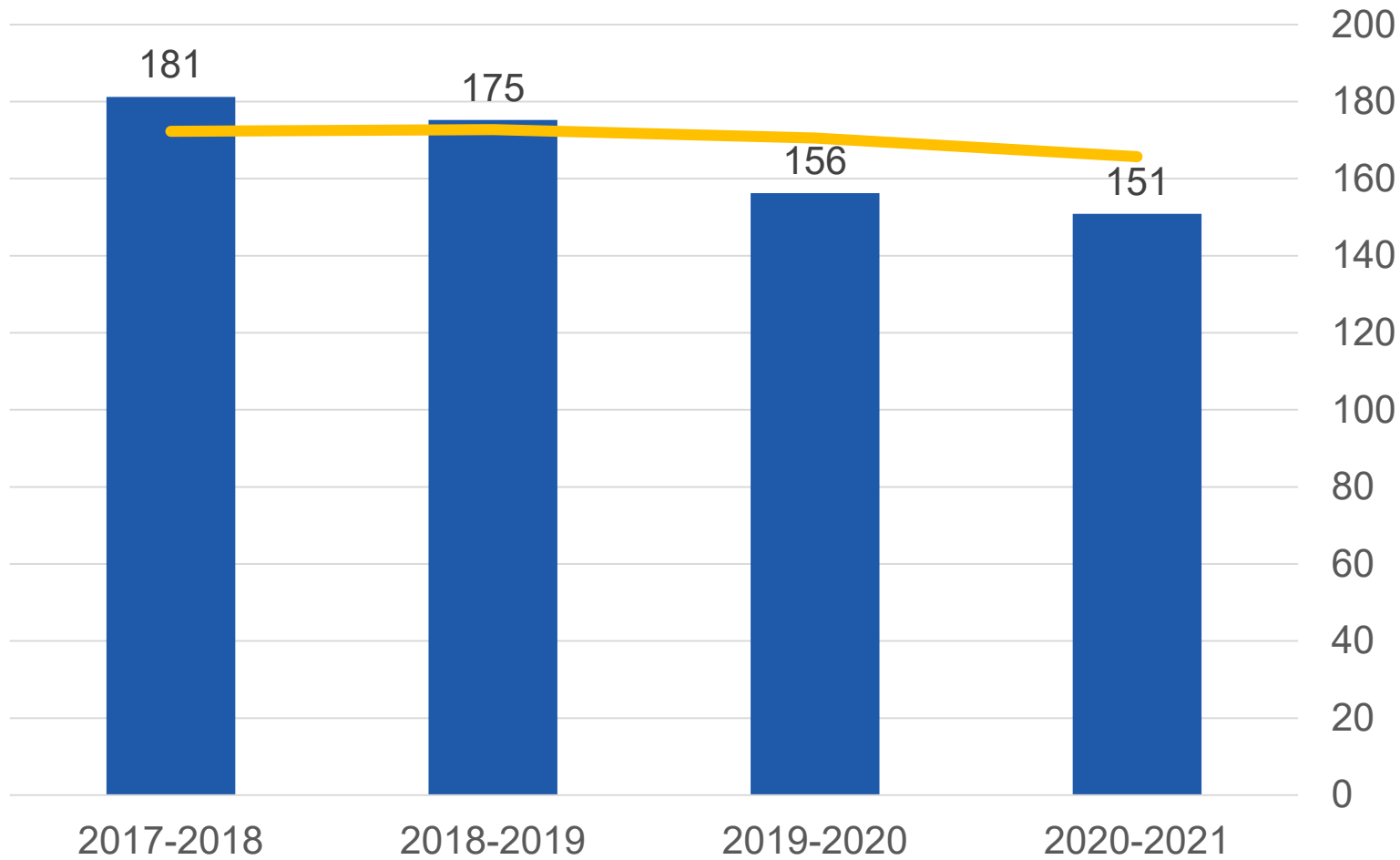
PART A

# National Performance Report

- Assessment of Australia's 86 urban utilities
- Against 166 indicators covering water resources, pricing, finance, customers, assets, environment and health
- 16 years of reporting
- 2020-21 data report released in late February 2022
- Hunter Water, Sydney Water and Central Coast Council are NSW's "major water utilities"



# Average residential water consumption

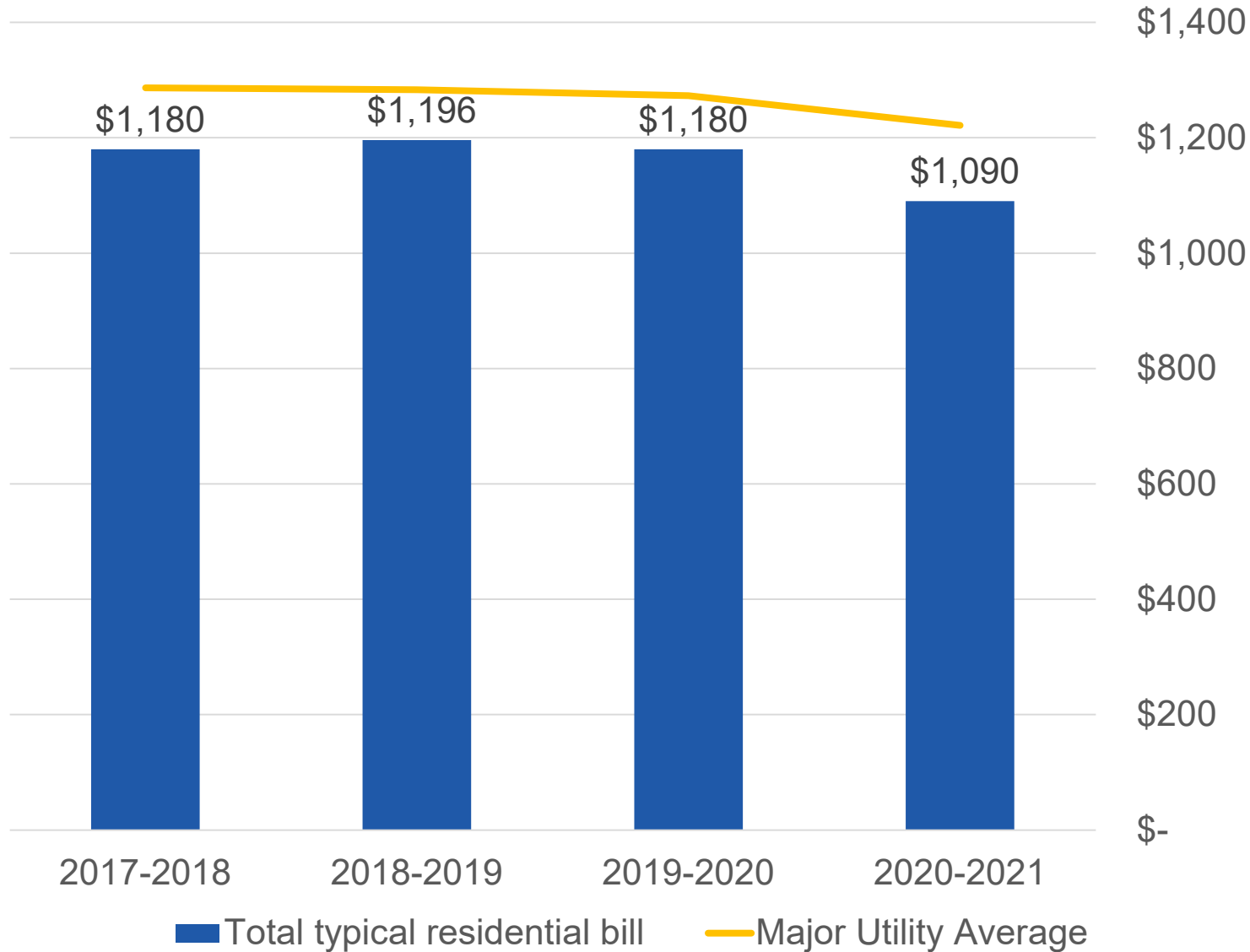


■ Average volume of residential water supplied per property (kL)

— Major Utility National Average

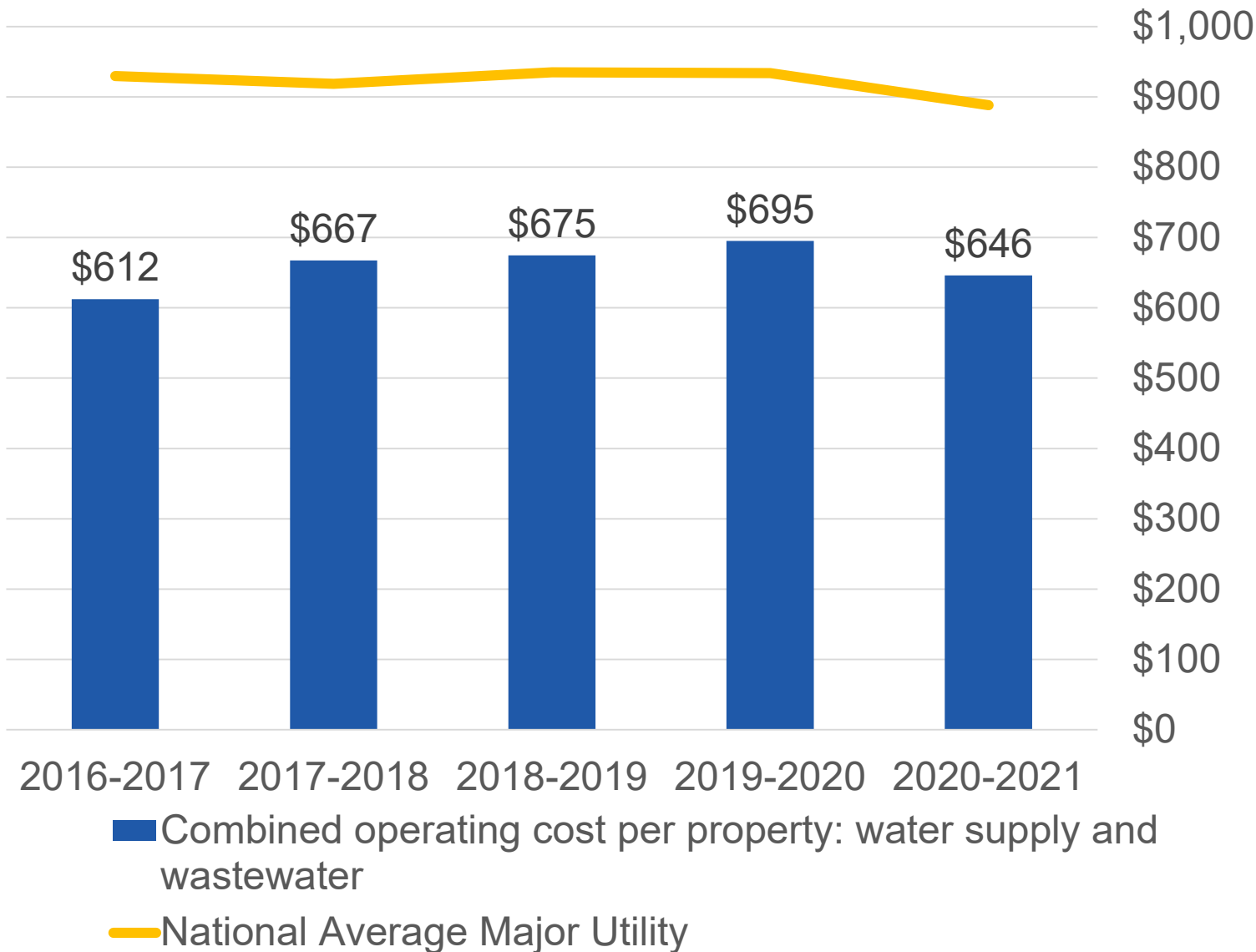
- Indicator W12
- Average usage dropped 17 per cent over 4 years
- Below National Average (166 kL)
- Hunter Water ranks 5 of 15 in major utility group

# Typical household bill



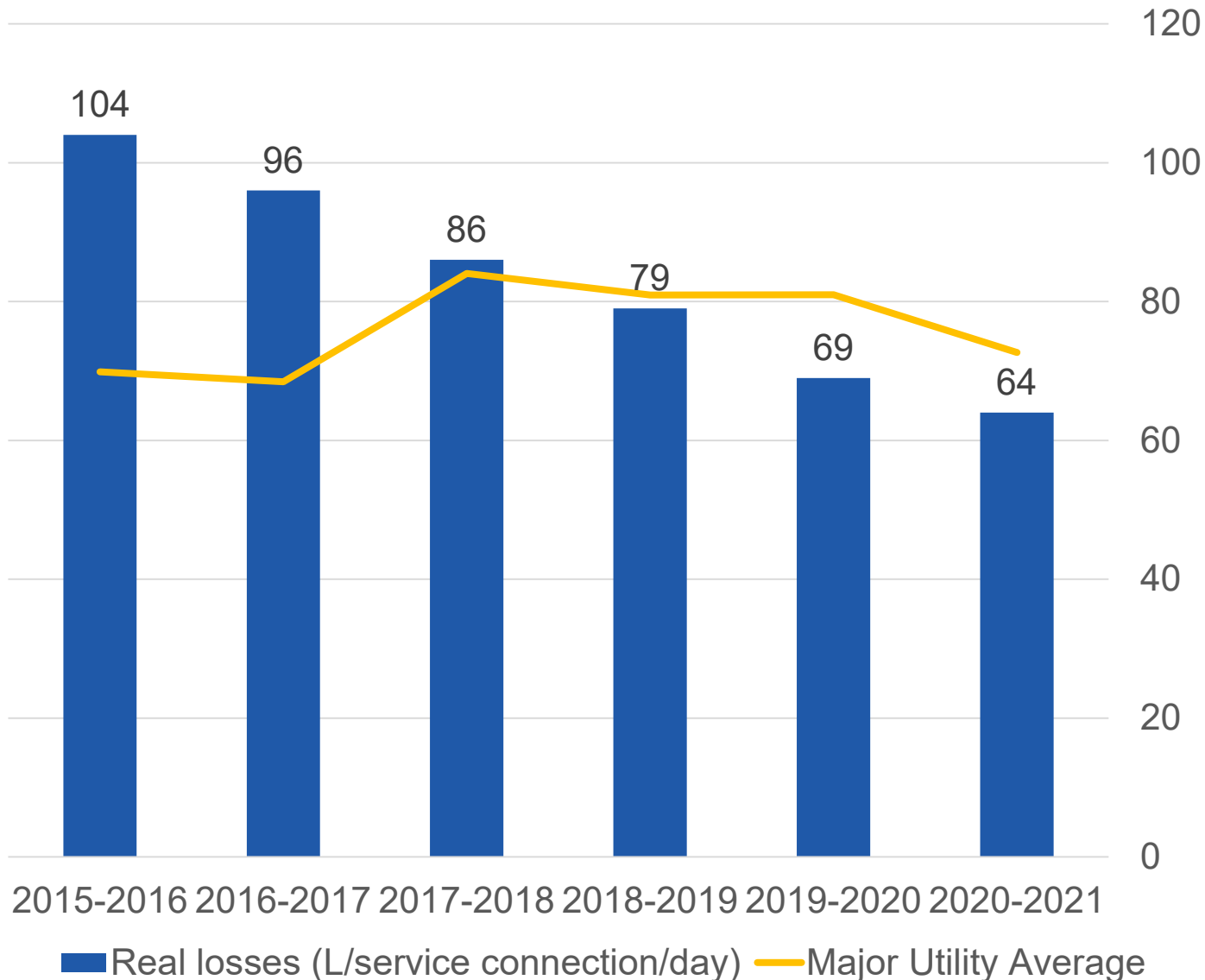
- Indicator P8
- Average Household Bill fell by \$90 in 2020-21 due to increase in water conservation
- Consistently below national average
- Hunter Water ranks 7 of 15 in major utility group

# Operating Cost per Property



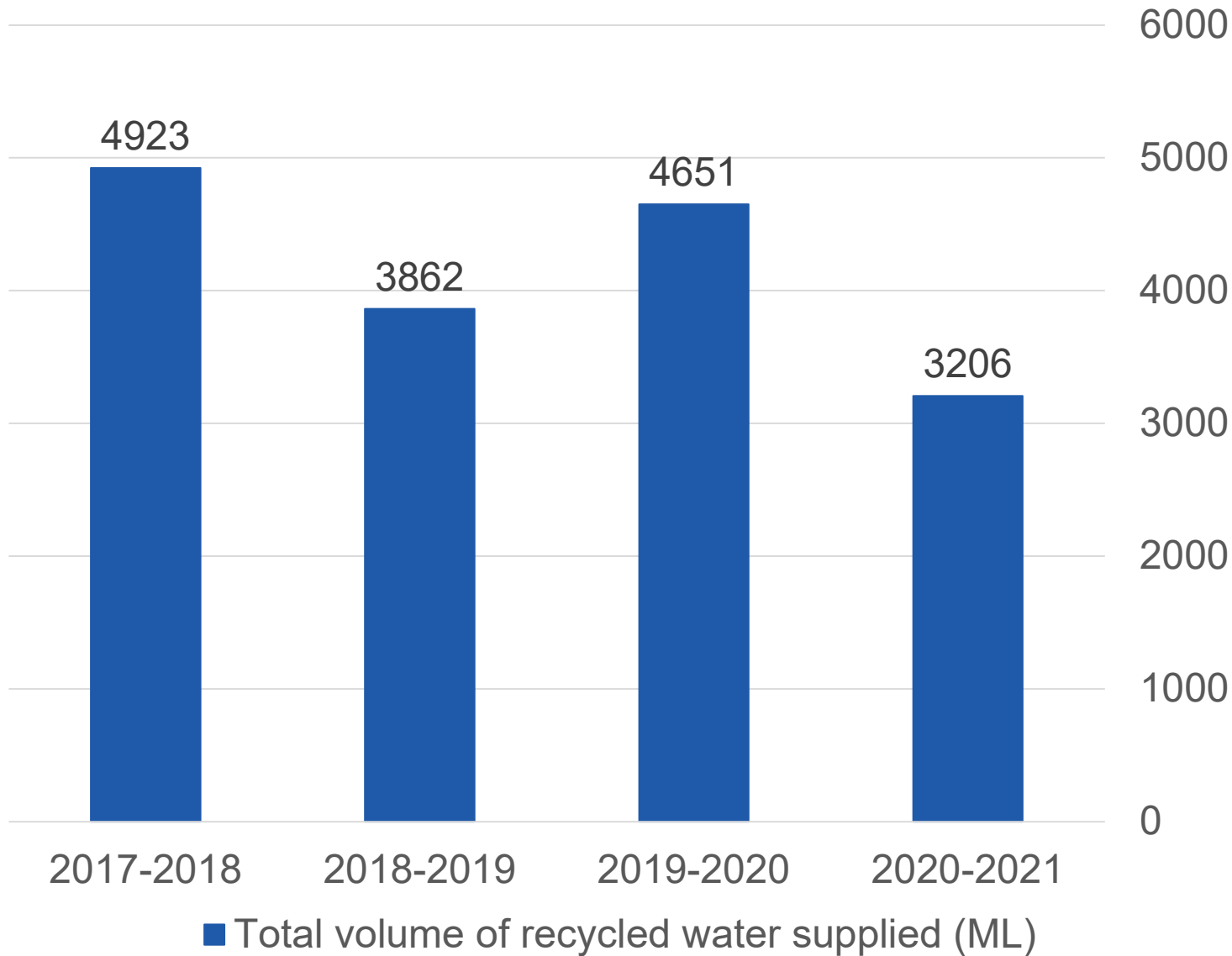
- Indicator F13
- Operating cost per property remains below National Average
- Cost has increased in recent years, associated with increased leakage reduction work
- Hunter Water ranks 3 of 14 in major utility group

# Hunter Water network leakage



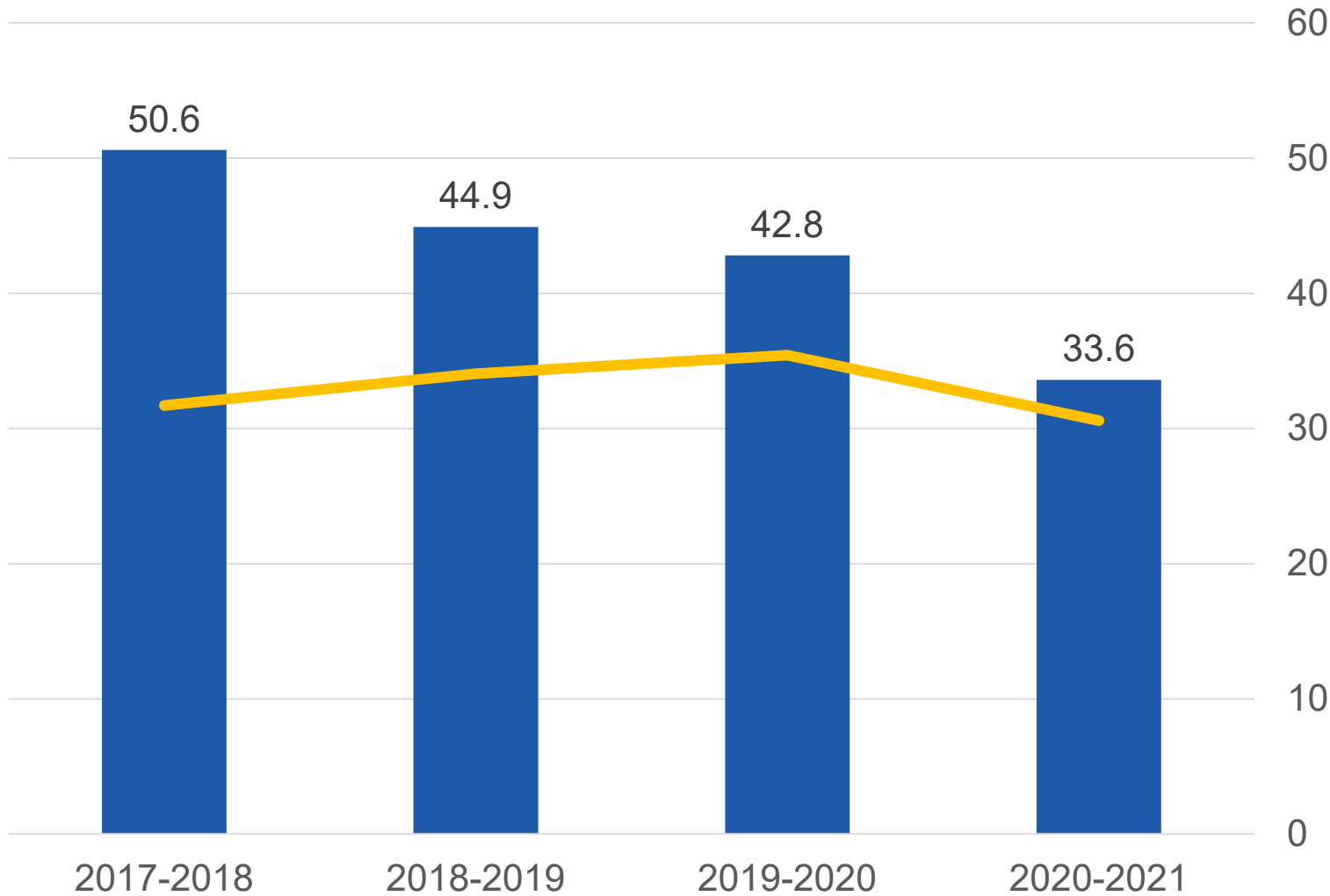
- Indicator A10
- Significant improvement in Hunter Water's leakage performance – 40% improvement since 2016
- Infrastructure Leakage Index score below 1.0 (world's best practice)
- Hunter Water ranks 8 of 15 in major utility group

# Recycled water supplied



- Indicator W26
- Recycled water sales fell nation wide as the drought eased
- 2019-20 result highlights Hunter Water's efforts during the drought to expand recycled water usage, including with Councils for irrigation rather than potable water

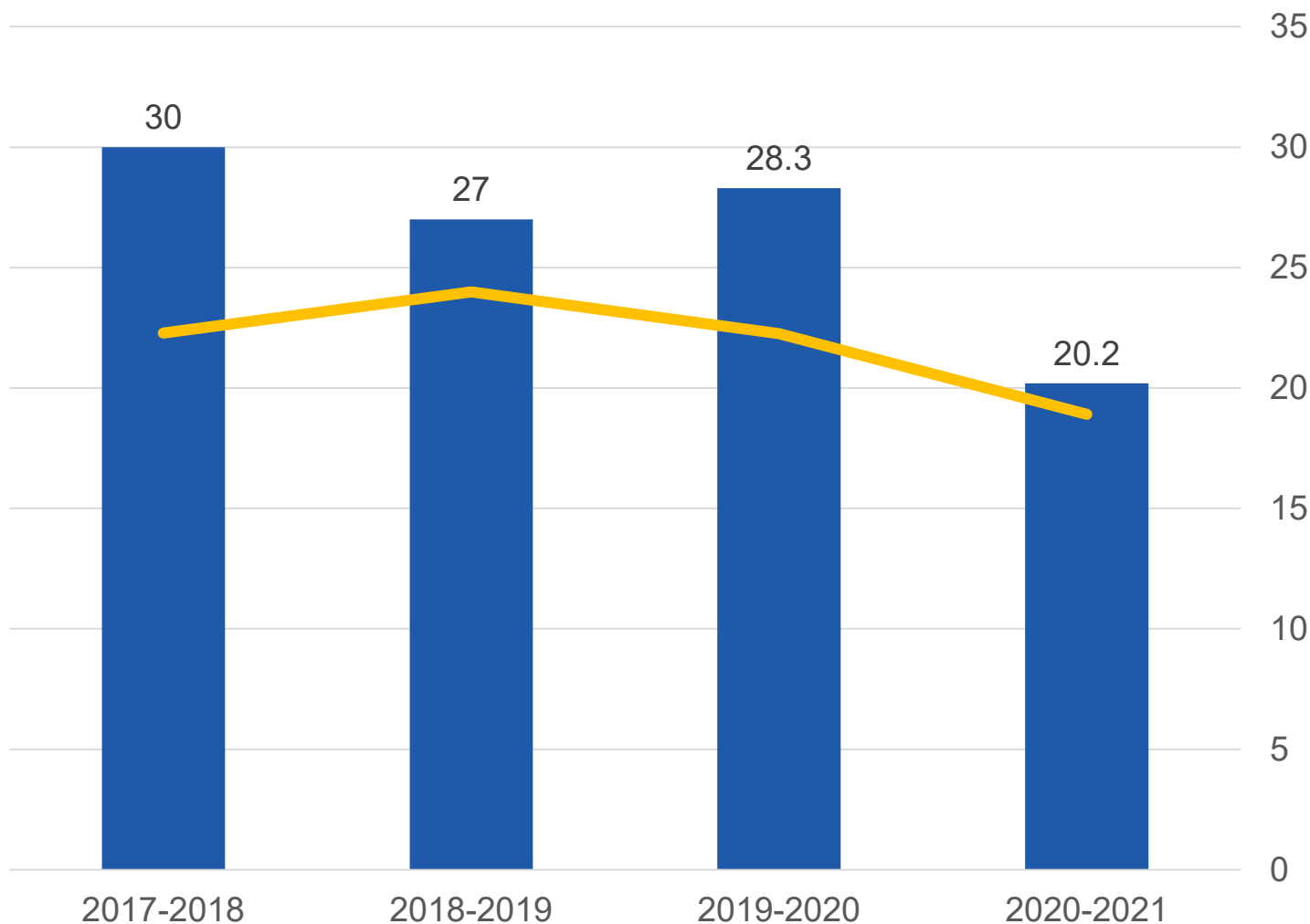
# Sewer mains breaks and chokes



■ Number of sewer mains breaks and chokes per 100 km  
— Major Utility National Average

- Indicator A14
- Hunter Water improved 22% since 2019-20
- Slightly higher than National Average (31 in 2020-21)
- Hunter Water ranks 10 of 15 in major utility group

# Water main breaks



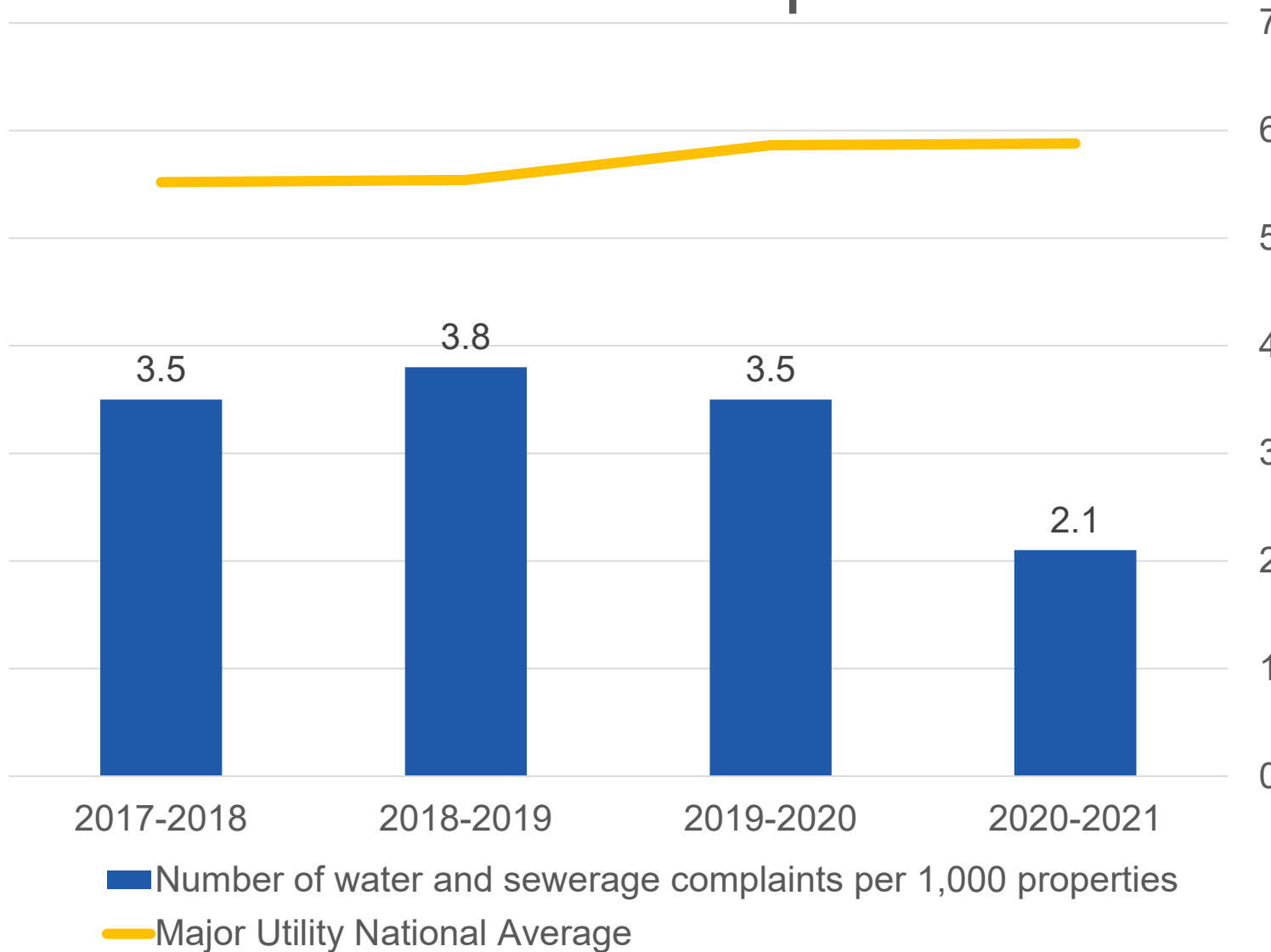
■ Number of water main breaks, bursts, and leaks, per 100 km of water mains

— Major Utility National Average

- Indicator A8
- Hunter Water improved 29% since 2019-20
- Slightly higher than National Average (19 in 2020-21)
- Function of age of network, soil conditions and weather
- Hunter Water ranks 8 of 15 in major utility group



# Customer complaints



- Indicator W13
- Hunter Water ranks 2 of 14
- 41% improvement since 2019-20
- Substantially below National Average (6 per 1,000 properties)
- Hunter Water ranks 4 of 14 in major utility group



# DRAFT 2022 – 2027 OPERATING LICENCE AND CUSTOMER CONTRACT

Customer and Community Advisory Group

30 March 2022





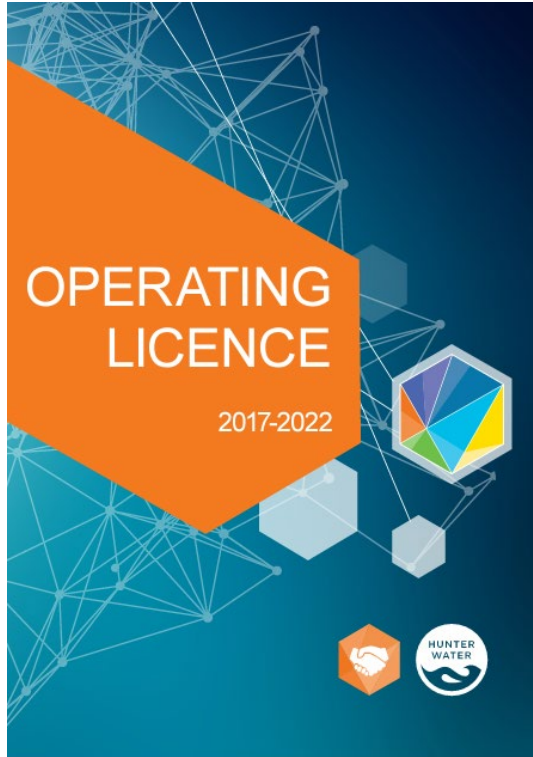
# Background

- An Operating Licence and Customer Contract are requirements of the *Hunter Water Act 1991*
- Administered by IPART
- Approved by NSW Governor
- IPART-led, public end of term review (maximum 5 year term)





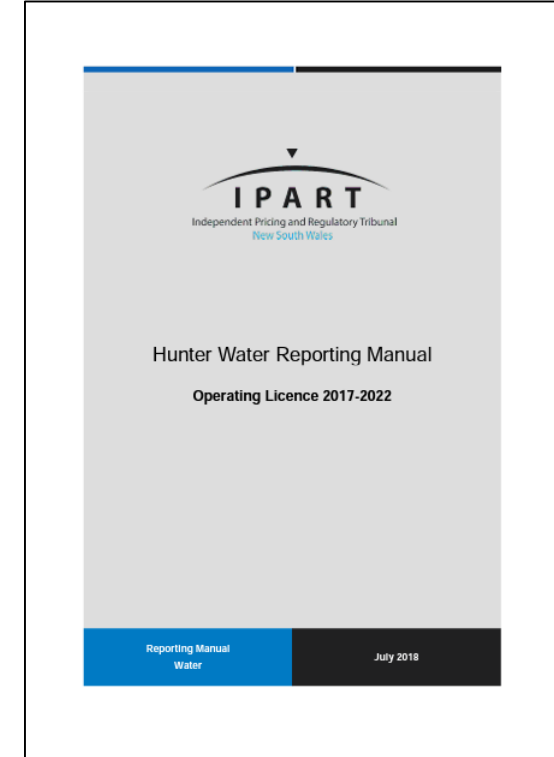
# Draft licence package



- Enable and require provision of services
- Industry good-practice
- Quality and performance standards



- Customer and consumer protections
- Roles and responsibilities



- Monitoring and reporting compliance and performance



# What's in the draft next Operating Licence?

Water conservation and planning

- Transition to new NSW Water efficiency framework

Performance standards for water quality

Performance standards for service interruptions

- Retain 4 of the 5 current standards at current service levels

Organisational systems management

Customer and stakeholder relations

- Family violence policy

Stakeholder cooperation

Information and services for competitors

Performance monitoring and reporting

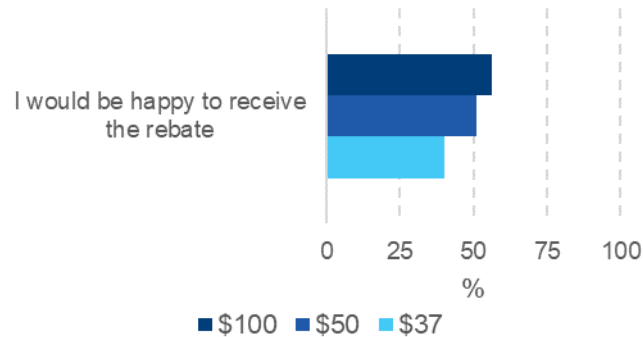


# Rebates



We proposed increases to all rebates for service lapses based on feedback from customer engagement in 2020 and 2021

*Customer views on the minimum rebate for an inconvenient water event*



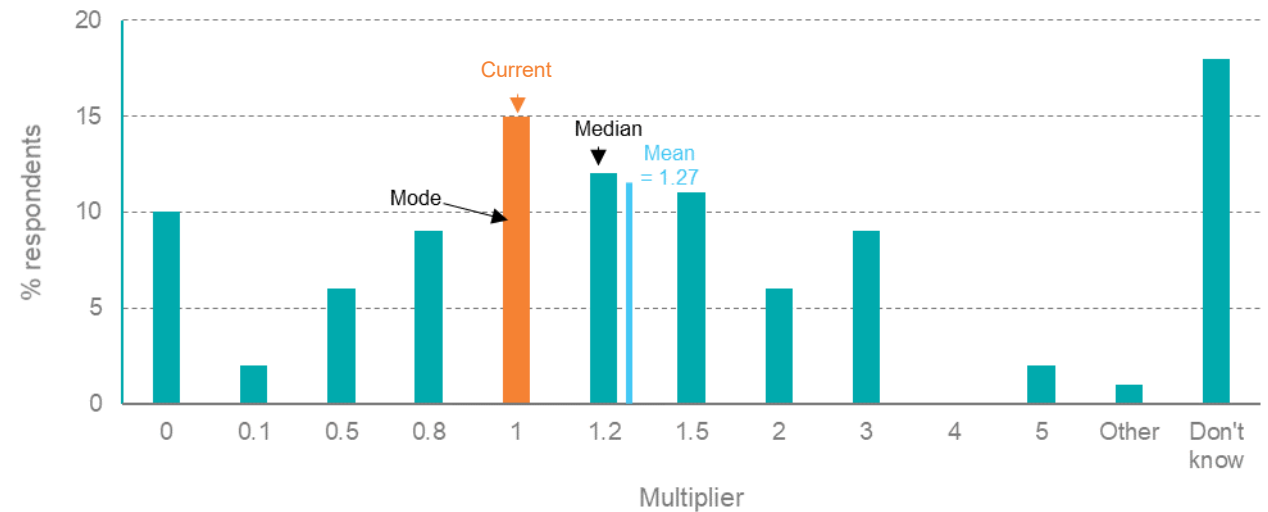
**\$37** I would feel insulted by such a petty amount. It should be fixed quickly and guaranteed not to happen again or receive 3 x the rebate

**\$37** 37 doesn't for 5-8 hours does not cut it

**\$50** I would like to be compensated but \$50 is too much

**\$100** These are a minor inconvenience and easy enough to work around its an unfortunate fact of life

*Customer views on the relative inconvenience between the 1st long unplanned water interruption and 3<sup>rd</sup> planned water interruption*





# Rebates

Event category	Event number (per financial year)	2017-22 Customer Contract		2022-27 Draft Customer Contract	
		Equivalent kL	\$ in 2021-22	Equivalent kL	\$ in 2021-22
Planned water interruption (> 5 hrs)	1st event	No rebate	No rebate	No rebate	No rebate
	2nd event	No rebate	No rebate	No rebate	No rebate
	3rd event	15	37.80	20	50.40
	4 <sup>th</sup> event onwards	No rebate	No rebate	No rebate	No rebate
Unplanned water interruption (> 5 hrs)	1st event	15	37.80	20	50.40
	2nd event	15	37.80	20	50.40
	3rd event	30	75.60	32	80.64
	4 <sup>th</sup> event onwards	No rebate	No rebate	No rebate	No rebate
Wastewater overflow (dry weather)	1st event	30	75.60	40	100.80
	2nd event	60	151.20	80	201.60
	3rd event	270	680.40	280	705.60
	4 <sup>th</sup> event onwards	No rebate	No rebate	No rebate	No rebate
Low water pressure		15	37.80 Once per year	20	50.40
Boil water alert		15	37.80	20	50.40
Dirty water	Ad hoc, on request	5	12.60	5	12.60

As per example on previous slide





# Customer consultation

## IPART draft recommendation



35. Do not include the current prescriptive requirements for Hunter Water to maintain a Customer Advisory Group. Instead, allow flexibility in the Licence to undertake customer consultation in any manner that Hunter Water considers effective.

## IPART proposed licence requirement

- By 1 July 2023, develop and implement a procedure for undertaking..

...Customer and Consumer consultation that is **relevant, representative, proportionate, objective, clearly communicated and accurate** to:

- (a) understand its Customers' preferences and willingness to pay for service levels;
- (b) understand how its systems and processes can better support more effective, direct relationships with Consumers including residential tenants;
- (c) obtain advice on the Customer Contract; and
- (d) obtain advice on such other key issues related to Hunter Water's planning and operations under this Licence as Hunter Water may determine.

