



# Hunter Water Customer and Community Advisory Group

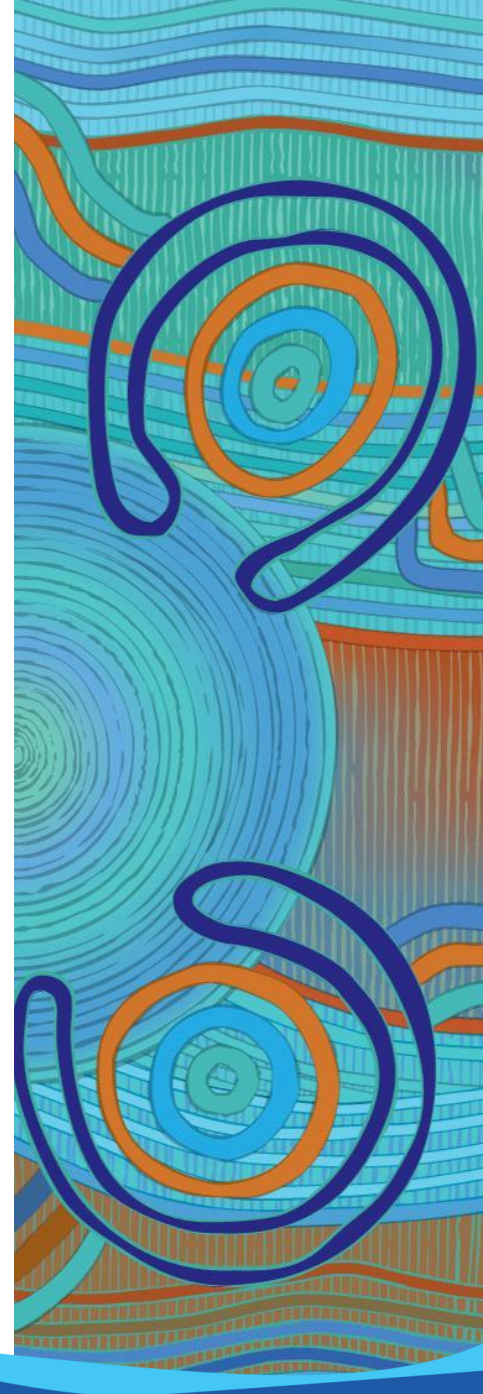
Wednesday 28 June 2023



# ACKNOWLEDGEMENT OF COUNTRY

Hunter Water acknowledges the Traditional Countries of the Awabakal, Geawegal, Darkinjung, Wonnarua and Worimi peoples on which we operate and the Countries beyond where our water flows.

We recognise and respect the cultural heritage, beliefs and continuing connection to the lands and waters of our Traditional Custodians and pay respect to their Elders past, present and emerging.





# Operational update



## Water Storage Levels

### TOTAL STORAGE

94.1%



### INDIVIDUAL STORAGE LEVELS



GRAHAMSTOWN

95.0%



TOMAGO

90.3%



CHICHESTER

93.3%

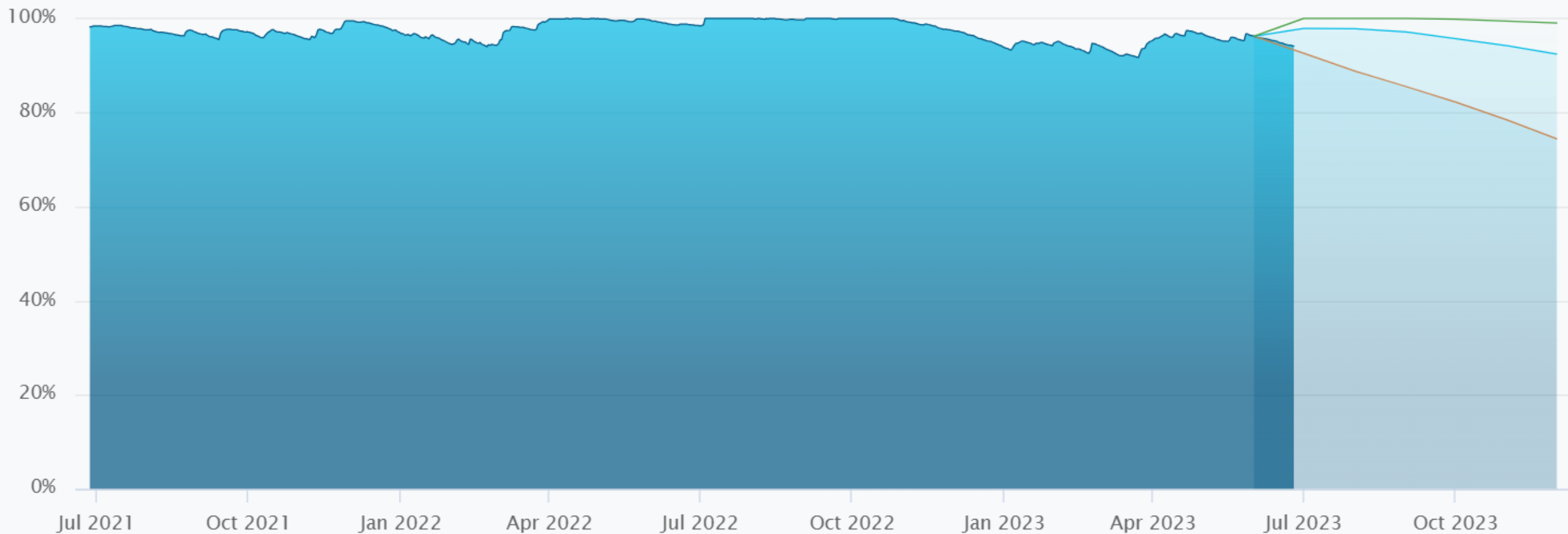


ANNA BAY

98.3%



# Historical storage levels and outlook





# New prices from 1 July

In recognition that some in our community are doing it tough, Hunter Water's total residential support programs will increase to \$20 million from 1 July 2023.

From 1 July 2023, typical residential water and wastewater bills will increase by 7.5%, or about \$30 per billing cycle.

For the next two years, the typical household's combined water and wastewater bill will increase to \$1,365 per year, while the typical pensioner's bill will increase to \$727 per year.

The Pension Rebate will increase to \$380 per eligible property per year (up from \$354), a boost of \$1.5 million across the Lower Hunter. In the current financial year, Hunter Water's Pension Rebate was provided to 46,000 Hunter households, with support totalling \$17.3 million.

In addition to the increased Pension Rebate, tailored support is available for any eligible customer or water bill-paying private tenant experiencing financial difficulties, including payment extensions and flexible payment options such as our bill smoothing program called Easy Pay.

On top of direct support, Hunter households have a large degree of influence over their water bills by controlling their water usage. By continuing to Love Water with a WELS 3-star rated showerhead and by reducing shower time by two minutes, the average household could save over 5,000 litres of water per person per year or nearly \$15 per person per year in water charges.





# Dam safety review update

## Draft reports submitted for dam safety reviews

Hunter Water has submitted a draft risk report for Chichester Dam and an interim risk report for Grahamstown Dam to Dams Safety NSW, as part of a 15-yearly routine assessment program.

The reports are part of our commitment as a responsible dam owner to ensure we meet modern engineering and safety standards and regulatory obligations.

The risk reports help inform detailed 15-yearly safety reviews that are currently underway for both dams. These reviews are part of a comprehensive assessment program which includes daily visual inspections and monthly satellite inspections, as well as yearly and five yearly reviews.

A final report for Chichester Dam is expected in late July/early August, and will be publicly released.





# La Niña is over!

After three years of record-breaking rain, active cyclone seasons and a cooling of the Pacific Ocean, the Bureau of Meteorology has officially declared La Niña to be over.

With the naturally-occurring climate pattern in the rear-view mirror, meteorologists are already looking to the future with predictions of an El Niño pattern developing later this year.

This means Australia could face hot and dry weather and our water storages could be vulnerable to drought again.

Hunter Water has Smart Water Choices are the region's permanent water conservation measures. They primarily apply to outdoor water usage. However, our customers and community are encouraged to continue saving water inside their homes.





## Erosion solution approved for Seaham Weir

The Seaham Weir Pool Erosion Management Plan has been released.

This milestone means Hunter Water, as the manager of the Lower Hunter's drinking water supply, will move forward with fixing erosion issues and improving water quality in the Weir Pool, one of the region's key water sources.

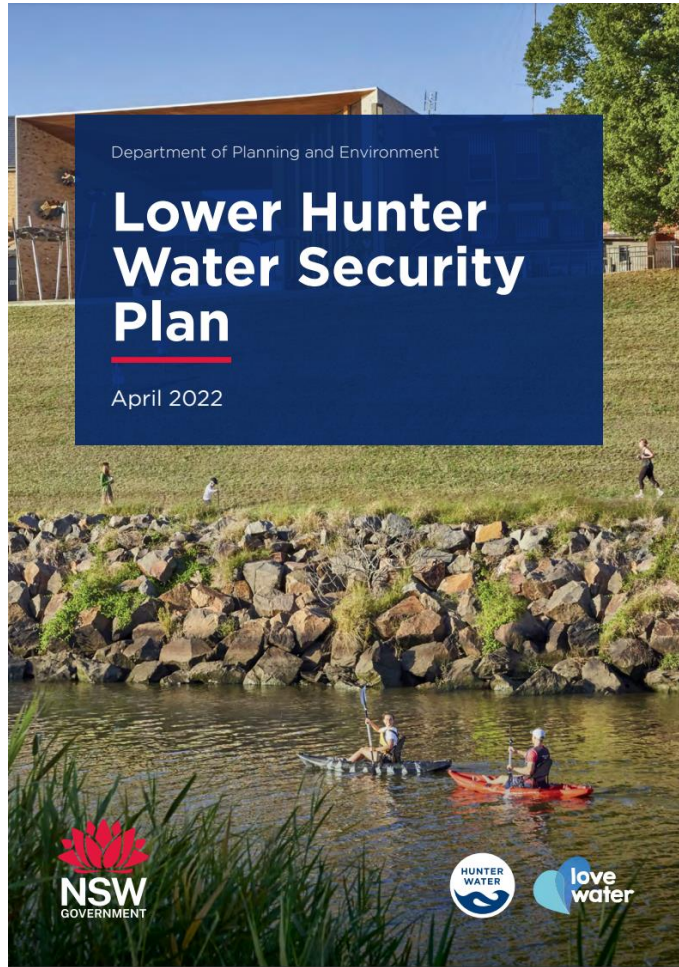
To implement the Plan, Hunter Water will lead the project including repairs to riverbank erosion through stabilisation measures, alongside riverbank revegetation and livestock fencing. Detailed site planning with individual property owners has started along the weir pool, the 20-kilometre stretch of the Williams River between Seaham and just upstream of Clarence Town.

Consistent with community views and expert advice, the delivery of erosion repairs and protection will enable recreational boating activity to continue within the existing designated zones on the weir pool, with agreement from key agencies to strengthen boating education and compliance.





# Lower Hunter Water Security Plan update



The Lower Hunter Water Security Plan is being implemented.

Water conservation remains a key focus, along with increasing the use of recycled water.

In addition to the following major projects are being progressed:

Belmont Desalination Plant: designing and building progressing to provide a climate independent water source for the Lower Hunter

Glennies-Lostock connection: Investigating a connection on the Paterson River to the proposed project to install a two-way pipeline between Lostock Dam and Glennies Creek Dam



# Customer, Community and Consumer Procedure

Hunter Water's new Customer, Community and Consumer Procedure commences on 1 July 2023. The Procedure is a requirement of our Operating Licence, and replaces previous OL requirements related to the CCAG.



## Customer, Consumer and Community Consultation Procedure

July 2023

### **Customer and Community Advisory Group**

*Our Customer and Community Advisory Group (CCAG) enables two-way, open communication between Hunter Water and local councils, customer representatives, environmental groups and community organisations. The CCAG, and its predecessor the Community Consultative Forum, have operated since the early 1990s.*

*The CCAG's membership is made up of community representatives whose role is to provide advice and feedback on emerging issues, performance, strategies, programs and projects representative of the broad range of needs and interests of the local community and other stakeholders in Hunter Water's area of operations.*

*Membership of the CCAG includes representatives of local government, residential and business customers, environmental and community organisations.*

*The CCAG operates under the terms of its Charter which describes its purpose, role and responsibilities. More information about CCAG can be found here <https://www.hunterwater.com.au/haveyoursay/customer-and-community-advisory-group>*



# Questions on Notice

Nil



# Customer and Community Engagement for Price Proposal

CCAG meeting - June 2023

**Tell us what you  
value most and what  
you expect from us.**

**[HUNTERWATER.EVENTBRITE.COM](https://hunterwater.eventbrite.com)**



# Overview of the approach

Examples of previous and ongoing engagement 2018-2023



Customer experience monitoring



Quarterly community survey



Vulnerability



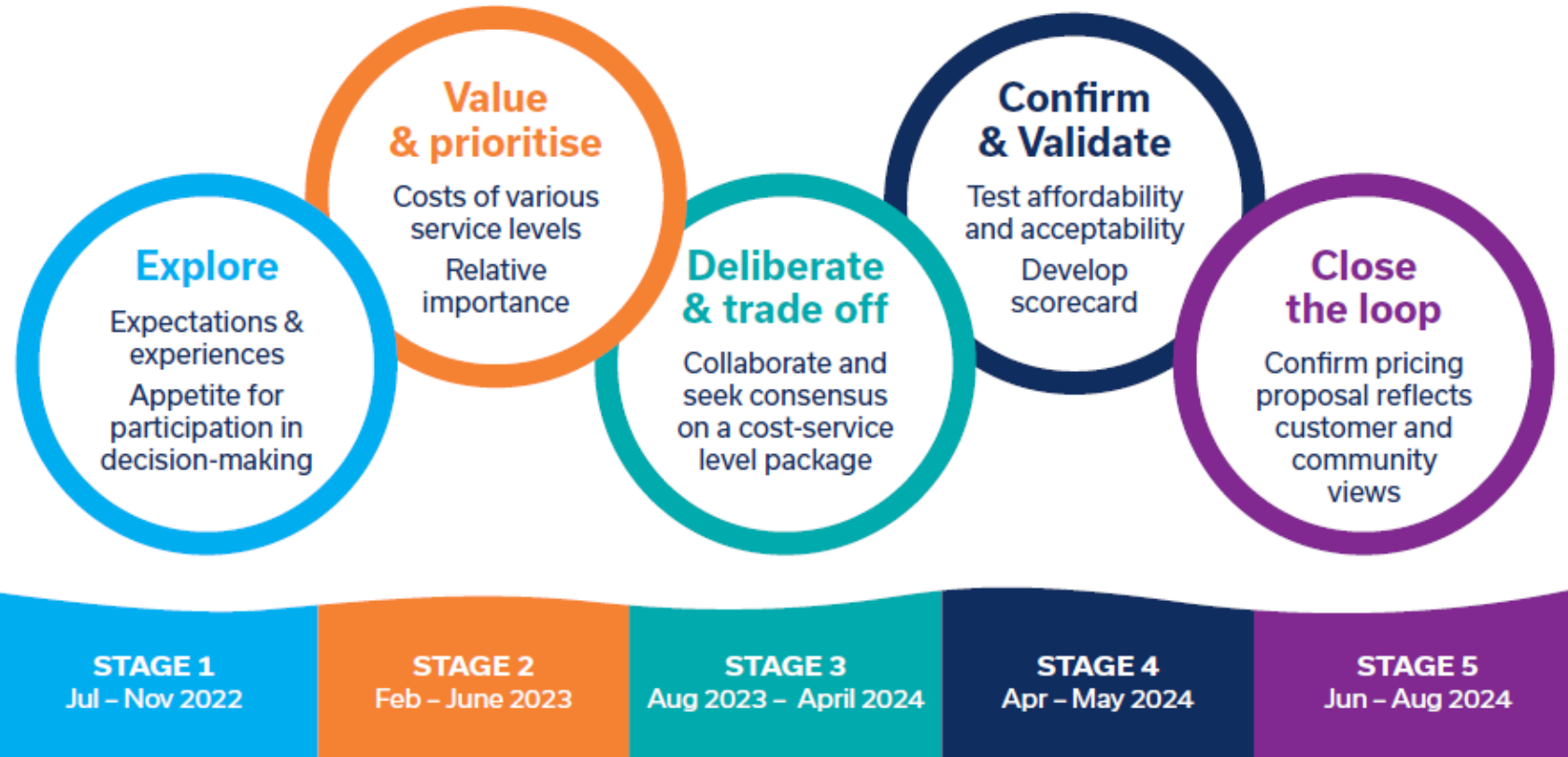
Performance standards & rebates



Lower Hunter Water Security Plan



Customer journey mapping



Submit pricing proposal to IPART September 2024



## Phase 2 activities

The range of ways our customers, community and stakeholders are having their say

1

Bill simulation survey

**Apr/May 2023**

2,487 survey participants told us how much they were willing to pay for six potential investments

1

Prioritisation survey

**Apr/May 2023**

3,102 survey participants told us what their priorities were

7

Focus groups

**Apr/May 2023**

Conducted seven focus groups with 45 customers from across the service region to understand survey choice drivers

2

Quarterly community surveys

**Feb/May 2023**

Heard from 345 customers in quarterly community surveys





## Question 1 of 6



Hunter Water produces around 80,000 tonnes of carbon emissions per year. How quickly should that be reduced, to help limit climate change?

Keep bills as low as possible

Please move the slider to select your desired preference.

Increase investment in getting to net zero



**Outputs** – See the effect that your choices have on an average bill for five different types of Hunter Water customers.



### Pensioner household

Change per four-monthly bill  
**\$0.00 (0.0%)**



### Small household

Change per four-monthly bill  
**\$0.00 (0.0%)**



### Medium household

Change per four-monthly bill  
**\$0.00 (0.0%)**



### Large household

Change per four-monthly bill  
**\$0.00 (0.0%)**



### Medium business

Change per four-monthly bill  
**\$0.00 (0.0%)**

# Bill simulation survey (n=2,487)

Thank you for having your say. Before continuing, please check over the advice you're giving us. These are the price impacts of your preferences. Any changes to the inflation rate will also be added to the bills shown below.

We are faced with some important choices that have real bill impacts for our customers. This includes the bill increases related to building the Belmont desalination plant which was a key element of the Lower Hunter Water Security Plan (LHWSP).

Customer type	Current average bill	Plus LHWSP costs	Plus your suggested changes	New total per bill
Pensioner household	\$225.00	\$254.00	\$0.00 (0.0%)	\$254.00
Small household	\$352.00	\$392.00	\$0.00 (0.0%)	\$392.00
Medium household	\$415.00	\$455.00	\$0.00 (0.0%)	\$455.00
Large household	\$514.00	\$554.00	\$0.00 (0.0%)	\$554.00
Medium business	\$1,340.00	\$1,499.00	\$0.00 (0.0%)	\$1,499.00

**\*Hunter Water sends bills to customers every four months**

If you are finished with your choices, please click the 'Continue' button.

If you would like to adjust your responses, please click the 'Back' button.



Example hot spots question

# Prioritisation survey (n=3,102)

## Question 4a and 4b of 7

Most Hunter Water customers enjoy reliable, high-quality water and wastewater services year round. These are paid for equally by all customers.

However, there are almost 2,000 customers who have sub-standard services. Some have very low water pressure, which makes filling the kettle, operating the washing machine or watering the garden slow and frustrating. About ninety customers are in low lying areas, and when it rains their wastewater does not drain properly, and sometimes it overflows onto their properties. A third group of about 30 properties are subjected to ongoing bad smells either inside or outside the house. All of these issues are expensive to fix on a per property basis, and the cost will be shared by all Hunter Water customers.

If we were to invest \$5 million to address these issues, which approach do you think is fairest? (pick one)

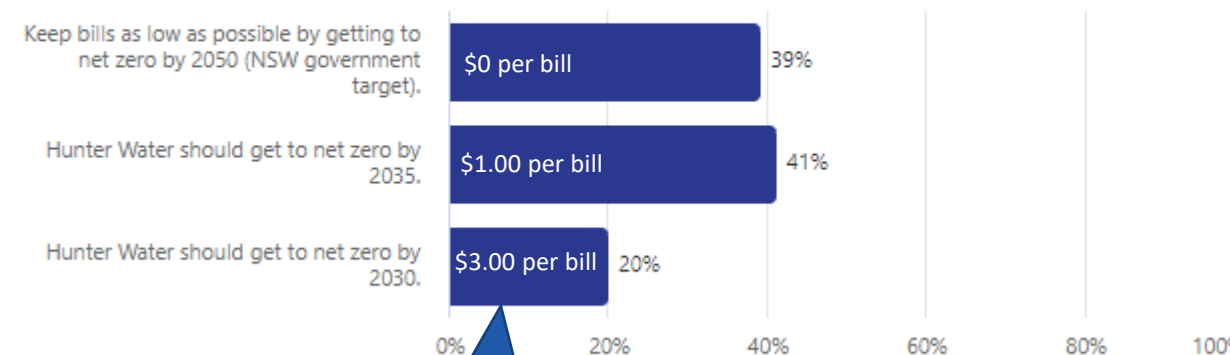
- ☐ Prioritise affordability for all Hunter Water customers, even if this means some people experience worse service than most.
- ☐ Help those customers with the worst services, even if this means only helping a small number of people.
- ☐ Help as many customers as possible by focusing on the problems which are easiest to fix, even if this does not help those people experiencing the worst services.

Which of the following would you find most inconvenient? (pick one)

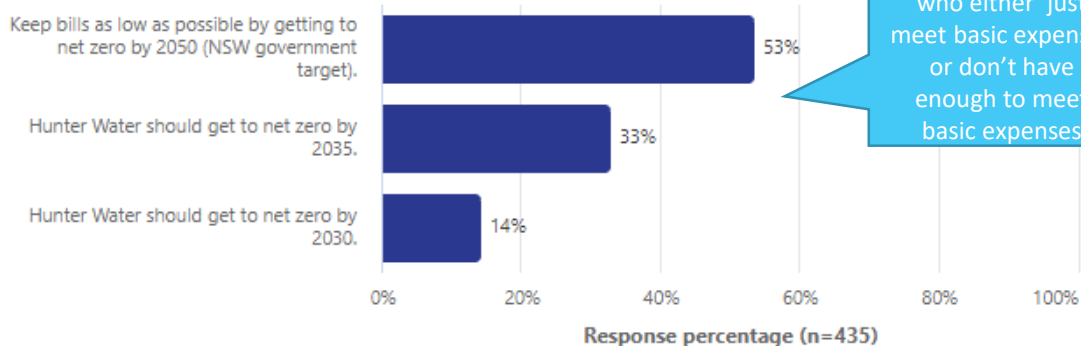
- ☐ Very low pressure on a normal day and only receiving water for part of the day on a hot summer day.
- ☐ Bad smells at least monthly outside the house for short periods.
- ☐ Frequent wastewater overflows outside your house but not on your property.
- ☐ Being unable to use a shower when it rains because it causes the water in your toilet bowl to back up and overflow.

# Carbon reduction –survey results

Hunter Water produces around 80,000 tonnes of carbon emissions per year.  
How quickly should that be reduced, to help limit climate change?

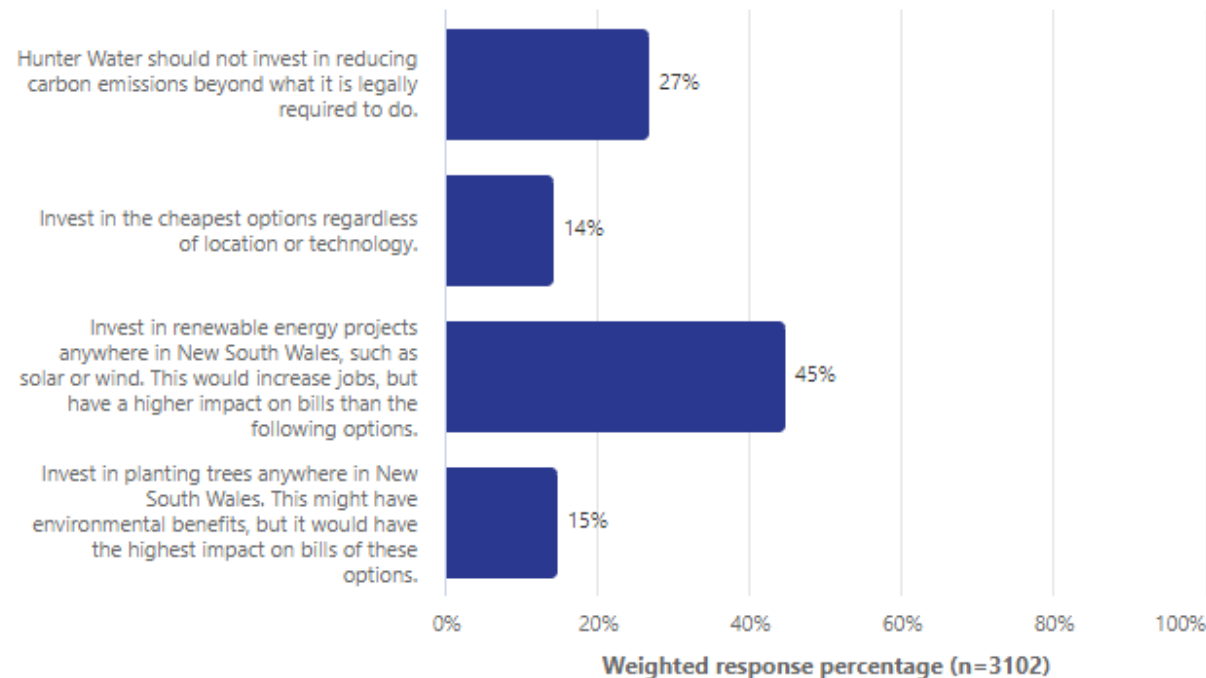


Costs shown are for 'medium house' archetype



Results for those who either 'just meet basic expenses or don't have enough to meet basic expenses'

Which techniques for reducing carbon emissions should we prioritise? (pick one)



# Carbon reduction – focus group results

**QUESTION 1: HOW QUICKLY SHOULD HUNTER WATER REDUCE ITS CARBON EMISSIONS, TO HELP LIMIT GLOBAL WARMING?**

Cohort	Q1 - Carbon emissions	Bill impact
Group 1 - Pensioner household	Get to net zero by 2035	> \$0.90
Group 2 - Small household	Get to net zero by 2035	> \$1.30
Group 3 - Customers experiencing vulnerability	Keep bills as low as possible by getting to net zero by 2050	\$0.00
Group 4 - Medium household	Get to net zero by 2035	> \$1.30
Group 5 - Large household	Keep bills as low as possible by getting to net zero by 2050	\$0.00
Group 6 - Medium business	Get to net zero by 2035	> \$5.30
Group 7 - Aboriginal and Torres Strait Islander customers	Get to net zero by 2035	> \$1.30

Status quo  
Slight increase  
Bigger increase

## REASONS TO INCREASE INVESTMENT

2035 - I believe in climate change. But I don't know the overall effects of getting to net zero very quickly.

2035 - It's an increase which isn't very much for everyone. And it's not too much for businesses. Good range for pensioners, people with a few children, and business people aren't doing too bad. And we're still helping the economy and carbon emissions with our little bit of help.

2035 - Ideally I would like it to keep it low but I know that's not practical. I think 2050 is more realistic. But if it needs to change, the middle option is more possible. It's not going to kill me or kill the businesses.

2035 - it's not a great amount for pensioners. This keeps it in balance. As soon as it goes to the extreme, it becomes a precedent.

2035 - middle position for now. Time will tell. I am one of the breed of people who don't know much statistically. I ask simply, does Hunter Water keep in line with Government targets and are you aware of the future plans? They should be hard in hand. I know that it costs more to go green in any walk of life. It is becoming more of a financial tole. The more we strive for the good, the more it costs.

## REASONS TO KEEP BILLS LOW

2050 - Considering cost of living pressures, I want to avoid additional costs for my family.

2050 - Happy with government timeframe. Partly due to a mistrust in bureaucracy considering it's an ambitious target.

2050 - I think the government's 2050 goal is reasonable and adequate and don't see why HWC would need to do more than that. Also how big is HWC's contribution of CO2 emissions relatively?

2030 - I get really frustrated with waste of any form. I'm also considering our grandchildren and future environment. It's one thing we can do to get there more quickly and it's only \$8 per bill.

2030 - go to the maximum. I think that global warming is something we have to address and this is one way to help do that. It's really such a small amount. I'm a pensioner household and it's \$2 per bill so \$6 per year. It's a very cheap investment.

2050 - I imagine there's some research and studies behind the 2050 goal and I'm comfortable with that

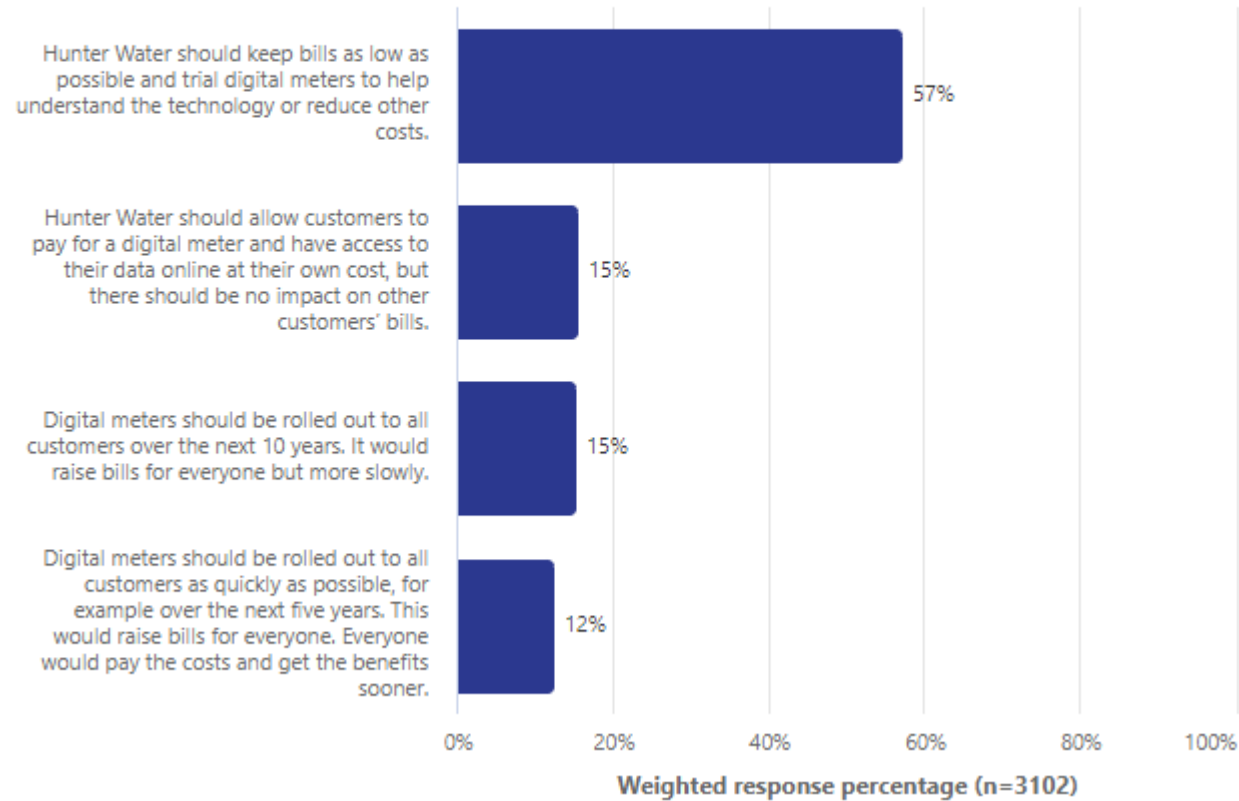
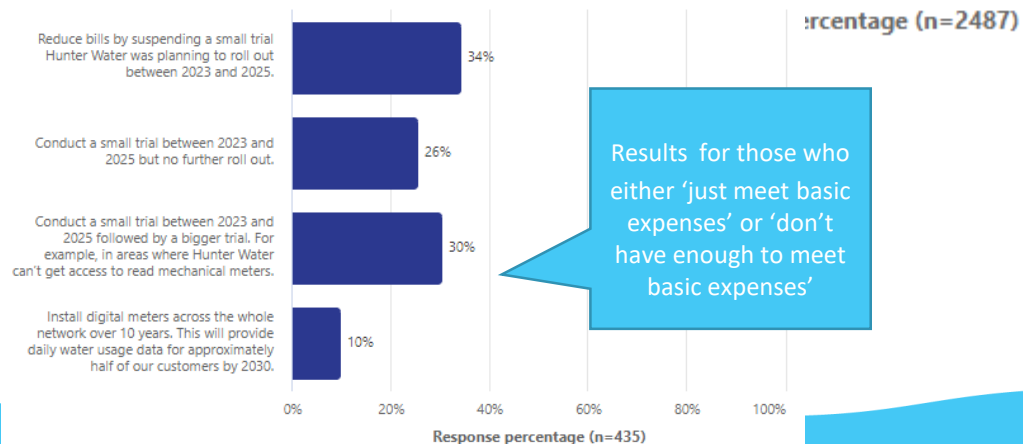
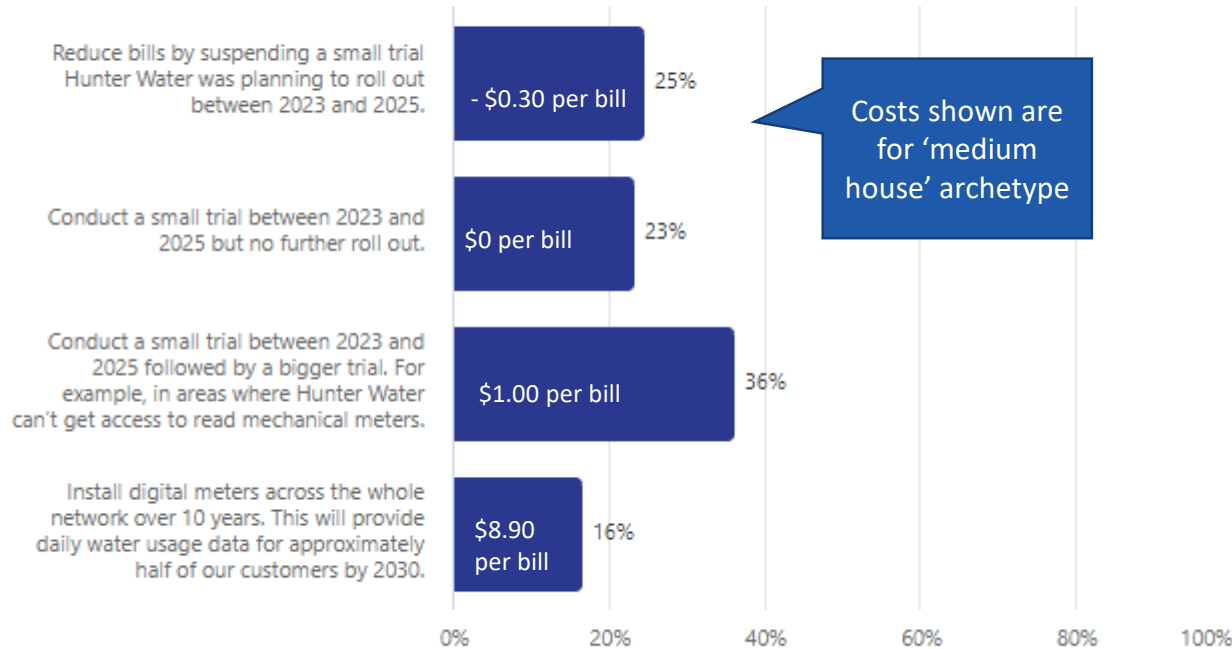
2050 - opposed to carbon offsets because the money goes to the federal government.

5 out of 7 groups chose to get to net zero by 2035

# Digital meters - survey results

How quickly should we replace mechanical meters with digital meters?

Which of the following do you agree with most? (pick one)



# Digital meters – focus group results

Cohort	Q2 - Digital meters	Bill impact
Group 1 - Pensioner household	Conduct a small trial between 2023 and 2025 but no further roll out	\$0.00
Group 2 - Small household	Conduct a small trial between 2023 and 2025 followed by a bigger trial	> \$1.00
Group 3 - Customers experiencing vulnerability	Conduct a small trial between 2023 and 2025 followed by a bigger trial	> \$1.00
Group 4 - Medium household	Conduct a small trial between 2023 and 2025 but no further roll out	\$0.00
Group 5 - Large household	Conduct a small trial between 2023 and 2025 followed by a bigger trial	> \$1.00
Group 6 - Medium business	Conduct a small trial between 2023 and 2025 followed by a bigger trial	> \$4.30
Group 7 - Aboriginal and Torres Strait Islander customers	Install digital meters across the whole network over 10 years	> \$8.90
	<div>Status quo</div> <div>Slight increase</div> <div>Bigger increase</div>	

## QUESTION 2: HOW QUICKLY SHOULD HUNTER WATER REPLACE MECHANICAL METERS WITH DIGITAL METERS?

### REASONS TO REDUCE BILLS

No trial - It wouldn't be very helpful for my business but I can see the personal benefit for budgeting reasons.

### REASONS TO KEEP BILLS LOW

Small trial - I'd like to see the result from the initial trial and if it is successful I would be very keen to see a full roll out. It would be really useful in my personal life as well.

### REASONS TO INCREASE INVESTMENT

Bigger trial - Considering how much water we use it would be really interesting to see how our usage fluctuates over the year. I can't see the benefit so much for a residential person.

Bigger trial - I think this will be really important in the future but I'd want to see the benefits and results from the trial before significantly investing.

Bigger trial - I'm against most digital things but I'd like to see my usage and know about leaks sooner rather than later.

Bigger trial - would like full roll out but it's too expensive especially considering inflation and interest rates.

Bigger trial - Small cost especially compared to the full roll out. I'd really like the digital meter on my personal property to catch leaks early.

Bigger trial - My business is in a co-working office so we never see any usage numbers and from a residential perspective I'd love to see the data.

4 out of 7 groups chose to conduct a small trial followed by a bigger trial

Do you think customers should be able to opt-in to having a digital meter or that they should be mandatory for all customers?

Digital meters should be mandatory for all customers (n=11)

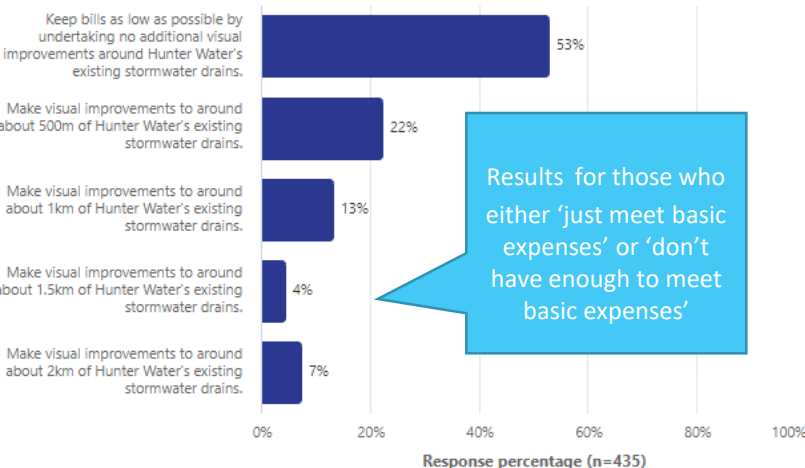
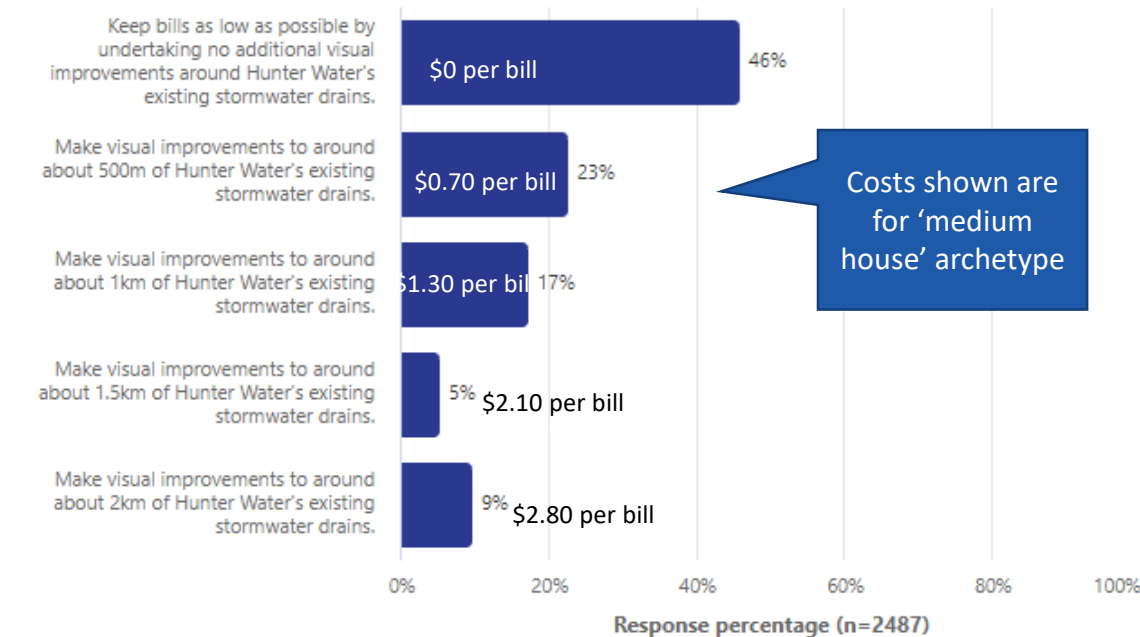
24%

Customers should be able to opt-in to having a digital meter (n=34)

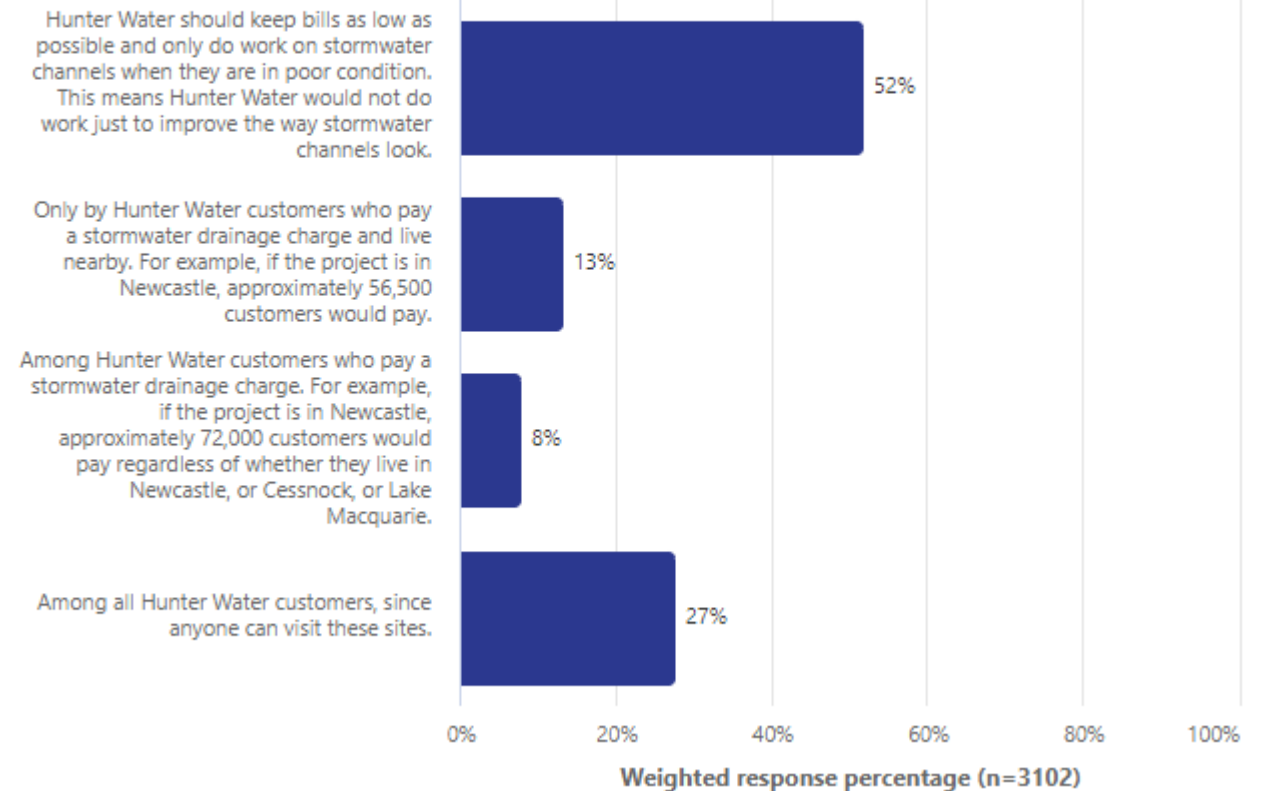
76%

# Stormwater amenity – survey results

What level of investment (if any) should be made to improve the way these stormwater drains look? ≡



How should the costs of this investment be shared? (pick one) ≡

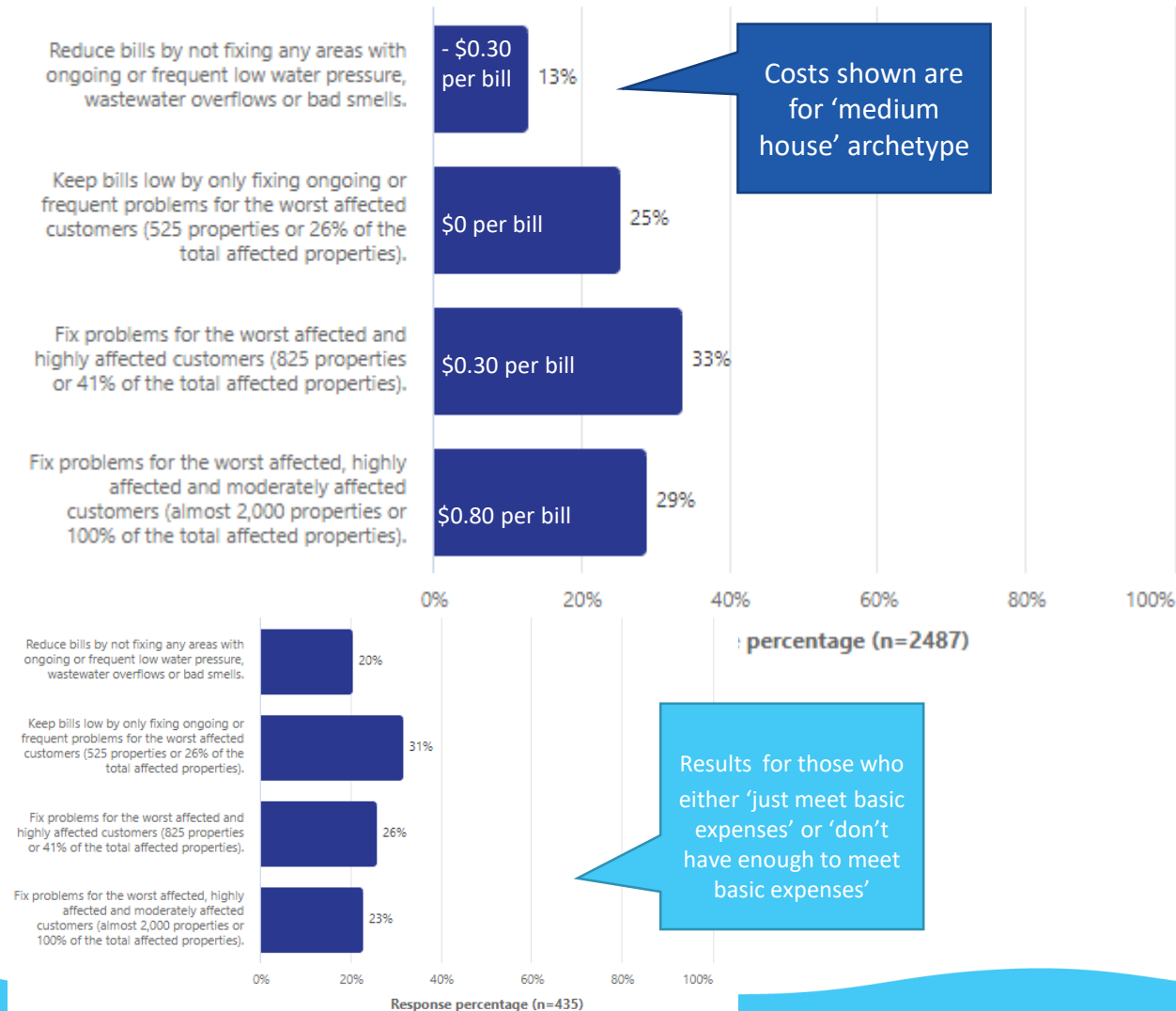


# Stormwater amenity – focus group results

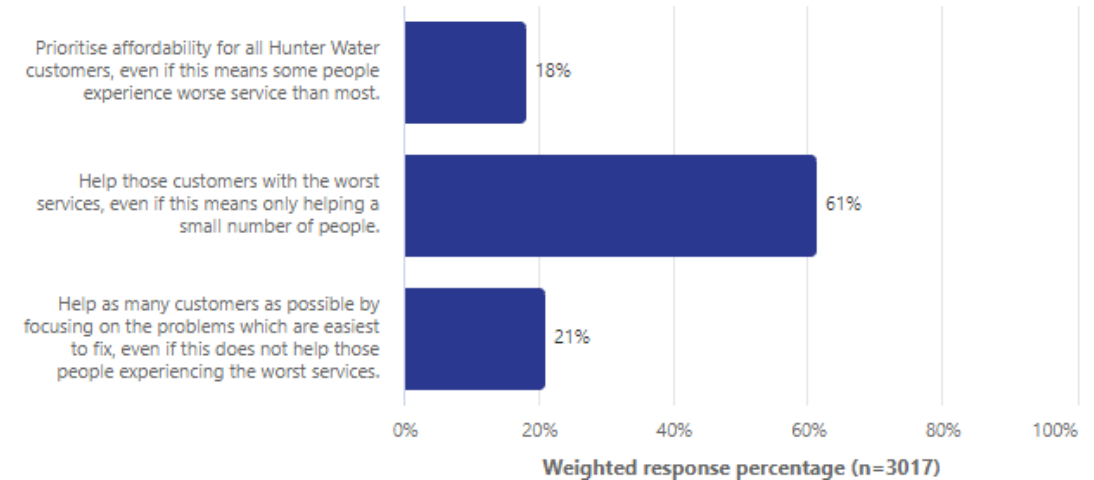
Cohort	Q3 - Stormwater amenity	Bill impact				
Group 1 - Pensioner household	Keep bills as low as possible by undertaking no additional visual improvements	\$0.00				
Group 2 - Small household	Keep bills as low as possible by undertaking no additional visual improvements	\$0.00	QUESTION 3: WHAT LEVEL OF INVESTMENT (IF ANY) SHOULD BE MADE TO IMPROVE THE WAY THESE STORMWATER DRAINS LOOK?			
			REASONS TO KEEP BILLS LOW			REASONS TO INCREASE INVESTMENT
Group 3 - Customers experiencing vulnerability	Keep bills as low as possible by undertaking no additional visual improvements	\$0.00	No improvements - unless it's for a larger area, I don't think it would be practical.	No improvements - can't see the benefits in many areas.	No improvements - curious as to how there isn't already a budget for this and why everything is at the pocket of the customer.	500m - it's not a priority but it is nice to have.
Group 4 - Medium household	Keep bills as low as possible by undertaking no additional visual improvements	\$0.00	No improvements - it's just a visual improvement.	No improvements - don't see the benefits. And see the irony that the Cottage Creek site is right next to the Hunter Water office.	No improvements - don't see the need.	
Group 5 - Large household	Keep bills as low as possible by undertaking no additional visual improvements	\$0.00				
Group 6 - Medium business	Keep bills as low as possible by undertaking no additional visual improvements	\$0.00	No improvements			
Group 7 - Aboriginal and Torres Strait Islander customers	Keep bills as low as possible by undertaking no additional visual improvements	\$0.00				
			All 7 groups chose to keep bills as low as possible			
			<div>Status quo</div> <div>Slight increase</div> <div>Bigger increase</div>			

# Hot spots - results

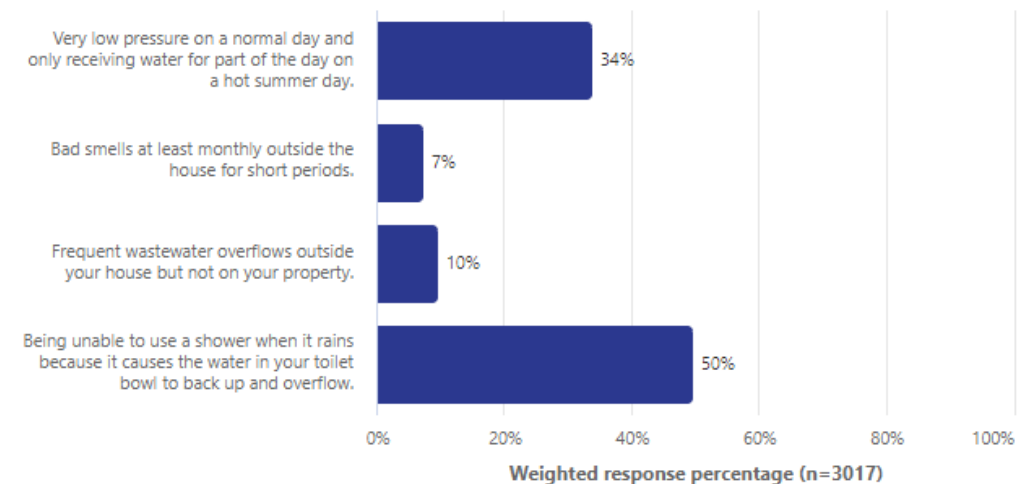
What level of investment should we make to provide more people with the high quality, reliable services that most customers already enjoy?



If we were to invest \$5 million to address these issues, which approach do you think is fairest? (pick one)



Which of the following would you find most inconvenient? (pick one)



# Hot spots – focus group results

QUESTION 4: WHAT LEVEL OF INVESTMENT SHOULD HUNTER WATER MAKE TO PROVIDE MORE PEOPLE WITH THE HIGH QUALITY, RELIABLE SERVICES THAT MOST CUSTOMERS ALREADY ENJOY?

## REASONS TO INCREASE INVESTMENT

2000 properties - because it's such a minimal cost on the bill and these problems need to be fixed. These people deserve the same quality service as everyone else, why should they suffer?

2000 properties - If I moved in to one of these properties I'd want everyone else to chip in and help fix the problem.

2000 properties - because they're paying the same amount as everyone else so they should get the same quality of service as everyone else.

2000 properties - because it's a minimal cost.

6 out of 7 groups chose to fix all problems (maximum option)

## Hotspots - What issue should Hunter Water prioritise first?

Customers who live in low lying areas and experience sewer overflows on their property (affects approximately 90 properties)

69%

Customers who have very low water pressure (affects approximately 1,885 properties)

15%

Customers who are subjected to ongoing bad smells either inside or outside their house (affects approximately 30 properties)

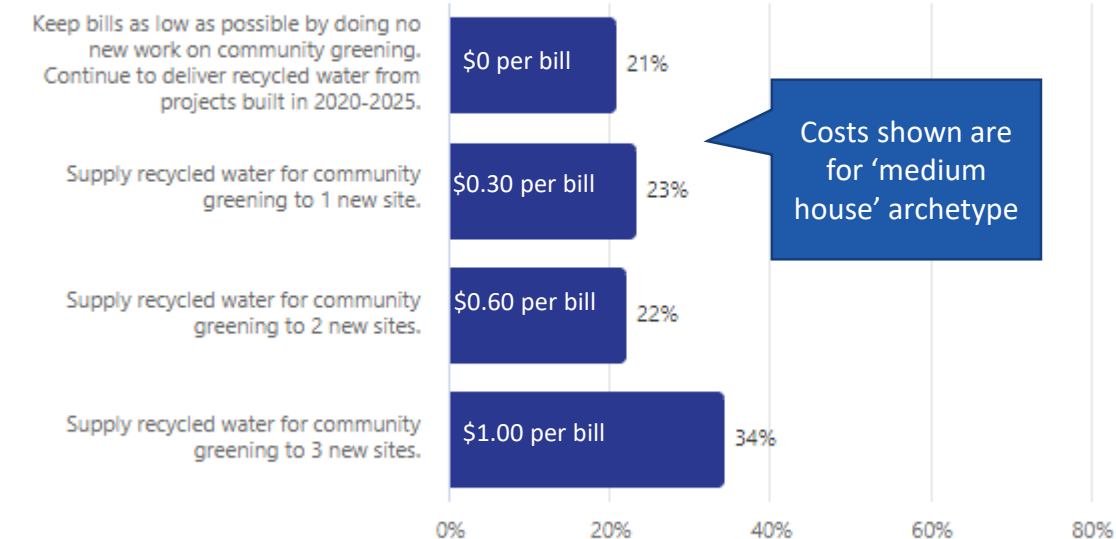
15%

0 5 10 15 20 25 30

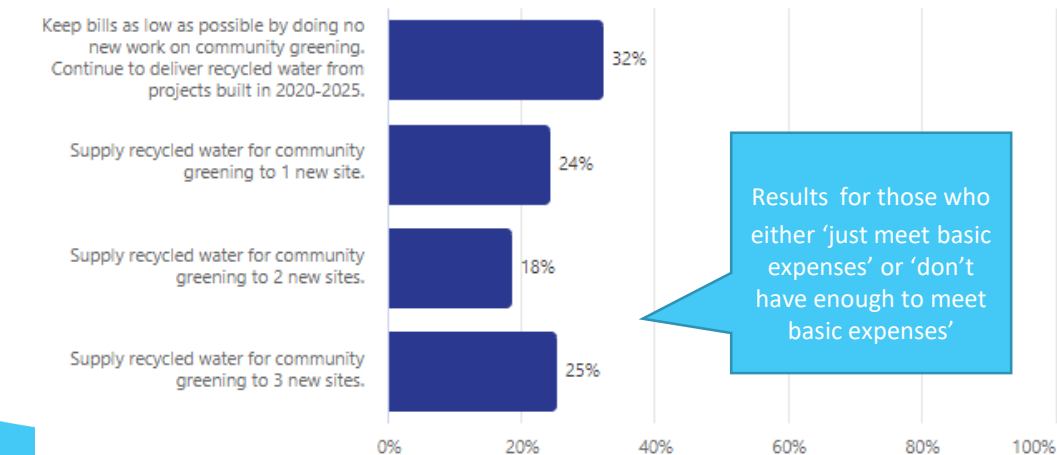
Cohort	Q4 - Hot spots	Bill impact
Group 1 - Pensioner household	Fix problems for the worst affected, highly affected and moderately affected customers (almost 2,000 properties)	> \$0.50
Group 2 - Small household	Fix problems for the worst affected, highly affected and moderately affected customers (almost 2,000 properties)	> \$0.60
Group 3 - Customers experiencing vulnerability	Fix problems for the worst affected, highly affected and moderately affected customers (almost 2,000 properties)	> \$0.80
Group 4 - Medium household	Fix problems for the worst affected, highly affected and moderately affected customers (almost 2,000 properties)	> \$0.80
Group 5 - Large household	Fix problems for the worst affected and highly affected customers (825 properties)	> \$1.00
Group 6 - Medium business	Fix problems for the worst affected, highly affected and moderately affected customers (almost 2,000 properties)	> \$2.70
Group 7 - Aboriginal and Torres Strait Islander customers	Fix problems for the worst affected, highly affected and moderately affected customers (almost 2,000 properties)	> \$0.80
	Status quo	
	Slight increase	
	Bigger increase	

# Recycled water for community greening - results

What level of investment should be made to increase recycled water use for community greening?



Response percentage (n=2487)

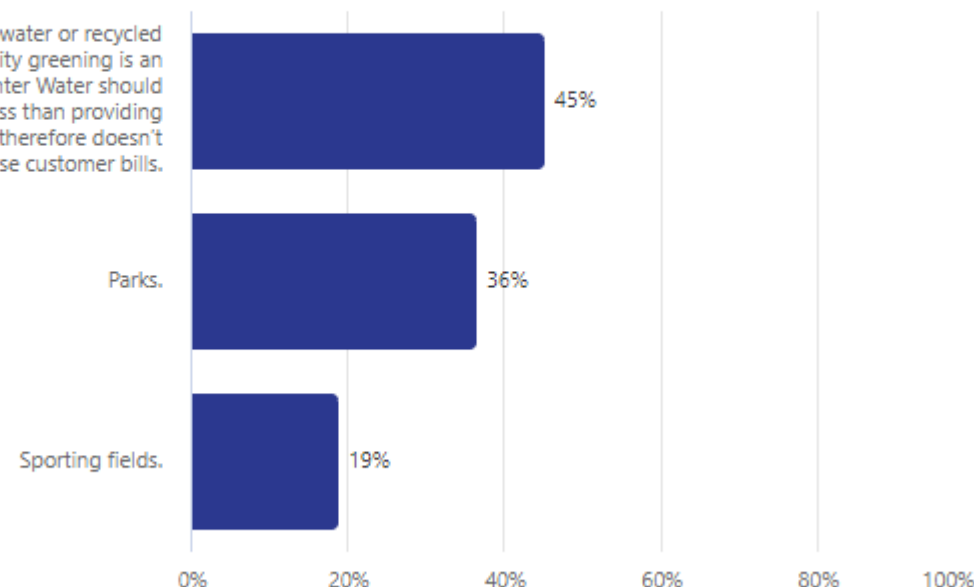


Response percentage (n=435)

Which of the following types of areas would you like to see us prioritise? (pick one)



Using recycled wastewater or recycled stormwater for community greening is an unnecessary expense. Hunter Water should only do it if it costs less than providing drinking water and therefore doesn't increase customer bills.



Weighted response percentage (n=2915)

# Recycled water for community greening – focus group results

Cohort	Q5 - Recycled water for community greening	Bill impact
Group 1 - Pensioner household	Supply recycled water for community greening to 2 new sites	> \$0.40
Group 2 - Small household	Supply recycled water for community greening to 1 new site	> \$0.30
Group 3 - Customers experiencing vulnerability	Supply recycled water for community greening to 1 new site	> \$0.30
Group 4 - Medium household	Supply recycled water for community greening to 2 new sites	> \$0.60
Group 5 - Large household	Keep bills as low as possible by doing no new work on community greening	\$0.00
Group 6 - Medium business	Keep bills as low as possible by doing no new work on community greening	\$0.00
Group 7 - Aboriginal and Torres Strait Islander customers	Keep bills as low as possible by doing no new work on community greening	\$0.00
	Status quo	
	Slight increase	
	Bigger increase	

**QUESTION 5: WHAT LEVEL OF INVESTMENT SHOULD BE MADE TO INCREASE RECYCLED WATER USE FOR COMMUNITY GREENING?**

## REASONS TO KEEP BILLS LOW

No site - not much impact

No site - I don't think it's worth it for the price and I don't think it's HWC's job

No site - I don't want to put fees up for disadvantaged people for three sites and I think it should be the council's job

No site - not enough value

No site - one or two parks doesn't seem worth it

No site

## REASONS TO INCREASE INVESTMENT

1 site - nice idea and having eight in the works means it's a sufficient amount

1 site - I think it's worthwhile. Going into el Niño and I think it's crazy use drinking water to water grass.

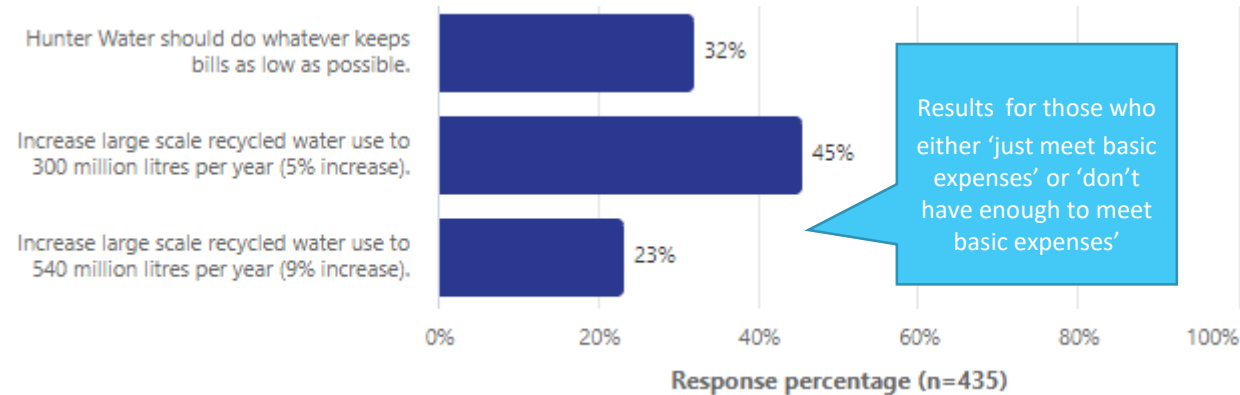
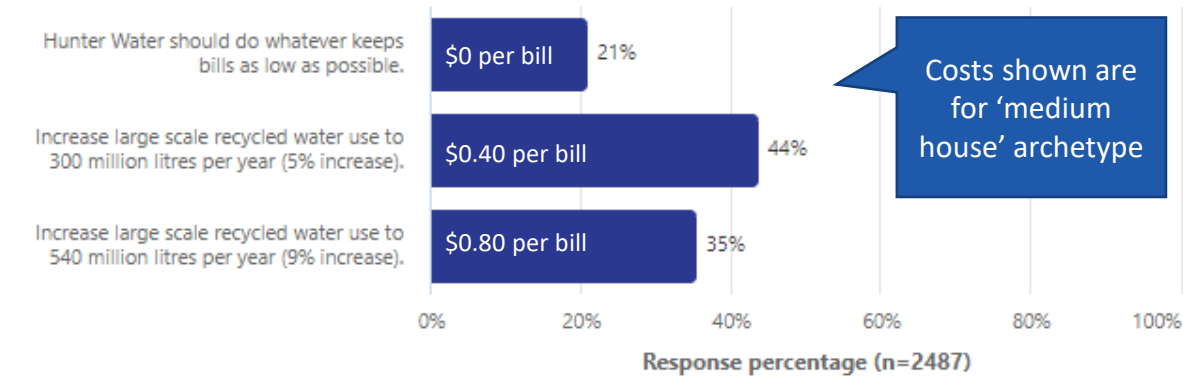
1 site - I don't think drinking water should be used but I think 1 site is enough and there's minimal impact on the bills.

1 site - \$0.30 on my bill isn't much and it seems worthwhile.

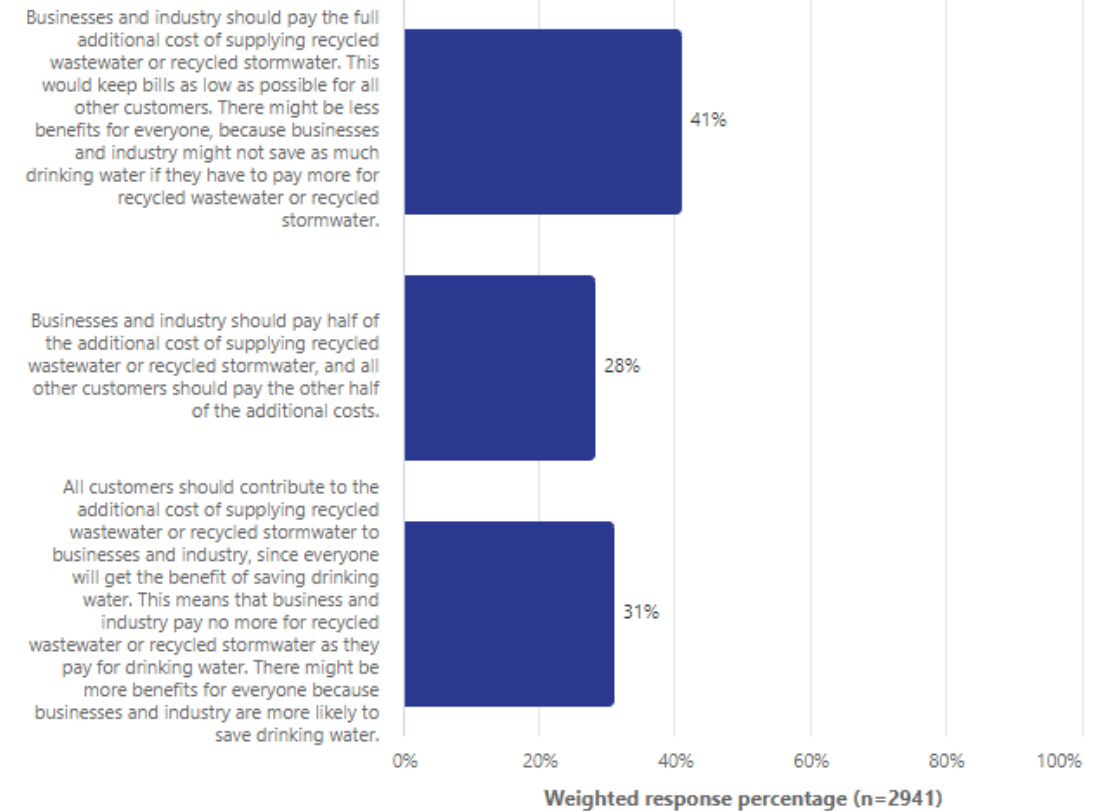
Groups relatively split on this topic

# Alternative water sources for business and industry - results

Recycled wastewater schemes in the Lower Hunter provide around six billion litres of water per year that would otherwise need to be provided with drinking water. How much should we invest?



Which approach do you think is fairest? (pick one)

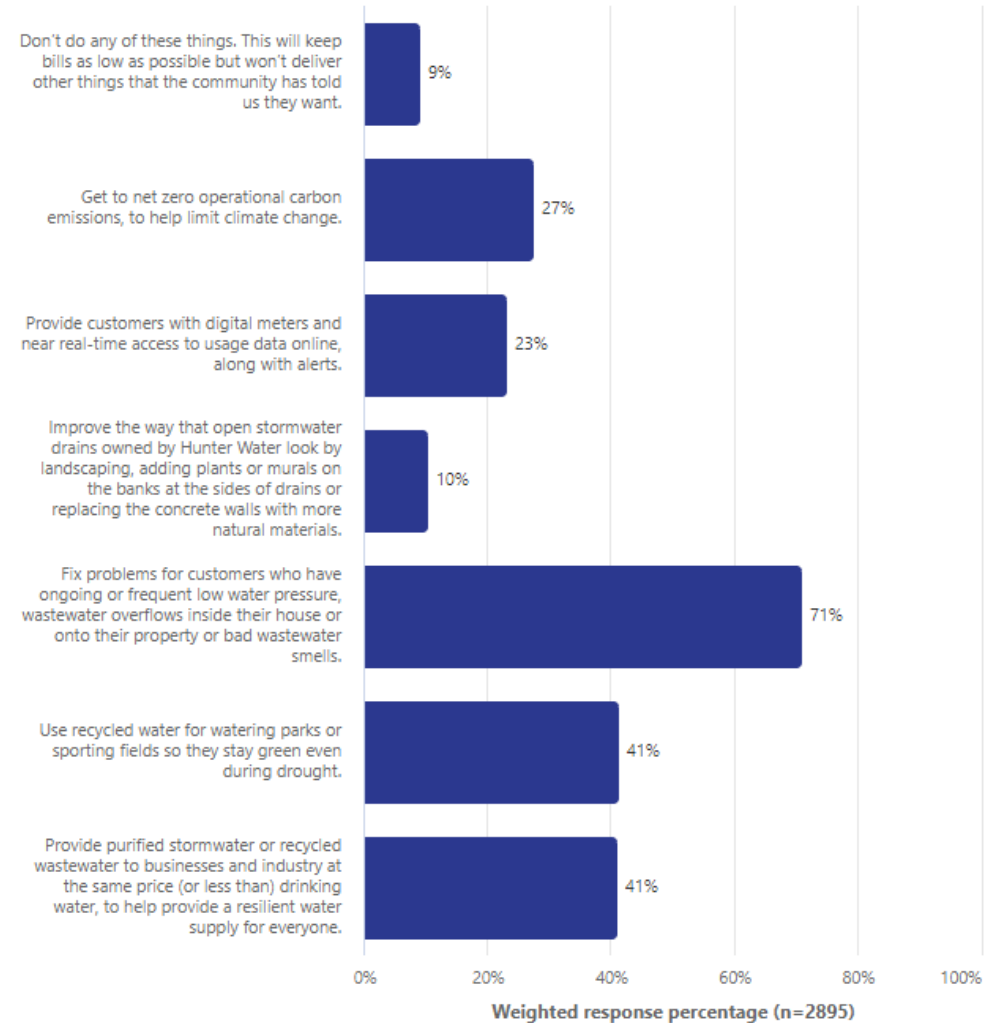


# Alternative water sources for business and industry – focus group results

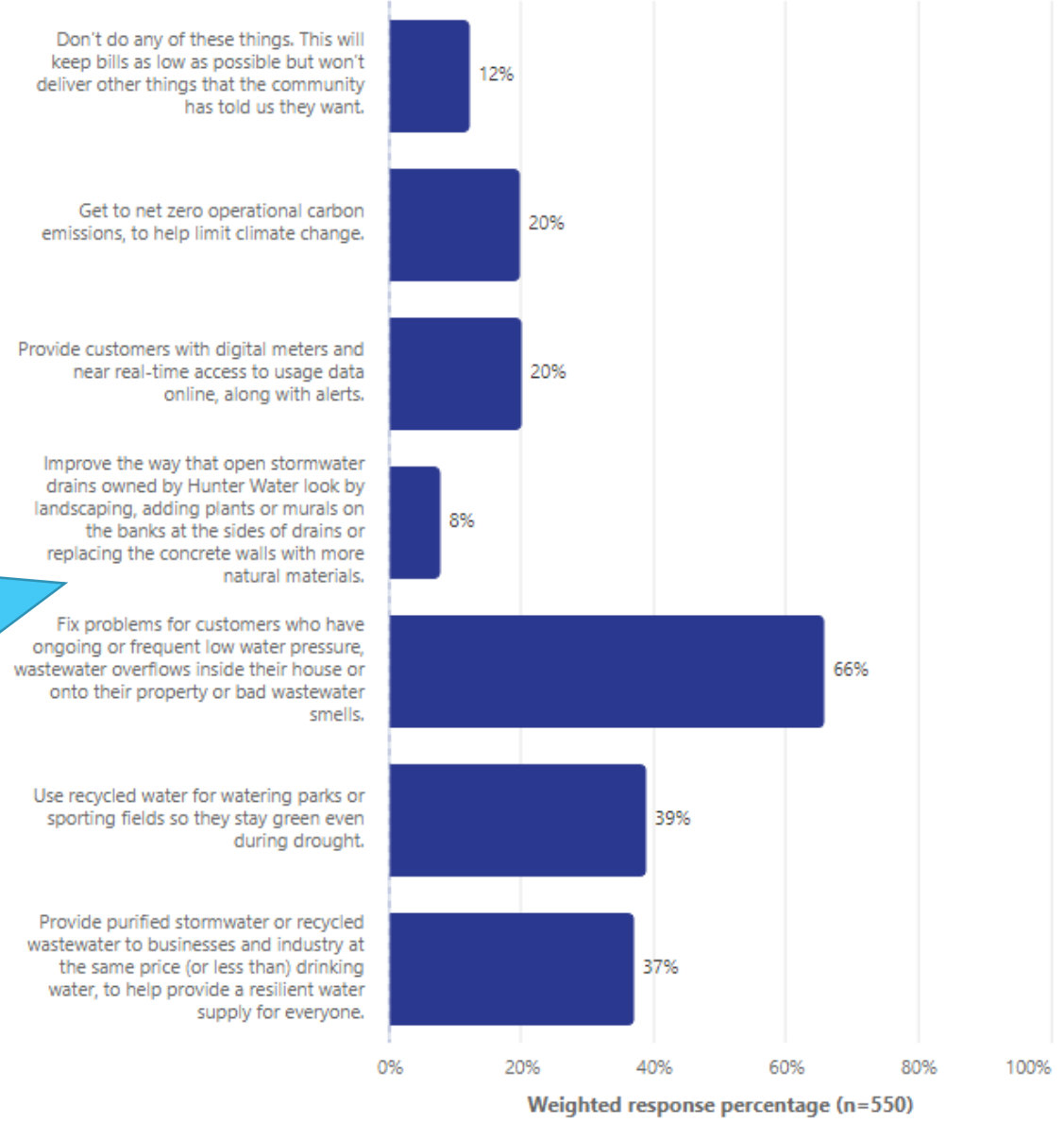
Cohort	Q6 - Recycled water for business and industry	Bill impact	QUESTION 6: HOW MUCH SHOULD HUNTER WATER INVEST IN ALTERNATIVE WATER SOURCES FOR BUSINESS AND INDUSTRY?			
Group 1 - Pensioner household	Increase large scale recycled water use to 300 million litres per year	> \$0.30	REASONS TO KEEP BILLS LOW			
Group 2 - Small household	Increase large scale recycled water use to 540 million litres per year	> \$0.80	Keep bills low - the big industry should be paying to subsidise because they're the ones using the water. I'm ok with investing but industry should pay the most.			
Group 3 - Customers experiencing vulnerability	Increase large scale recycled water use to 540 million litres per year	> \$0.80	REASONS TO INCREASE INVESTMENT			
Group 4 - Medium household	Increase large scale recycled water use to 540 million litres per year	> \$0.80	540ML - will help ensure we have a sustainable drinking water source.			
Group 5 - Large household	Increase large scale recycled water use to 540 million litres per year	> \$0.80	540ML - small cost to save drinking water for sustainability reasons. We should save the drinking water for drinking.			
Group 6 - Medium business	Increase large scale recycled water use to 300 million litres per year	> \$1.80	540ML - I like investing in this more, recycling water is good to do at not a large cost.			
Group 7 - Aboriginal and Torres Strait Islander customers	Increase large scale recycled water use to 540 million litres per year	> \$0.80	540ML - anything to help drinking water is good.			
Status quo			540ML - conserving drinking water is important.			
Slight increase			540ML - has a benefit for everyone.			
Bigger increase			5 out of 7 groups chose maximum option			

# Overall priorities

In your opinion, which are the MOST IMPORTANT actions on this list for Hunter Water to do in coming years? Pick up to three.

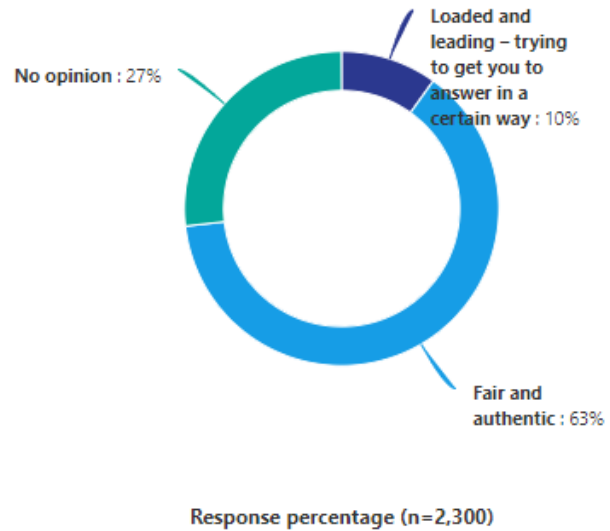


Results for those who either 'just meet basic expenses' or 'don't have enough to meet basic expenses'



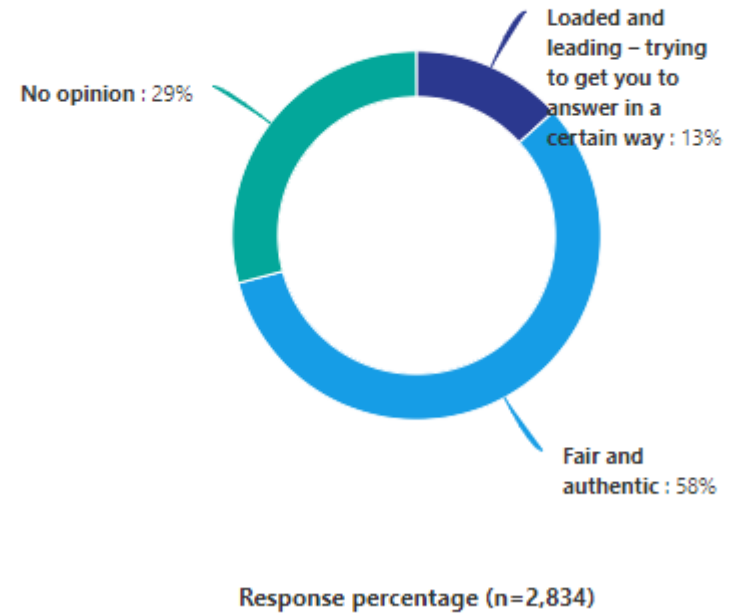
# Loaded and leading

How did you find this exercise?



Bill simulator

How did you find this exercise?



Priorities survey



## General discussion