



# MEETING MINUTES

<b>Committee name</b>	Hunter Water Customer and Community Advisory Group (CCAG)
<b>Date and time</b>	Tuesday 12 November 2024, 9.30am to 12 noon
<b>Location</b>	Hunter Water Head Office

## MEMBERS PRESENT

Cr Brian Adamthwaite	Lake Macquarie City Council ( <b>Chair</b> )
Ms Jean McGarry	Lake Macquarie Sustainable Neighbourhoods Alliance
Ms Sue Johns	National Seniors Association
Mr Ken Edwards	Save the Williams River Coalition
Cr Deahna Richardson	City of Newcastle
Cr Peter Francis	Port Stephens Council
Cr Mark Mason	Cessnock City Council
Cr Warrick Penfold	Maitland City Council
Cr Michael Dowling	Dungog Shire Council
A/Prof Troy Gaston	The University of Newcastle
Mr Graham Jones	Maitland Masonic Centre

## APOLOGIES

Ms Thea Bray	Public Interest Advocacy Centre
Mr David Beins	
Mr Douglas McCloskey	Public Interest Advocacy Centre
Ms Linda Bowden	Save the Williams River Coalition (represented by Mr Ken Edwards)
Mr Glenn Lyons	Local Land Services
Ms Emma Berry	Executive Manager, Strategy & Engagement

## IN ATTENDANCE

Mr Darren Cleary	Managing Director
Dr Clare Hogue	Program Lead, Community Research and Insights
Ms Emma Turner	Senior Economist
Mr Declan Clausen	Group Manager Strategy & External Affairs
Ms Laura Boland	Stakeholder and Government Relations Advisor (CCAG Secretary)

## WELCOME

The Chair opened the meeting at 9.30 am and provided an Acknowledgment of Country.

Apologies were received and noted.

## OVERVIEW OF AGENDA AND CONFLICTS OF INTEREST

Nil conflicts of interest were declared.

## MINUTES OF THE PREVIOUS MEETING

The August 2024 meeting minutes were adopted as a true and correct record of the meeting (M: Cr Francis, S: Ms Sue Johns)

## HUNTER WATER OPERATIONAL REPORT AND WELCOME TO NEW MEMBERS

### Mr Darren Cleary and Mr Declan Clausen

Mr Clausen welcomed the new councillor members to the CCAG, who have joined following the September 2024 local government elections:

- Cr Deahanna Richardson – City of Newcastle Council
- Cr Michael Dowling – Dungog Shire Council
- Cr Warrick Penfold – Maitland City Council
- Cr Mark Mason – Cessnock City Council

Mr Clausen welcomed back to the CCAG, returning councillors:

- Cr Peter Francis – Port Stephens Council
- Cr Brian Adamthwaite – Lake Macquarie City Council (CCAG Chair)

Mr Cleary provided an overview of Hunter Water's role, including providing safe and reliable drinking water, wastewater, recycled water, some stormwater services, and services for development and population growth.

Mr Cleary highlighted Hunter Water's vision and purpose, which put customers and communities at the core, and with trust-building as a key priority.

Water storages are currently healthy and tracking close to the 'wet outlook'.

Members commented on the reduction in water level at Grahamstown Dam in response to dam safety concerns and noted that recent earthquakes in the region did not damage the dam.

Q: Members asked if Hunter Water would re-define 100% capacity in the dam, given the purposeful reduction in the water level. Mr Cleary answered that the 100% mark would not be redefined as this would give a false sense of water storages and not promote water conservation in the community.

Mr Cleary noted key challenges that Hunter Water is currently addressing, including:

- keeping prices affordable, as part of our 2024 Pricing Proposal
- addressing water security risks by delivering the Belmont Desalination Plant
- maintaining & renewing an ageing network
- supporting growth across our region
- improving dam safety
- reducing our environmental impacts, creating nature-positive impact.

Mr Cleary gave his apologies for the remainder of the meeting, explaining that IPART's consultants were attending Hunter Water to undertake an expenditure review of the pricing proposal.

Q: Members asked if Hunter Water would consider expanding its areas of wastewater servicing to include unsewered areas. A: Mr Clausen noted that Hunter Water is unable to fund the connection of these 'backlog sewer' areas, which can cost more than \$60K per property to connect.

CCAG members noted that they are interested to learn more about backlog sewer at a future meeting. Further information is available on the Hunter Water website here:

<https://www.hunterwater.com.au/our-water/wastewater-systems/onsite-wastewater-systems>

Mr Clausen noted that the Australian Drinking Water Guidelines are currently being reviewed, including the tolerable level of PFAS in drinking water. Hunter Water's extensive PFAS testing results are available on the website, and demonstrate that the drinking water supplied to customers and community is safe from PFAS, meeting both the current proposed guidelines:

[www.hunterwater.com.au/pfas](http://www.hunterwater.com.au/pfas)

Q: Members asked if Hunter Water knows where PFAS comes from apart from firefighting foams. A: Mr Clausen noted the most significant source of PFAS within Hunter Water's catchment areas is due to the legacy use of firefighting foams at RAAF Base at Williamstown. Hunter Water has embargoed bores within proximity to the RAAF Base and is not utilising these for drinking water. Hunter Water's PFAS sampling program is comprehensive, and we have taken a risk-based approach to identify PFAS in all our catchments, and across our water distribution network.

Q: The Belmont Desalination Plant will be powered by 100% renewable energy. Members asked if battery storage would be included. A: Mr Clausen said that at this stage battery storage isn't proposed, as the energy generated would be used by the Plant; however this continues to be explored as part of Hunter Water's renewable energy program:

<https://www.hunterwater.com.au/community/major-projects-in-your-area/renewables>

Q: Members asked if desalination is more commercially viable than a new dam. A: Mr Clausen noted that both dams and desalination were explored as part of the Lower Hunter Water Security Plan (LHWSP), and desalination was the most cost-effective new water source with lower environmental and community impacts. More information is available in the LHWSP on Hunter Water's website:

<https://www.hunterwater.com.au/our-water/water-supply/water-in-the-lower-hunter/lower-hunter-water-security-plan>

Q: Members asked how much water is shared between the Lower Hunter and Central Coast. A: Mr Clausen said that nothing is currently being provided to the Central Coast as they have increased their water security. Water sharing between Central Coast and the Lower Hunter currently provides a greater benefit to the Lower Hunter in this respect. A copy of the [LHWSP](#) will be forwarded to members.

Q: Members asked for an update on dam safety works at Chichester Dam. A: Mr Clausen shared the June 2024 Community update newsletter with the member.

Q: Members asked to know the costs of solar panels at the Belmont Desalination Plant. Hunter Water took the **question on notice**.

Mr Clausen noted Hunter Water's participation in the 2024 Big Picture Festival with a mural commissioned to cover Newcastle West 1 Wastewater Pump Station. Murals are an effective way to decrease graffiti on Hunter Water property.

Mr Clausen reported on Hunter Water's trial of real-time leak detection at properties, and remediation works along the Williams River to prevent erosion and improve water quality.

Q: Members discussed how the erosion works are done with the cooperation of landowners, and the value of education and penalties for boat owners who travel too fast up the river and create wake erosion. Members also asked if Hunter Water was doing any carp eradication in the upper Williams River, as members have noticed carp causing bank erosion. Mr Clausen noted that DPI Fisheries would be the lead government agency for fish control in the Williams River.

Members expressed interest in a site visit to the Williams River and future presentations on catchment management.

Q: Members queried the cost of the solar energy installation that was recently put into use at the Balickera pumping station, and whether a development application was placed on public display. Hunter Water took the **question on notice**.

Q: Members queried how much land clearing was done to accommodate the solar installation. Hunter Water took the **question on notice**.

Mr Cleary's and Mr Clausen's presentation is available on the [CCAG webpage](#).

## HUNTER WATER'S 2025-2030 PRICING PROPOSAL AND COMMUNITY ENGAGEMENT

- **Emma Turner – Senior Economist**
- **Dr Clare Hogue – Program Lead, Community Research and Insights**

Hunter Water submitted its pricing proposal to the Independent Pricing and Regulatory Tribunal (IPART) on 30 September 2024, following a program of community engagement that informed the proposal. Ms Turner and Dr Hogue discussed the main features of the proposal, and how it considered insights from community engagement.

In developing the proposal Hunter Water heard from over 9,000 people via mixed methods of engagement. Dr Hogue outlined the 5 stages of engagement which sought: experiences and expectations; values and priorities; deliberations on service-levels/investments; views on pricing structures; and confirmation on the proposal.

Throughout the engagement Hunter Water promised to incorporate our community's recommendations to the maximum extent possible.

Dr Hogue noted that the next step of engagement is to form a Community Committee consisting of up to 50 people to mark our 'report card' of measures and targets on an annual basis to oversee how we're delivering on our pricing proposal.

Q: Members asked how Hunter Water would involve young people in the Community Committee. A: We are engaging independent consultants to assist in recruitment. This was a challenge to attract young people in the past pricing engagement, as they often work on weekends and are unavailable for meetings. CCAG support would be appreciated to ensure we reach young people across our region.

Ms Turner noted that Hunter Water's proposal aims to keep bills affordable, and that the team started with the bare minimum services, in a balance between service and risk.

The Belmont Desalination Plant is driving up capital expenditure (capex). If the desalination plant spending is removed, overall capex is stable or slightly reducing during the pricing period.

Q: Members asked if any feedback was received around bill shock if people incur unexpected water usage? A: We heard that some people in our focus groups preferred a single increase in prices at the start of the pricing period to ensure consistency over the 5 years. But most people told us that they wanted to gradually increase the costs by stepping up costs over the 5 years.

Q: Members asked if Hunter Water is using AI for smart meter reading of water use or billing? A: Customers have told us that they are keen on real time data/alerts for water use. However, this will require digital meters. We are progressing a trial of digital meters, and this will provide insights on the future use of this technology.

Q: Members asked if costs will follow consumer price indexing (CPI). A: Yes. Hunter Water prices are indexed annually to inflation. Our proposal is to continue to use March to March CPI changes, as published by the Australian Bureau of Statistics.

Ms Turner noted that wastewater pricing in the new proposal will maintain the current approach whereby apartments pay slightly less than houses for this fixed charge.

Q: Members asked if the gap between houses and apartment wastewater charges will be closed during the pricing period: A: No, they will not close fully during this period; however, historically the gap between them has been narrowing over time.

Ms Turner noted that Hunter Water has written to councils and other major water users to alert them about our pricing proposal.

Q: Members asked what Hunter Water expects IPART's reaction to be regarding the proposal. A: Ms Turner noted that IPART would be thoroughly assessing Hunter Water's proposal. In preparation, Hunter Water has regular meetings with IPART. They have already prepared an 'issues paper' on the proposal ahead of its public exhibition, in which they have raised questions about some elements of the proposal. In the issues paper, IPART have noted that our proposal is 'advanced' and of above-average quality.

IPART's review includes a comprehensive expenditure review of selected projects to ensure that Hunter Water is operating prudently and efficiently.

Mr Clausen noted that, in addition to the standard review process, the Premier has asked IPART to consider how to keep prices as low as possible given the current cost of living crisis.

Q: Members asked if dam water and desalination water incur different pricing. A: All water is priced the same for customer bills. However, Hunter Water's costs vary depending on the source of water being delivered. Hunter Water took the **question on notice** to provide the cost-per-litre for Hunter Water to produce desalination water.

Q: Members queried if Dungog is close to 'cheaper' dam water, then could water bills be lowered in the area. A: Mr Clausen noted that Hunter Water applies 'postage stamp' pricing, where all consumers pay the same for ongoing water and sewerage prices, regardless of where they live or other site-specific factors. In other words, Hunter Water equitably bills customers the average cost of supplying the services across its area of operations. This has been a principle of fairness in Hunter Water's pricing structure. While Dungog might have access to 'cheaper' water services due to its proximity to Chichester Dam, the costs of delivering wastewater services in Dungog is very expensive when compared with other areas.

Ms Turner's and Dr Hogue's presentation is available on the [CCAG webpage](#).

## GENERAL BUSINESS & QUESTIONS ON NOTICE

No general business or further questions on notice were received.

## DATE OF NEXT MEETING