Hunter Water

Community workshop summary report, June 2024

1.0 Executive summary

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Hunter Water is committed to accountability, customer centricity and innovation. Instead of "creating its own report card", Hunter Water decided to involve customers in choosing the measures and communication channels it should use to give the community the best sense of whether they were getting what they were paying for.

Approach
Hunter Water gathered 15 customers from its recently completed community panel. These people were highly informed and engaged members of the public from all walks of life. They had spent five-and-a-half days digesting a comprehensive engagement report and participating in the deliberative process.

They had told Hunter Water what was important to customers, and how much customers were willing to pay for services that made up a proportion of the overall bill and that would provide the greatest value.

As a result, these people were ideally positioned to design the "Report Card" which the community could use to find out whether they were getting what they were paying for.

Hunter Water envisages that this committee will reconvene at least annually to monitor the corporation's performance. Natural attrition and (potentially) term limits will require annual "topping up" of the panel, so additional members of the public may be recruited to join the continuing members. Constant renewal also mitigates the risk of ongoing members being "captured" by the corporation.

The group was brought together on Saturday 18th May for a full-day session in Newcastle. After being given appropriate background, they were asked to:

- Review and endorse the draft Customer Outcomes,

- Indicate which Report Card Measures best communicate to the community that customers are getting what they are paying for,

- Understand how to communicate progress against outcomes and Report Card Measures to best effect,

- Provide feedback on the circumstances and process for any mid-period changes to Report Card Measures, and

- Discuss how an ongoing committee to review Hunter Water's performance might operate.

Feedback on the Customer Outcomes
Participants were shown the proposed Customer Outcomes for the 2025-2030 pricing period, along with an explanation of how they had been developed and tested with customers throughout the engagement period.

All bar one of the participants agreed (with one abstention) they had been told about the Customer Outcomes, how they were arrived at, and that they were confident the Outcomes represented customer priorities.

This level of validation represents the end of an extensive process of reviewing, revising and testing the Outcome statements to ensure they are mutually exclusive, collectively exhaustive, resonant and reflective of community expectations.

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Feedback on the Report Card Measures

After speaking with Hunter Water subject matter experts and undertaking a voting process, the participants indicated their preferences for the Report Card Measures for the next pricing period.

The group appreciated the tensions which make it difficult to pick the right set of Report Card Measures. On the one hand, some draft measures are engineering outputs. They are entirely within Hunter Water's control, but are prone to include jargon and be overly quantitative, and fail to relate to what customers experience on a day to day level.

On the other hand, some potential measures are of huge interest to the community. However, they are often outside (or partially outside) Hunter Water's control, and as such their inclusion on a Report Card, although interesting, might not be a realistic assessment of Hunter Water's performance.

The second tension that the group considered was how much emphasis to place on core business versus the recommendations of the community panel. An example is hotspots where customers receive ongoing poor service. These only affect a small minority of Hunter Water customers, but were a major consideration of the deliberation and will be the subject of extra expenditure by Hunter Water in the next price period. In terms of the everyday experience of most customers, hotspots are irrelevant. But in terms of getting what they are paying for, and holding Hunter Water to account for incorporating recommendations from the community panel into its business decisions, performance on addressing hotspots should definitely be transparent.

The group also contemplated how much jargon and technical data everyday customers could reasonably understand. This is a task the group was better placed to perform than Hunter Water, and included consideration of how big the Report Card should be. On this matter, the group's informal conversations were every bit as informative and valuable as their recommendations.

Feedback on communicating performance as a form of accountability

Hunter Water wants to be accountable to the community. This includes transparently and accessibly reporting annual performance against Customer Outcomes and Report Card Measures. The group provided excellent advice on how Hunter Water should communicate, including how the communications channel employed should inform the amount of content shared. The proper place and time for infographics, bill inserts, social media, short videos, blog posts, community events and newsletters, the Hunter Water website and associate websites, and white papers were all considered. All have their place in keeping the organisation accountable.

What should happen if a Report Card Measure or Target needs to be changed?

There are a range of reasons why a Report Card Measure or Target might become outdated, irrelevant or unachievable. For example, a measure that is collected by an entity other than Hunter Water (for example, the Beachwatch measure) may be discontinued. A drought, or other weather event, might put a target out of reach for years – but does that mean the target should be changed?

The group debated three aspects of this topic. Firstly, they considered under what circumstances Hunter Water should even consider changing the Report Card. Secondly, what part should customers play in authorising the change, and finally how a change should be communicated.

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1.0 Executive summary

There is more detail later in the report, but the feedback was clear that these types of changes are too complex to be properly considered by the broader community in a survey. However, nor should the organisation have cart blanche to rewrite its Report Card in order to get better grades. The consensus was that an ongoing committee comprised of informed, everyday customers should consider any proposal for a mid-period change, and that such a change must be communicated to the wider customer base.

Principles for a community committee

Hunter Water wanted community input on the topic of how an ongoing committee of customers might operate. The corporation drew up some draft operational guidelines and invited members of the workshop to consider and respond to them.

Preferences were for an ongoing, representative committee of 15-20 people to meet every six months. There was a desire for a "Collaborate" IAP2 level engagement rather than "Consult". Site visits, independent facilitation, continuous renewal and good quality orientation were also supported.

The engagement report, which was a comprehensive background on the corporation, was considered very useful, and the corporation was encouraged to update this document to be an ongoing resource for this group of everyday customers.

Alignment with IPART's 3Cs model

IPART's 3Cs model requires pricing proposals to set timeframes for when a corporation will deliver outcomes to customers. Proposals should also show how the shortcomings of past proposals and determinations have been addressed.

Further, the 3Cs model (4.8.2) states that "Leading" ratings should apply to businesses who understand their customers and innovate to deliver services. Chapter seven of the Water Regulation Handbook states that IPART (rather than the regulated businesses) will publish an online dashboard of organisational performance.

Hunter Water's commitment to accountability, customer centricity and innovation, as evidenced in its approach to the community workshop, demonstrates a level of customer centricity that goes beyond IPART's grading rubric (p103 of the Water Regulation Handbook) where the definition of Leading is limited to financial/compensatory mechanisms. The clear qualitative feedback from Hunter Water's community workshop was that public accountability through transparency and reputational impacts was more meaningful than economic penalties that might take years to flow through to the general customer base.

Detail of this report

There are three parts to this report. The first chapter describes the engagement process and content of the community workshop, the second chapter describes the findings in detail, and the report concludes with a set of appendices which provide a written record of the materials used.

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1.0 Overview of proceedings

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Hunter Water and Insync recruited 24 participants for the community workshop. The participants were members from the community panel, who had expressed their interest at the final day of the deliberation.

Twenty members were available on the date of the event. There were also five apologies on the day, mostly due to illness, which brought the group size down to 15 participants.

The workshop took place over a full day on Saturday 18th May. The event was held in person at Noah's On The Beach in Newcastle. The workshop was facilitated by Insync and involved several presenters and subject matter experts from Hunter Water, including:

- David Derkenne – Group Manager, Sustainability and Waterways
- Declan Clausen – Group Manager, Corporate Strategy and External Affairs
- Robert Main – Group Manager, Planning and Engineering
- Abigail Morrow – A/Group Manager, Operations
- Jarrod Wynn – Manager, Civil Engineering
- Clare Hogue – Program Lead, Community Research and Insights
- Emma Turner – Senior Economist.

The workshop was also observed by the Hunter Water project team.

At the start of the session, an Acknowledgement of Country and formal welcome was provided by David Derkenne. David introduced Insync as the facilitators of the workshop and first handed over to Eleanor Howe to set the context for the workshop, and then to James Garriock to introduce the topic and task for the day.

After the formal welcome and introductions, the participants were asked to watch a video interview with a past participant from another water corporation's "community committee". The purpose of the video was for the past participant (Rick) to share some advice with the new Hunter Water members. Rick talked to his experience of being on a similar panel, how his confidence in his own water corporation had grown over the last few years, and provided guidance on how the members should behave to get the most out of the sessions they have together.

Next, James explained to the participants that they had been provided with a "Consult" level of influence on the IAP2 Spectrum Of Public Participation. This includes the promise that Hunter Water will *"keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision"*. This promise related to all topics on the workshop agenda, including the:

- Customer Outcomes,
- Report Card Measures,
- Accountability mechanisms,
- Process for mid-period changes, and
- Principles for a community committee.

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1.0 Overview of proceedings

Following this, Declan Clausen was invited to introduce the Customer Outcomes, Report Card Measures and accountability mechanisms (see Appendix A for Hunter Water slides). Declan reiterated that the purpose of the workshop was to confirm that the Customer Outcomes represented customer priorities, and to select the preferred Report Card Measures for the upcoming pricing period.

After this presentation, the session moved into the main activities for the day. An agenda is to the right and further details of each activity have been provided in the next section of this report.

Figure 1 – Community workshop agenda

Time	Agenda item
9:00am	Welcome and context setting
9:15am	Overview of the day
9:25am	Advice for participants
9:45am	Overview of the Customer Outcomes, Report Card Measures and Accountability Mechanisms
10:05am	Activity 1: Customer Outcomes
10:45am	**Morning tea break (30 mins)**
11:15am	Activity 2: Report Card Measures
12:30pm	**Lunch break (40 mins)**
1:10pm	Activity 3: Accountability Mechanisms
2:00pm	Activity 4: Process for mid-period changes
2:45pm	**Afternoon tea break (20 mins)**
3:05pm	Activity 5: Principles for a community committee
3:45pm	Wrap up and next steps
4:00pm	Close meeting

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2.1 Customer Outcomes

2.1 Customer Outcomes

The participants were first introduced to the draft Customer Outcomes in the Pricing Proposal Community Panel Engagement Report (p. 29-30). In this part of the workshop, Declan Clausen provided further context to the draft Customer Outcomes by explaining how they had been developed and tested with customers throughout the pricing proposal engagement (see Appendix A for Hunter Water slides).

The following draft Customer Outcomes and descriptions were presented to participants:

Figure 2 – Draft Customer Outcomes and descriptions

Participants were asked to respond to a poll and confirm they had been told about the Customer Outcomes, how they were arrived at, and that they were confident they represented customer priorities. The below chart shows that 13 out of 15 participants agreed with this question. One participant did not provide a response to the poll.

The Insync facilitator explained that it's important for Hunter Water to understand any reservations about the Customer Outcomes and invited participants to speak to the Hunter Water team about why they disagreed with the poll question. The facilitator also noted that the aim of the session was to make sure that all participants were comfortable with the Customer Outcomes. But if this couldn't be achieved, then Insync would record any reservations in the summary report. Unfortunately, nobody took up the opportunity to speak with Hunter Water regarding their reservations about the Customer Outcomes.

Chart 1 – Customer Outcome poll results

OUTCOMES AND DESCRIPTIONS

I expect Hunter Water to provide HIGH QUALITY WATER SERVICES	I expect my water to be safe and clean. My water and wastewater services should be reliable so that I can depend on them year-round.
I expect Hunter Water to provide VALUE FOR MONEY, and be AFFORDABLE	I expect Hunter Water to keep bills as low as possible by being efficient and looking for ways to save money. I expect Hunter Water to deliver valued services. I expect Hunter Water to treat consumers experiencing vulnerability with dignity and make it easy for them to get assistance.
I expect Hunter Water to provide WATER SECURITY	I expect Hunter Water to plan ahead and ensure water resources are used wisely so that we have enough water to support the health and prosperity of our region, now and in the future, no matter the weather.
I expect Hunter Water to provide GREAT CUSTOMER EXPERIENCE	I expect to be able to use Hunter Water's services and interact with Hunter Water easily, in the channel I choose. I want to be kept informed with clear and timely communication, and I trust you will always try to resolve my issue first time, every time.
I expect Hunter Water to be COMMUNITY-FOCUSED	I expect Hunter Water to listen and use community feedback in its decision making, support the community through grants and partnerships, deliver educational activities and participate in community events.
I expect Hunter Water to be SUSTAINABLE	I expect Hunter Water to care for the environment: protecting it during our operations, 'treading lightly on the planet' and being fair to future generations by acting on big challenges like climate change.

I've been told about the Customer Outcomes, how they were arrived at, and I'm confident they represent customer priorities

- Yes
- No
- No response

2.1 Customer Outcomes

The participants had the opportunity to provide further feedback on the Customer Outcomes and descriptions during a group discussion. The key points from that discussion have been included on this page.

I expect Hunter Water to provide GREAT CUSTOMER EXPERIENCE
- The last sentence in the description says, "I trust you will always try to resolve my issue first time, every time". Could you add something about resolving the issue "in a timely manner"? This would mean you could measure how quickly Hunter Water resolves customer issues.
- It's not about being "great". Maybe it's about being "fair". For a lot of what Hunter Water does, it's just not possible for the organisation to be "great" at everything.

I expect Hunter Water to provide VALUE FOR MONEY, and be AFFORDABLE
- Why did Hunter Water not include something about the organisation aiming to be number one, or two, or three? To keep your bills as low as possible is great, but how do we know how the organisation compares to others?
- The community doesn't want Hunter Water to be the 'number one' efficient or cheapest corporation in the area. Trying to be number one is really complicated. We have different needs to different geographical areas. Yes, it is good to compare to industry standards, but that is not the only measure, or at least not the most important to the community.
- Something around pricing and industry best practice pricing is missing. When we compare against other areas like Sydney or Central Coast, we can assure ourselves that we're not paying lots more than them.

I expect Hunter Water to be SUSTAINABLE
- Without the description, it's hard to tell whether this Outcome is about being environmentally sustainable, or Hunter Water keeping their head above water. The descriptions are very important. There needs to be some other wording in the top line heading, potentially around being "environmentally sustainable".

Feedback on the engagement process
- Considering there have been many iterations to get to this point, I'm not as trusting that these sentences reflect the process and what customers want. How can I trust this is what customers have said they really want over the last two years?

Feedback on the wording
- There are so many words on the page. Can it be written in a more succinct way?
- Everything starts with "I expect…". I would like to see this written in a better way. For example, "Hunter Water promises…". Or you could put "I expect" at the top of the page and say it once.
- The statements should be as simple as possible to allow people to engage with them. If people want more information about the descriptions, they should be able to easily find that information on Hunter Water's website or by other readily available means.

2.2 Report Card Measures

2.2 Report Card Measures

In this session, participants were presented with a set of proposed Report Card Measures for the 2025-2030 pricing period that related to the draft Customer Outcomes (i.e. what customers want Hunter Water to deliver). The Customer Outcomes and supporting Report Card Measures describe Hunter Water's commitment to customers in terms of *what* desired change or benefit it will deliver, whilst maintaining flexibility around *how* that change or benefit will be delivered.

Participants were asked to vote on their preferred measures with the prompting question "think of your neighbour, which of these measures would best communicate to them whether they were getting what they were paying for?". The activity was introduced by Clare Hogue, who explained the process for developing and selecting the proposed measures up for consideration (see Appendix A for Hunter Water slides).

Next, participants were introduced to the subject matter experts, see Table 1.

Table 1 – Subject matter experts

Group	Customer Outcome/s	Subject matter expert/s
Group 1	Great Customer Experience Community Focussed Value for Money, and be Affordable	Clare Hogue
Group 2	High Quality Water Services	Abigail Morrow and Jarrod Wynn
Group 3	Water Security Sustainable	David Derkenne and Robert Main

The participants split into three groups to learn about each of the Customer Outcomes and to vote on their preferred Report Card Measures. Participants spent 20 minutes with each subject matter expert, listening to information and asking questions before voting. The preferences of each group were removed when each new group arrived to avoid groupthink, where unconscious social pressure leads to participants opting to vote with the existing trend.

To ensure an appropriate number of measures were identified for each Customer Outcome, participants were given a different number of votes per Outcome. The number of "votes" was driven by the number of options for Report Card Measures, i.e. the fewer measures available for an Outcome, the fewer votes participants received. Therefore, participants were given one vote each for "Great Customer Experience", two votes each for "Value for Money, and be Affordable", "Water Security", and "Sustainable", and three votes each for "High Quality Water Services".

The results of this process have been included on the following pages.

Figure 3 – Activity instructions
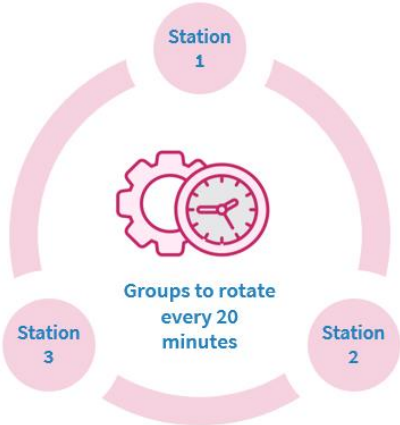
2.2 Report Card Measures

Regarding "Great Customer Experience", the participants indicated a clear preference for the measure relating to responding to customers' needs (11 votes).

Participants were not asked to vote on their preferred measure(s) for the "Community Focussed" Outcome as there was only one measure to consider. This was explained to, and understood by, each group.

The group was also asked to vote on their preferred measure(s) for the "Value for Money, and be Affordable" Outcome. The votes were distributed relatively evenly between the two measures relating to delivering value for money (15 votes) and customer support program effectiveness (13 votes).

Clare Hogue noted there were valid concerns about the subjective nature of survey data, and agreed that no perceptions research is perfect. The group was understanding that Hunter Water is trying to get the best measure it can.

The full votes have been shown in Table 2 (at right).

Table 2 – Preferred Report Card Measures for Great Customer Experience, Community Focussed, and Value for Money, and be Affordable

Customer Outcome	Potential Measure	Votes
I expect Hunter Water to provide **GREAT CUSTOMER EXPERIENCE**	**Responds to customers' needs:** % favourable in Quarterly Survey	11
	Keeps customers informed: % favourable in Quarterly Survey	3
	Easy to deal with: % favourable in Quarterly Survey	1
I expect Hunter Water to be **COMMUNITY FOCUSSED**	**Trust:** % favourable in Quarterly Survey	--
I expect Hunter Water to provide **VALUE FOR MONEY,** and be **AFFORDABLE**	**Delivers value for money:** % favourable in Quarterly Survey	15
	Customer support program effectiveness: % in Customer Support Program that agree the program has helped	13
	Customer support program awareness: % of customers that are aware of assistance programs	2

Note: Participants were given one vote each for Greater Customer Experience, and two votes each for Value for Money and be Affordable.

2.2 Report Card Measures

Participants indicated a clear preference for the measure relating to responding and rectifying (14 votes) on the Outcome of "High Quality Water Services".

The group also showed a preference for including a measure around satisfaction with drinking water quality. However, participants were relatively split between whether that measure should be satisfaction with the quality of drinking water (8 votes) or drinking water safety (7 votes) as shown in the orange box.

Lastly, the group indicated a preference for including a measure about hotspots (as shown by the hotspot votes adding up to a total of 11 votes, in the magenta box), but there was disagreement about which measure would be the best to track. Hunter Water has agreed to take forward at least one measure relating to hotspots based on the group's feedback and its direct links with recommendations made by the community panel.

The full votes have been shown in Table 3 (at right).

Participants also took the opportunity to provide suggestions to Hunter Water about hotspot reporting. For instance, if 10 new hotspots come on to the system, then participants would expect that Hunter Water includes those 10 new hotspots in its annual reporting.

Table 3 – Preferred Report Card Measures for High Quality Water Services

Customer Outcome	Potential Measure	Votes
I expect Hunter Water to provide **HIGH QUALITY WATER SERVICES**	**Respond and rectify:** % of times customer repairs are completed on time	14
	*Satisfaction with quality of drinking water: % favourable in Quarterly Survey	8
	*Drinking Water Safety: % compliance with Australian Drinking Water Guidelines	7
	*Hotspots: Number of customers verified as impacted within hotspot zone (priority 1, 2 or 3), who are removed from priority list	5
	*Hotspots: Number of customers verified as impacted within hotspot zone (priority 1, 2 or 3), that receive an improved level of service	4
	*Hotspots: Number of customers verified as impacted within Priority 1 hotspot zone, who are removed from priority list	2
	Interruptions to supply: Number of unplanned water interruptions over 5 hours in duration	2
	Duration of outage: Average duration of unplanned water outages	2
	Complaints: Number of wastewater service complaints	1

*The votes were relatively split on which drinking water and hotspot measure to track.

Note: Participants were given three votes each for High Quality Water Services.

2.2 Report Card Measures

On the "Water Security" Outcome, participants indicated a clear preference for the measure relating to leakage (14 votes). Participants also noted that Hunter Water should look after its own pipes first. The leakage measure directly aligns with recommendations made by the community panel on water conservation.

The group were more divided about their preferred water usage measure, with both measures receiving six votes, as shown in the magenta box at right.

Participants' preference for a leakage measure rather than a customer water usage measure is consistent with the recommendations made by the community panel. On the topic of water conservation, community panel members indicated a preference for leakage management over water efficiency (helping customers reduce their water use) because "Hunter Water has more direct control over reducing leaks in their own system" (Community Panel Report, p. 38).

There was less support for the desalination plant measure given this was perceived as more of a project (output) rather than an outcome.

The full votes have been shown in Table 4 (at right).

Table 4 – Preferred Report Card Measures for Water Security

Customer Outcome	Potential Measure	Votes
I expect Hunter Water to provide **WATER SECURITY**	**Leakage:** Litres per connection, per day	14
	*Customer water usage: Average residential water consumption in litres per person, per day	6
	*Customer water usage: % reduction in residential and non-residential consumption relative to a 2016-2018 baseline	6
	Desalination Plant: Progress in delivering the Belmont Desalination Plant	4

*The votes were split on which customer water usage measure would be best to track.

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Note: Participants were given two votes each for Water Security.

2.2 Report Card Measures

On the "Sustainable" Outcome, the measure relating to environmental health (Beachwatch performance) received the most votes (11 votes). The group also indicated that the carbon emissions measure was important to them (6 votes).

The full votes have been shown in Table 5 (at right).

A lot of the discussion focussed on the Beachwatch measure, and the quality of beaches not being directly related to Hunter Water's performance. The participants recommended that Hunter Water makes the performance measures more clearly linked to the organisation's actual performance, rather than things that are outside its control. The Hunter Water subject matter experts explained to participants that the measure was specific to "site grade impacts due to Hunter Water activities".

The subject matter experts noted there was a range of questions about the carbon emissions measures as well. They noted a suggestion to introduce a new measure related to Hunter Water's investment in renewable energy.

Four participants chose not to vote for any measure relating to "Sustainable". The facilitator asked these participants whether there was a topic they would like to see included in the report card that wasn't already covered by the proposed measures.

A few participants explained they were struggling to see the correlation between the proposed measures and the recommendations made by the community panel. For example, they couldn't see how the Beachwatch measure was directly related to their recommendations.

Table 5 – Preferred Report Card Measures for Sustainable

Customer Outcome	Potential Measure	Votes
I expect Hunter Water to be **SUSTAINABLE***	**Environmental Health:** Beachwatch performance	11
	Carbon emissions: Tonnes of Scope 1 and 2 emissions or % reduction in emissions	6
	Environmental Harm: Number of major environmental incidents reported	5

Emma Turner from Hunter Water explained that the corporation had expanded the list of potential measures beyond the community panel recommendations. This is so the organisation can demonstrate to all customers how they are getting value for money for everything that Hunter Water does, not just the actions related to the community panel's recommendations.

Emma clarified that Hunter Water did include a potential measure related to each of the panel's recommendations around carbon reduction, hotspots, water conservation by helping customers, and water conservation by helping to reduce leaks. Emma also acknowledged that the link could have been made clearer to the workshop participants.

Participants noted that they could not remember all their recommendations and wanted more concrete reminders.

Note: Participants were given two votes each for Sustainable.

2.3 Accountability mechanisms

2.3 Accountability mechanisms

In this session, participants were asked to brainstorm ideas about how Hunter Water should best communicate its annual progress updates. Emma Turner introduced the activity by explaining what accountability mechanisms are, outlining the difference between financial impact (rebates) and reputational impact, and shared some reporting examples (see Appendix A for Hunter Water slides).

Next, participants were split into three groups and asked to brainstorm their response to the following question:

What are the most appropriate communication channels and methods for Hunter Water to use when sharing annual progress updates?

After the brainstorm activity, the participants were asked to report back their ideas for possible communication channels and methods. These included:

- On the back of the bill (both electric and paper). This could be an infographic or a detailed pamphlet.
- In the paper and other news media such as TV and radio. This could include hosting Q&A sessions on community radio stations.
- On the website and social media. This could include short videos (e.g. reels) to reach younger audiences. If customers want more information, they can follow a link to read the full update.
- At community events, fairs, festivals and information tents.
- At stands in shopping centres (for older customers who may not access other media sources).
- On billboards near busy streets and transport lines.
- Incorporated with education programs at schools and universities.

Furthermore, one group chose to present their ideas as a pyramid (see Figure 4). They explained that some customers may only want to access the minimum level of content, and these people could be informed through infographics, updates via the bill, or social media. For people who want more information, they suggested community events where customers can speak directly with Hunter Water, as well as sharing more detailed information on the website. For customers who want access to the maximum level of content available, they suggested a longer-form white paper.

Figure 4 – Suggestions for communication channels and methods

Minimum content

Infographic

Hunter Water bill (online/offline)

Social media, short videos, blog

Community events and newsletters

Hunter Water website and associate websites

White papers

Maximum content
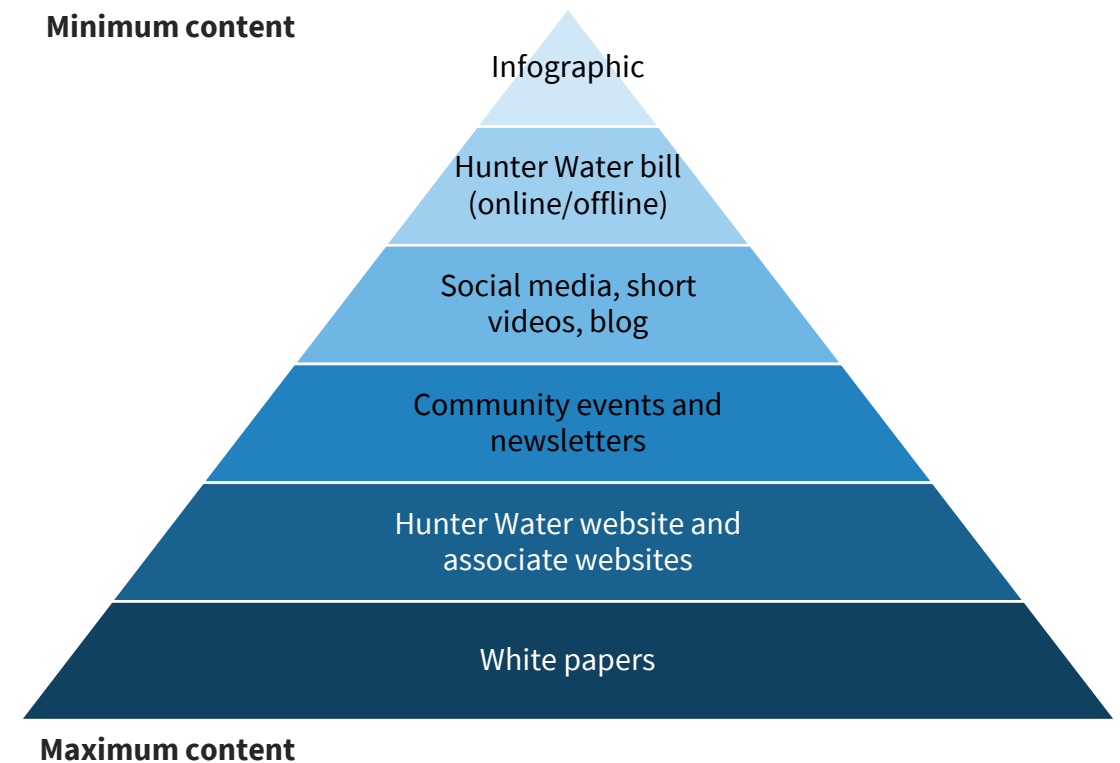
2.4 Process for mid-period changes

2.4 Process for mid period changes

In this session, participants were asked to brainstorm ideas about the circumstances when it might be appropriate for Hunter Water to change a measure or target. The activity was introduced by Emma Turner, who explained that in addition to prices being set every five years, so are the measures and targets that Hunter Water publicly report on each year (see Appendix A for Hunter Water slides).

Next, participants were split into three groups and asked to brainstorm their responses to the following two questions:

1. *Are there any circumstances when it might be appropriate for Hunter Water to change a measure or a target, or both, during the five-year pricing period? If so, what are those circumstances?*

2. *What safeguards should be put in place to make sure those changes are transparent to the community and provide reassurance that we won't game the system?*

After the brainstorm activity, the participants were asked to report back their ideas. These included:

- Hunter Water should change a measure/target if it can't be measured, can't be achieved, or if pursuing the measure/target becomes detrimental to the community and/or Hunter Water. Other potential scenarios include a global event (like Covid or WWIII), a significant weather event or changes to regulation.

- Hunter Water should consult the community first (a group similar to this committee) to understand their views. They should take the community's feedback, along with Hunter Water's view on the issue, to IPART to consider.

- If the measure/target is changed, a notification should be sent to all customers via their bill to explain what has happened and why. Further information could also be shared on Hunter Water's website and social media.

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2.5 Principles for a community committee

2.5 Principles for a community committee

Hunter Water envisages that there may be a role for an ongoing committee, formed predominantly from past community panel members, to reconvene annually to monitor the corporation's performance. The corporation is interested in how such a committee might operate.

In this session, participants were asked to brainstorm ideas about the principles that should apply to an ongoing community committee. The activity was introduced by Declan Clausen, who presented a draft list of principles for participants to consider (see Appendix A for Hunter Water slides).

Next, participants were split into three groups and asked to brainstorm their response to the following two questions:

1. *Do you have any other ideas for Hunter Water to consider?*

2. *Can you think of any pros or cons of the current principles?*

After the brainstorm activity, the participants were asked to report back their ideas. These included:

- Hunter Water should aim for a cross-section of the community to be represented on the committee. For example, the organisation should aim for the correct [population reflective] representation of Indigenous customers, older and younger customers, business customers, customers who speak English as a second language, customers living with a disability, lower income customers, and customers from different geographic areas.

- There should be at least 15-20 people on the committee. This allows for the potential of five dropouts.

- There should be at least one to two meetings per year. Hunter Water should follow up on actions and inform the committee of any updates in between meetings.

- Hunter Water should involve the committee on a Collaborate level, not just a Consult level (in reference to the IAP2 Spectrum Of Public Participation).

- New members should be brought up to speed on any previous decisions that have been made by the committee and/or Hunter Water. They should also be told about the code of conduct (i.e. working agreements).

- Hunter Water should plan site visits when something has been implemented. This would help demonstrate the changes to customers.

- The participants agreed that the committee meetings should be conducted by an independent facilitator.

The participants were prompted with a follow-up question about how new members should be inducted to the group. The participants raised the following points:

- Hunter Water should organise an orientation day for new members and set up a buddy system between new and continuing members.

- Hunter Water should update the Guidebook and Engagement Report with the decisions that were made by the community panel. It should also include the report card measures. The Engagement Report should be a "living and breathing" document that is regularly updated so it continues to provide helpful context.

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2.5 Principles for a community committee

The facilitator also asked about term limits, but there were mixed views amongst the group. The discussion has been summarised as follows:

- A few participants suggested that a new committee should be created every one or two price periods.

- Other participants felt that members should be allowed to continue until they decide to leave. They felt this would allow for natural attrition.

- Another participant suggested that Hunter Water should re-generate a portion of the committee every few years (e.g. one-third of the committee).

Lastly, participants were asked about how frequently they would like to meet with Hunter Water over the next 12 months. The participants shared the following views:

- Most participants would like to meet again before the public facing report card is ready in a year's time.

- One participant suggested that Hunter Water could share progress updates every six months.

- Another participant noted concerns around key information being forgotten if Hunter Water delays the next meeting for too long.

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Appendices

- **Appendix A: Hunter Water slides**

- **Appendix B: Activity notes**

- **Appendix C: Post-event survey results**

Appendix A: Hunter Water slides

OVERVIEW OF CUSTOMER OUTCOMES, REPORT CARD MEASURES AND ACCOUNTABILITY MECHANISMS

What are customer outcomes?

IPART's definition of Customer Outcomes

- Outcomes are statements that reflect what customers want and value
- Should reflect the feedback provided and decisions made in response to customer engagement
- Should be written from the customer's perspective
- Be short and succinct
- Avoid technical jargon
- Be readily understood by customers
- Be within our realm of control.

OVERVIEW ON CUSTOMER OUTCOMES, REPORT CARD MEASURES AND ACCOUNTABILITY MECHANISMS

HUNTER WATER

What are report card measures?

IPART's definition of performance measures

- **For each outcome the business should develop suitable performance measures, and demonstrate a clear link between them**

- **The suite of measures together should meaningfully demonstrate how the business is delivering on each outcome**

We will publish annual updates on our progress against these commitments (the report card). Part of what we'll do today is aimed at understanding your preferences for how we communicate our progress.

OVERVIEW ON CUSTOMER OUTCOMES, REPORT CARD MEASURES AND ACCOUNTABILITY MECHANISMS

What could a report card look like?

Outcome	Self-assessment
The best price outcomes for customers	🟢 Achieved target
Renewed focus on water quality and supply	🟡 Mostly achieved target
Modern and thoughtful customer service	🟢 Achieved target
Meaningful environmental and recreational outcomes	🟢 Achieved target
Overall	🟢 Achieved target

	Met 🟢	On track 🟡	Not yet met 🔴	2022-23	Mid 2023-24
1.	Services to my home and business are safe, reliable and efficiently managed			🟡	🟡
2.	Customer service is accessible and my enquiries are resolved promptly			🟡	🟡
3.	Billing and payment options are efficient and convenient			🔴	🔴
4.	Customers in hardship are supported			🟡	🟡
5.	The whole of the water cycle is managed in an environmentally sustainable way			🟢	🟢
6.	We are a valued partner in servicing a growing Melbourne			🟢	🟡
Overall				🟡	🟡

HUNTER WATER

OVERVIEW ON CUSTOMER OUTCOMES, REPORT CARD MEASURES AND ACCOUNTABILITY MECHANISMS

What are accountability mechanisms?

The *purpose* of accountability mechanisms is to:

- provide assurance to customer that they will get what they are paying for
- motivate businesses to deliver value, and optimise value during the price period

IPART has an expectation that we have clear mechanisms in place to ensure we are accountable for delivering on our customer outcomes.

Also, that we include steps we will take if we are not meeting targets.

CUSTOMER OUTCOMES AND HOW THEY WERE ARRIVED AT (DECLAN CLAUSEN)

EVOLUTION OF OUTCOMES

How initial draft outcomes were developed

- Customer experience monitoring
- Quarterly Community Survey
- Vulnerability
- Customer journey mapping
- Performance standards & rebates
- Lower Hunter Water Security Plan

Examples of previous and ongoing engagement 2018-2023

Stage 1
Explore
July – Nov 2022

Stage 2
Value and prioritise
Feb – June 2023

Stage 3
Deliberate and trade off
Aug 2023 – April 2024

Stage 4
Confirm and validate
April – May 2024

Stage 5
Close the loop
September 2024

Draft 1

- Get the basics right, always
- Resilient services that meet our needs, now and in the future
- Support the health and liveability of the region
- Modern, responsive and flexible customer service
- Be active in our community
- Value for money and affordable

Draft 2
Stage 1 engagement insights incorporated

- High quality water services
- Great customer experience
- Water security
- Be sustainable
- Community focused
- Value and affordable

Revised Outcomes retested against Stage 1 results and compared with Stage 2 results

August 2023 Quarterly Community Survey - prioritised

Confirmation with Community workshop participants

Question included in May Quarterly Community Survey

EVOLUTION OF OUTCOMES

Support for current Outcomes (n=582)

- 1. Get the basics right, always (n=133) — 23%
- 2. Resilient services that meet our needs, now and in the future (n=105) — 18%
- 3. Support the health and liveability of the region (n=91) — 16%
- 4. Modern, responsive and flexible customer service (n=150) — 26%
- 5. Be active in our community (n=27) — 5%
- 6. Value for money and affordable (n=72) — 12%
- No match (n=4) — 1%
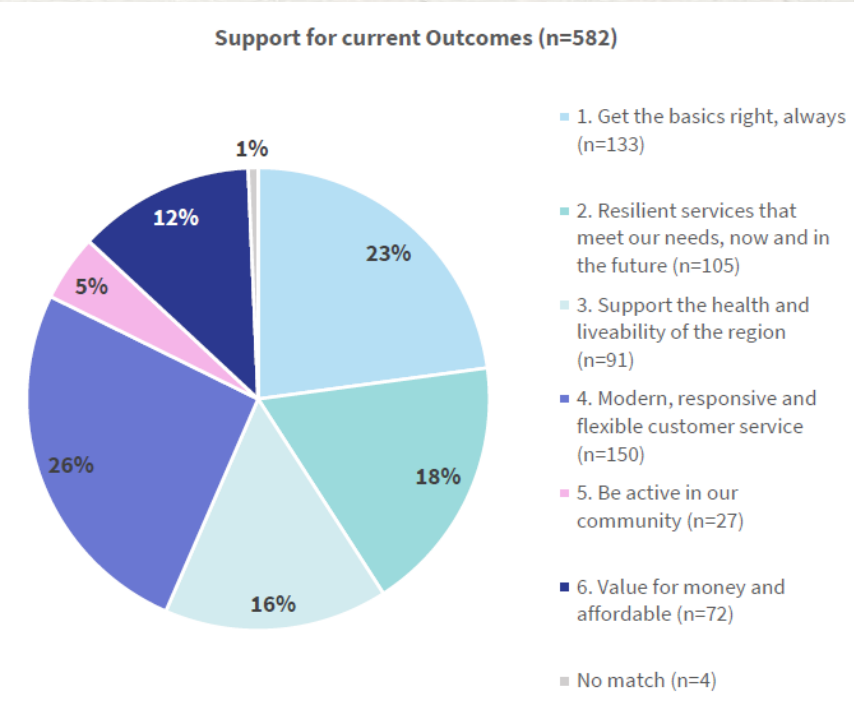
Activity One: Retrospective

WHEN HAS HUNTER WATER DELIGHTED YOU?

It's nice not having to interact with Hunter Water in the first place. That is, nothing goes wrong.

A main burst under concrete and HWC worked through the night to fix it

WHEN HAS HUNTER WATER DISAPPOINTED YOU?

Direct debit should work for me and for Hunter Water. Why can't I use AMEX? Everyone else seems to accept it (i.e. other utilities).

Why has Chichester Dam been closed to public access for such a long time? Minor disappointment

Activity Two: Future thinking

I EXPECT HUNTER WATER TO...

Keep on top of maintenance

Make it easy for me to budget for, and pay, my water bills

I WISH HUNTER WATER WOULD NOT...

Not have such a high fixed charge

Stay independent and local (e.g. don't merge with Sydney Water or be sold offshore). x3

I SEE HUNTER WATER DOING MORE IN THE AREA OF...BY 2030

Go digital e.g. more digital correspondence

Be bold and innovative, lead the way in planning for disasters and water security x2

I SEE HUNTER WATER DOING LESS IN THE AREA OF...BY 2030

No manual meter reading. Why can't they have meters that electronically send the data.

Less water wast

Less snail mail

OUTCOMES AND DESCRIPTIONS

I expect Hunter Water to provide HIGH QUALITY WATER SERVICES

I expect my water to be safe and clean. My water and wastewater services should be reliable so that I can depend on them year-round.

I expect Hunter Water to provide VALUE FOR MONEY, and be AFFORDABLE

I expect Hunter Water to keep bills as low as possible by being efficient and looking for ways to save money. I expect Hunter Water to deliver valued services.
I expect Hunter Water to treat consumers experiencing vulnerability with dignity and make it easy for them to get assistance.

I expect Hunter Water to provide WATER SECURITY

I expect Hunter Water to plan ahead and ensure water resources are used wisely so that we have enough water to support the health and prosperity of our region, now and in the future, no matter the weather.

I expect Hunter Water to provide GREAT CUSTOMER EXPERIENCE

I expect to be able to use Hunter Water's services and interact with Hunter Water easily, in the channel I choose. I want to be kept informed with clear and timely communication, and I trust you will always try to resolve my issue first time, every time.

I expect Hunter Water to be COMMUNITY-FOCUSED

I expect Hunter Water to listen and use community feedback in its decision making, support the community through grants and partnerships, deliver educational activities and participate in community events.

I expect Hunter Water to be SUSTAINABLE

I expect Hunter Water to care for the environment: protecting it during our operations, 'treading lightly on the planet' and being fair to future generations by acting on big challenges like climate change.

REPORT CARD MEASURES AND HOW THEY WERE ARRIVED AT (CLARE HOGUE)

REPORT CARD MEASURES AND HOW THEY WERE ARRIVED AT

Process

Collate all available measures from a range of national and international sources (n=300+)

Align to Outcomes

Consult with key internal stakeholders

Refine to shortlist of measures based on principles

Principles for selection of measures

1. **Understandability** – measures are expressed in terms that various levels of stakeholders can understand

2. **Control** – performance against measures are within Hunter Water's control/strong degree of influence

3. **Measurement** – performance can be reliably measured

4. **Outcomes** – measures deliver customer outcomes not outputs

5. **Objectivity** – can be measured in a way that is impartial i.e. results are free from inherent or unconscious bias

6. **Base data** – reporting is based on information we already collect/can collect

ACCOUNTABILITY MECHANISMS
(EMMA TURNER)

- We need to provide ways to for customer and the community to answer the question *"Are we getting what we pay for?"*

- What happens when the answer is *'no'*?

Rebates
(affected customer)

Reporting and Reputation

Rebates in our 2022-2027 Customer Contract

- Customers who experience service level lapses receive a discount on their bills.

- The rebate level is linked to water usage charges
  - Rebates increase every year, at least by inflation
  - More likely to be passed on tenants (affected occupant)

EVENT CATEGORY	EVENT NUMBER (PER FINANCIAL YEAR)	HUNTER WATER REBATE 2022-27 CUSTOMER CONTRACT	
		EQUIVALENT KL WATER USAGE	$ IN 2023-24
Planned water interruption (> 5 hrs)	1st event	No rebate	No rebate
	2nd event	No rebate	No rebate
	3rd event	20	37.80
	4th event onwards	No rebate	No rebate
Unplanned water interruption (> 5 hrs)	1st event	20	57.80
	2nd event	20	57.80
	3rd event	32	92.48
Wastewater overflow (dry weather)	1st event	40	115.60
	2nd event	80	231.20
	3rd event	280	809.20
Low water pressure		20	Once per year
Boil water alert		20	57.80
Dirty water: taste or odour	Ad hoc, on request	5	14.45

## NEW (additional) rebates for unresolved hot spots

COMMUNITY PANEL RECOMMENDATION:

What should Hunter Water keep in mind when addressing the issue of hot spots?

" *Where HW has not been able to adequately address the priority 1 hot-spot issues, within a reasonable timeframe, HW will provide reasonable compensation with regard to the severity and longevity of the problem. If this is not satisfactory HW may offer to purchase the property.* "
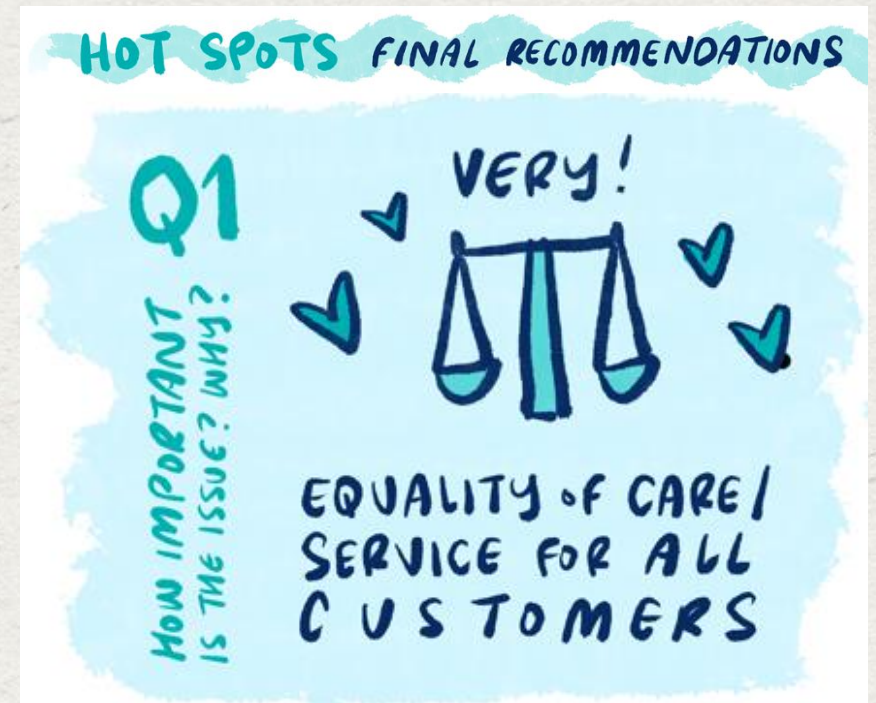
Reporting

- We will report, at least annually, our progress against outcome commitments using a Report Card
- If we miss targets, we will explain *why* that happened and our plans to get back on track
- Potential ongoing role for a community committee. We'll talk about this in another item later today.

We need your help to understand how we can maximise accessibility and visibility for customers and the community e.g. what are the most appropriate communication channels and methods, and why so?

- Examples

Examples

Examples

PROCESS FOR MID PERIOD CHANGES
(EMMA TURNER)

PROCESS FOR MID PERIOD CHANGES

Our prices are set for five years, to 2030

So are our commitments to customers and the community on 'what you get for what you pay'.

We will demonstrate that we've kept our end of the deal through the measures and targets for each outcome.

Five years is a relatively long time!

That's a good thing, because it makes sure we plan.

But should we also be flexible over those five years and adaptable to changes that are in the long-term interests of customers?

We are interested in your views on the following questions:

1. **Are there any circumstances when it might be appropriate for Hunter Water to change a measure or a target, or both, during the 5-year pricing period? If so, what are those circumstances?**

2. **What safeguards should be put in place to make sure those changes are transparent to the community and provide reassurance that we won't game the system?**

PRINCIPLES FOR A COMMUNITY COMMITTEE (DECLAN CLAUSEN)

PRINCIPLES FOR A COMMUNITY COMMITTEE - BRAINSTORM

An ongoing community committee's purpose:
To keep us accountable for delivery of Outcomes

Brainstorm:
- **Other ideas**
- **Any pros and cons**

Thought starters

- Members to be recruited initially from the Customer Panel. Over the duration of the price period, these may be augmented where required (e.g. representing young people or other community stakeholders) and to ensure a panel of appropriate size (~15+ people)

- Committee will meet (at least) annually throughout the price path to 'mark' the scorecard.

- HW will transparently share measures, targets and commentary with the Committee. In addition to 'marking' the scorecard, the Committee may consider broader factors, and provide a qualitative view, which will be published with the scorecard.

- Decisions are by modified consensus/ supermajority (>80%)

- Sense check and validate Hunter Water's proposed changes to measures and targets (if any) that arise due to changes in circumstances during the price path. The Committee's feedback will be used to inform discussions with IPART.

- Opportunity to input to engagement for next pricing period. There should be an invitation to participate as opposed to an expectation. New participants would also help with representativeness

- Independent chair or facilitator.

Appendix B: Activity notes

Activity 2: Report Card Measures

Participants were split into three groups to learn about the Customer Outcomes and to vote on their preferred Report Card Measures, with the prompting question:

Think of your neighbour, which of these measures would best communicate to them whether they were getting what they were paying for?

Station 1 notes for the Outcomes "Great Customer Experience", "Community Focussed" and "Value for Money and Affordable" (Clare):

- How does the quarterly survey work?
    - Does it consider all customer groups?
    - Is it representative?
- Does 'Trust' compare Hunter Water to other brands/companies?
- Are there measures in place to check the validity of survey findings?
- Do survey questions change?
- How many people participate in the survey? Is it open to everyone?
- Recruitment for the survey – channels to reach customers
- Should/can the survey be open at all times?
- Can you put something about the survey on customers' bills?
- Do you have a set number of customers that you pay to do the survey?
- Do you use the same company to conduct the survey over time? Does that open the door for bias?
    - If you ran the survey with a different company, would the results be the same?
- What about customers who can't access the survey online?
- Key themes:
    - Accessibility to survey
    - Representativeness of survey
    - Who answers the survey
    - Reliability of survey results

Station 2 notes for the Outcome "High Quality Water Services" (Abby and Jarrod):

- Respond and rectify
    - Time?
    - Who sets this?
    - Is it national?
- Hotspots – change in numbers
    - Each year?
    - How do we take into account new hotspots?
- Complaints - % satisfied with response

Station 3 notes for the Outcomes "Water Security" and "Sustainable" (Dave and Rob):

- Observation:
    - Water consumption – how do we compare to others?
    - Impact of weather
    - Level of control for HWC – weather, S/W
    - Beachwatch too long a bow
- Clarification:
    - Emission credits
    - Beachwatch – footnote – HWC portion
    - Environmental sustainability
    - Clearer alignment to Outcomes
- Suggestion:
    - Environment include our response – major (1-3) – moderate (many more)
    - Power generated by HWC
- Question:
    - How do the recommendations that we agreed with Hunter Water correlate to the KPI's that we are asked to vote on today? (i.e. sustainability introduces concepts/outputs not previously discussed)

Activity 3: Accountability mechanisms

Participants were split into three groups and asked to brainstorm their
response to the following question:

*What are the most appropriate communication channels and methods for
Hunter Water to use when sharing annual progress updates?*

Group 1 notes:
- TV coverage
- Radio coverage – community radio Q&A
- Stands in shopping centres
- Facebook – reels, reach younger audience
- Education programs at schools, universities
- Hunter Water website – accountability, information
- Pamphlets in letterbox
- Infographics in bills – reach all customers
- Community events
- Billboards – streets, transport and busy trains

Group 2 notes:
- Multiple ways of getting report card
- On bill (back page) – both electronic and paper
- On website and socials
- Fairs, festivals and information tents
- Paper and news media

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Activity 4: Process for mid period changes

Participants were split into three groups and asked to brainstorm their responses to the following two questions:

1. *Are there any circumstances when it might be appropriate for Hunter Water to change a measure or a target, or both, during the five-year pricing period? If so, what are those circumstances?*

2. *What safeguards should be put in place to make sure those changes are transparent to the community and provide reassurance that we won't game the system?*

Group 1 notes:
- Community consults panel
- IPART notice and comment
- Changes:
    - Achieved measures Outcome
    - Weather event = droughts/floods
    - Global events i.e. Covid, WWIII
    - Federal changes of regulations
- Notices report to:
    - Website, media, bills, etc

Group 2 notes:
- If any changes to community set targets, actions need to be made:
    - Community consultation (via Committee)
    - Advise regulator if deemed necessary

Group 3 notes:
- Circumstances:
    - Becomes a meaningless measure/target e.g. can't be achieved, can't be measured, becomes detrimental to community or Hunter Water
- Safeguards:
    - Consult community panel first
    - Consult IPART second

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Activity 5: Principles for a community committee

Participants were split into three groups and asked to brainstorm their response to the following two questions:

1. *Do you have any other ideas for Hunter Water to consider?*

2. *Can you think of any pros or cons of the current principles?*

Group 1 notes:
- Community to be documented – for example:
  - 25% Indigenous
  - 25% 18-25
  - 25% business
  - 25% lower income
- Community to meet every six months (or as required)
- Agree to points on brainstorm
- Site visits if needed

Group 2 notes:
- Intent for a cross section of the community in the panel (diversity)
- 15-20 in panel = 5 reserves to cover dropouts
- The panel meets annually with the option for more if required
- Potential for an additional post-meeting to confirm Hunter Water's change in recommendations
- Happy with the rest of the recommendations
- Agree with an independent chair

Group 3 notes:
- Ensure we have correct representation from all groups of our community e.g. Indigenous, ESL (migrants), older and younger, people with disabilities
- Bring them up to speed with the information and decisions made by the committee so far and code of conduct
- Meetings should be biannual
- Follow up on action items
- Involvement of the committee to be on a Collaborative basis, not just Consulting

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Appendix C: Post-event survey results

Post-event survey results

Participants were sent a post-event survey to complete after the community workshop. They were asked to respond to the statements on a 7-point scale from 1=Strongly disagree to 7=Strongly agree. The results of the survey are shown below (see Figure 5) and are shown as percentage favourable scores, i.e. the proportion of respondents who selected either a six or seven.

The results show that all but one respondent agreed there was enough time for discussion and to contemplate their responses, and that the information presented at the workshop was useful. The results also show that almost all respondents agreed they had an opportunity to ask questions, as well as an opportunity to share their thoughts and opinions.

Figure 5 – Post-event survey results