



HUNTER WATER CUSTOMER AND COMMUNITY ADVISORY GROUP

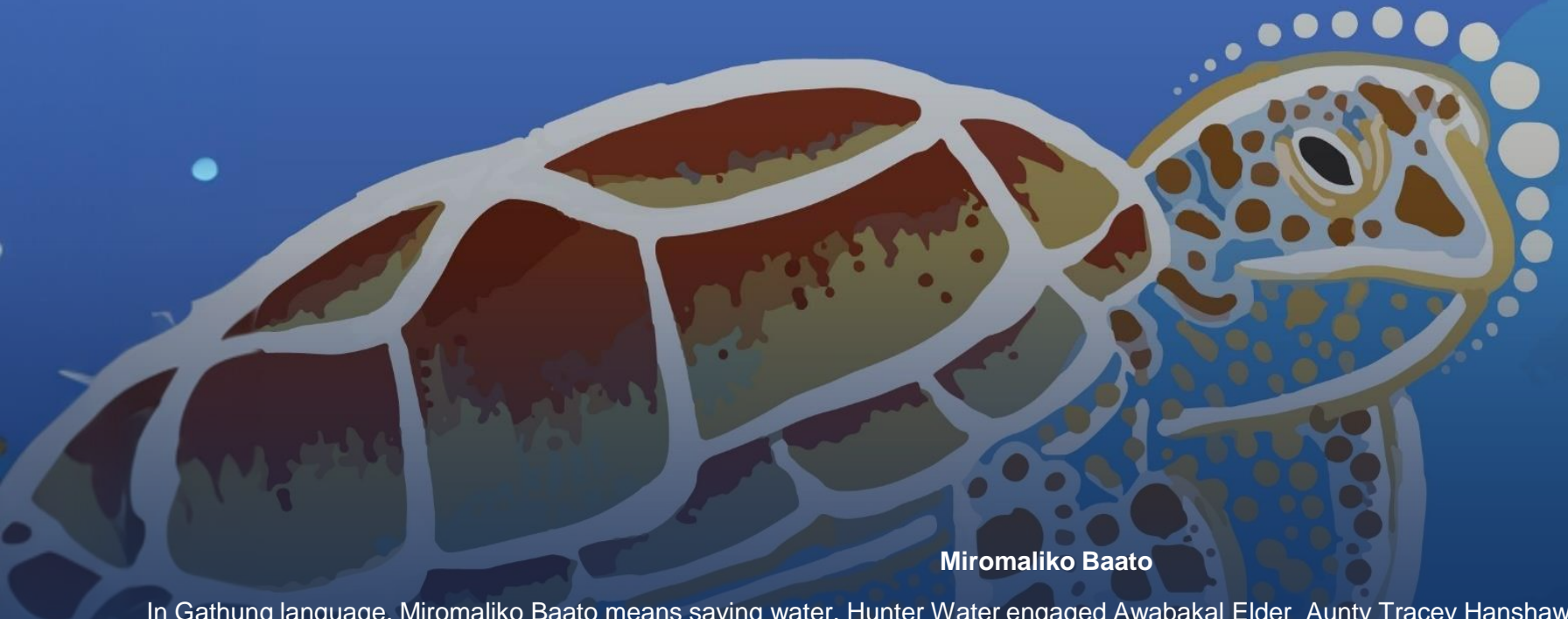
13 August 2024

ACKNOWLEDGEMENT OF COUNTRY



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



Miromaliko Baato

In Gathung language, Miromaliko Baato means saving water. Hunter Water engaged Awabakal Elder Aunty Tracey Hanshaw to help us incorporate Aboriginal Language as part of Our Corporate Strategy. While we are aware that there are many different languages (with variances in spelling) from the Countries on which we operate, Tracey advised Gathung language in this instance, as it is both Awabakal, which is the Country where our Honeysuckle office lies, and overlaps into Worimi.



OPERATIONAL UPDATE

Darren Cleary, Managing Director

AUGUST 2024

CURRENT WATER STORAGES



92.3%

AS AT 7 AUG 24

Grahamstown Dam



STORAGE LEVEL

89.3%

162,722 ML

↓ 0.1% 1 WEEK AGO

↓ 8.5% 1 MONTH AGO

↓ 4.0% 1 YEAR AGO

MAXIMUM CAPACITY

182,305 ML

Tomago Sandbeds



STORAGE LEVEL

100.0%

54,000 ML

0.0% 1 WEEK AGO

0.0% 1 MONTH AGO

↑ 9.6% 1 YEAR AGO

MAXIMUM CAPACITY

54,000 ML

Chichester Dam



STORAGE LEVEL

100.0%

18,405 ML

0.0% 1 WEEK AGO

0.0% 1 MONTH AGO

↑ 18.8% 1 YEAR AGO

MAXIMUM CAPACITY

18,356 ML

Anna Bay Sandbeds



STORAGE LEVEL

91.5%

13,298 ML

↑ 0.6% 1 WEEK AGO

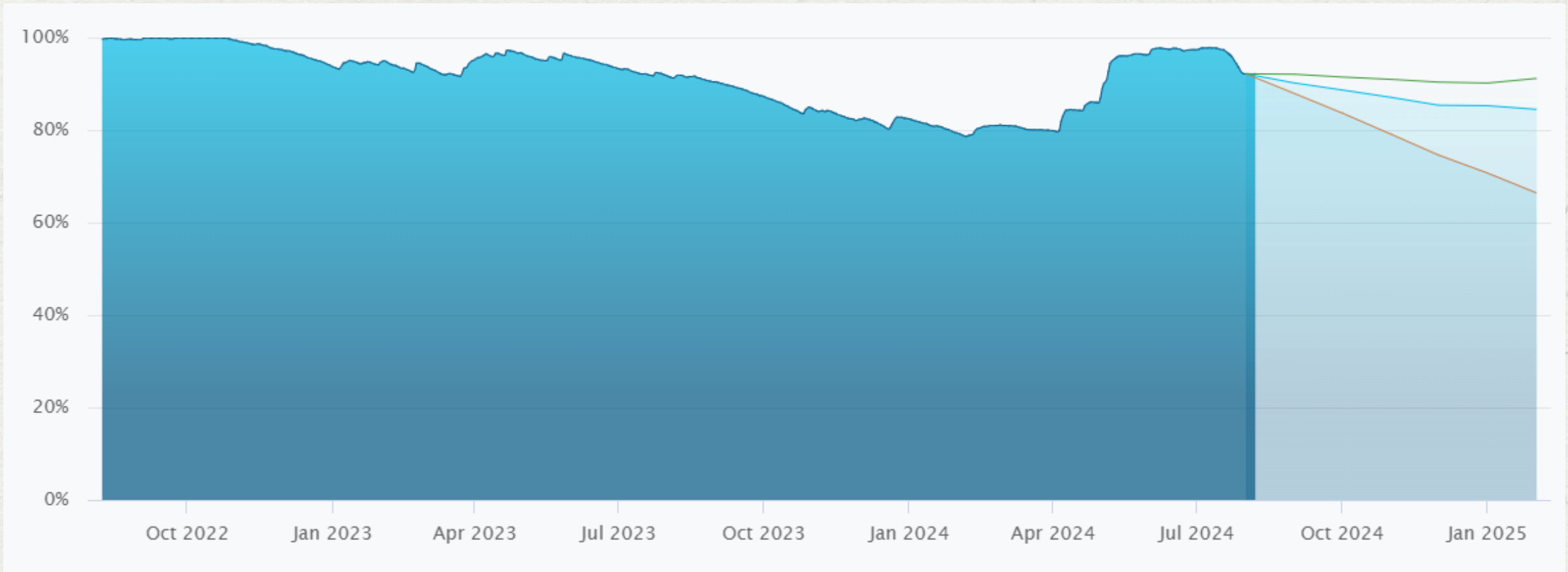
↑ 2.7% 1 MONTH AGO

↓ 3.2% 1 YEAR AGO

MAXIMUM CAPACITY

14,537 ML

HISTORICAL STORAGE LEVELS AND OUTLOOK



REPLACING AGING INFRASTRUCTURE



25 June 2024

Hunter Water doubles water supply to Cameron Park and Fletcher with trunkmain duplication project



Hunter Water has made significant enhancements to the reliability of water supply infrastructure, with the installation of a three-kilometre water trunk main in **Black Hill**.

The upgrade has not only bolstered water supply capabilities by increasing supply from Black Hill 1 Reservoir, but also ensures a more-reliable and efficient water service for the community.

Another water main project that's about to start is the replacement of 1.4 kilometres of pipeline between O'Connells Road and Reflection Drive in **Louth Park**. This pipeline replacement will assist with improving water efficiency and preventing leaks.

RENEWABLE ENERGY AGREEMENT



19 June 2024

Hunter Water taps into sustainability with innovative electricity purchase agreement



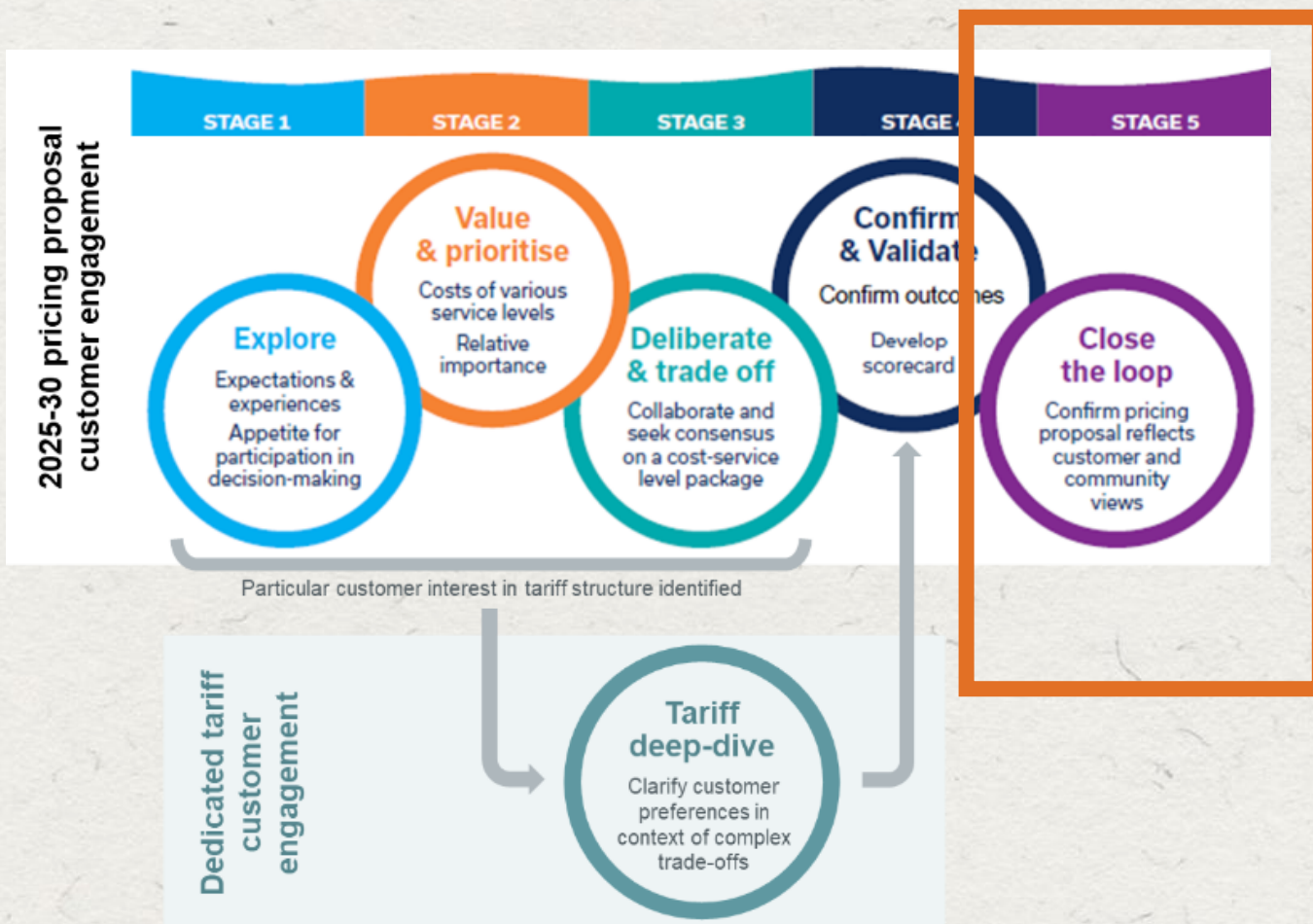
Hunter Water is entering into a **Retail Renewable Power Purchase Agreement (PPA)** with AGL, marking significant progress towards our commitment to sustainability.

AGL will sell all electricity used by Hunter Water's largest sites and surrender renewable energy certificates sourced from the Silverton Wind Farm near Broken Hill in NSW.

The agreement will formally commence on 1 January 2025.

Alongside this, Hunter Water continues to roll out its **onsite renewable energy generation program**, with 6.5 megawatts of renewable energy capacity to be installed across treatment plants and pump stations by early 2025.

PRICING PROPOSAL UPDATE



We are currently:

- Drafting the **pricing proposal**
- Preparing for the **Close the Loop** session in September.

Close the Loop will bring deliberative forum participants back together to show them how their recommendations have been incorporated into the proposal.

We have promised to incorporate our community's recommendations to the maximum extent possible



QUESTIONS AND DISCUSSION

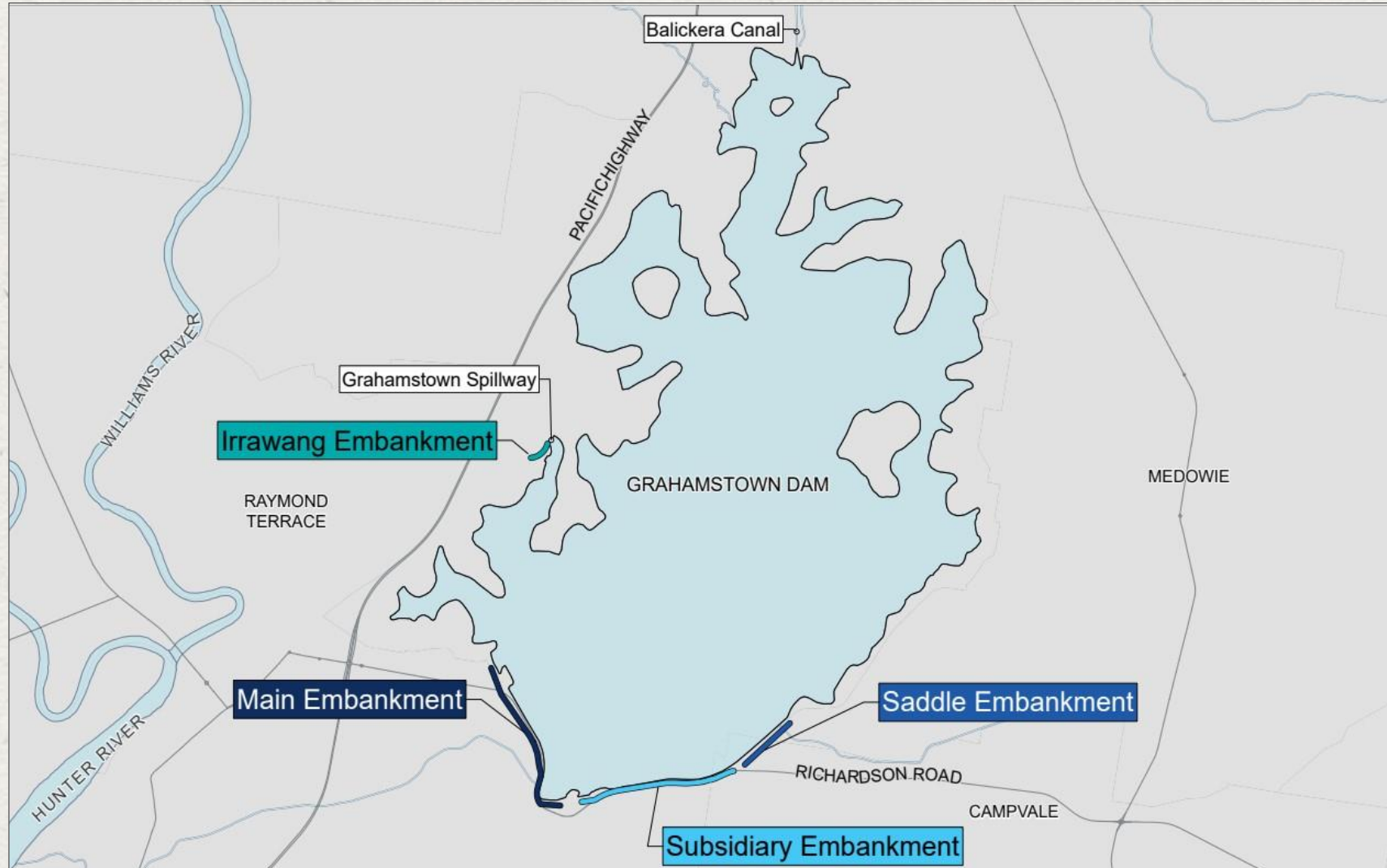


GRAHAMSTOWN DAM

Risk Assessment and Safety Review

JULY 2024

SCHEME OVERVIEW



GRAHAMSTOWN DAM SAFETY UPGRADES OVER THE YEARS

Since its construction between 1957 and 1965, Grahamstown Dam has been extensively upgraded and modified to meet changing demands and to ensure safety and reliability of the water supply.

We undertake daily inspections of the dam, and complete more detailed safety, risk and maintenance reviews every year, every five years and every 15 years.

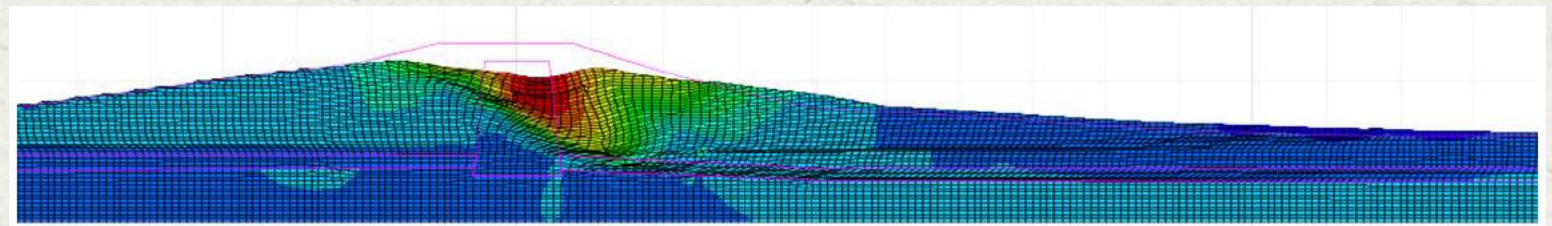
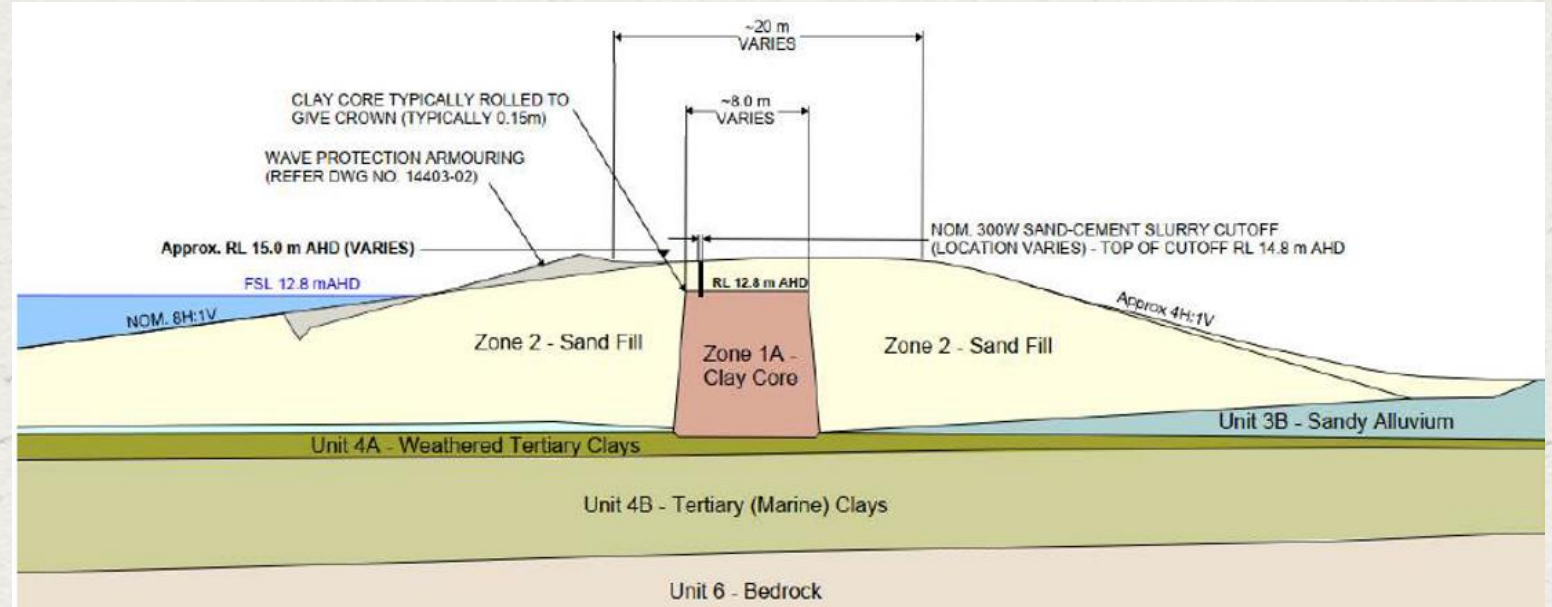
The most recent risk assessment was completed in late June 2024, and submitted to the regulator, Dams Safety NSW, earlier this month.

1957	• Construction commences
1962	• Higher than average rainfalls cause an abrupt rise in the reservoir, inundating surrounding areas. Emergency spillway constructed at Irrawang
1963	• Seepage incident occurs on Subsidiary section of the Dam. Repairs undertaken to stabilise shoulder.
1965	• Construction finishes.
1969-1973	• Bentonite clay cut-off wall constructed through the subsidiary section of the dam to control seepage
1984-1985	• Feasibility Study undertaken and recommends raising the clay core in the embankments and spillway amplifications. A temporary restriction in water level to a reduced level of 10.4m Australian Height Datum (AHD) was also recommended due to insufficient flood capacity.
1992-1996	• Stage 1 works: construction of a cement sand cut-off wall to raise the core to the crest and strengthened faces of the wall to protect against wave run-up and extreme flooding.
1998-2005	• Stage 2 works enabled storage capacity to be increased by approximately 50%. This included the enlargement of the Irrawang Spillway.
2015	• Construction of a wave wall along the Saddle embankment and a portion of the Subsidiary embankment to resist coincident flood and wave overtopping.
2018-2020	• Construction of two new delivery pipelines over the clay core to enable continued pumping of flows from Campvale Drain into Grahamstown Dam. Subsequent decommissioning of the ageing Campvale Culverts within the embankment foundation.
2019-2024	• Seismic Studies completed, followed by the Risk Assessment and Safety Review.

ADVANCEMENTS IN ENGINEERING STANDARDS



Over time our industry's understanding of dams under extreme conditions such as major flooding events and major earthquakes has improved.



RISK ASSESSMENT REPORT

Undertaken in accordance with the NSW Dams Safety legalisation and regulations.

Assessment undertaken by Hunter Water's Dam Safety Engineers and external consultants AECOM.

Reviewed by an independent Expert Panel and lodged with the regulator, Dams Safety NSW, on 1 July 2024.



RISK REVIEW FINDINGS



“The latest dam safety studies have shown that Grahamstown Dam operates within the Dams Safety NSW safety threshold under normal and flood conditions. However, following the methodology outlined by Dams Safety NSW, the risk assessment has identified that the dam exceeds the safety threshold in earthquake events.

The risks associated with earthquakes have existed since the construction of Grahamstown Dam in the 1960s and is not a result of poor maintenance by Hunter Water or due to inadequate design at the time of the scheme’s conception. The risk has recently been understood in greater detail as advances in geotechnical engineering, scientific monitoring, and advanced computer modelling have provided better analytical methods to identify and understand how the sandfill shoulders and sandy foundations of the embankments could potentially behave under earthquake forces.”

AECOM 2024, Risk Assessment Summary



IMMEDIATE RISK REDUCTION ACTION

- To reduce the risk in the short term, we are reducing the amount of water stored in Grahamstown Dam.
- A controlled release of water from the dam occurred between 18 – 30 July 2024 to reduce the water level in the dam from almost 100% full (12.8m AHD) to around 90% capacity (12.0m AHD).
- This immediate action reduces the amount of water that could flow to low lying properties if an earthquake were to damage the dam. This reduces the risk to property and life.
- This water level has been selected to reduce dam safety risks, while managing water security risks for our region.
- This reduced water level will be maintained until more significant engineering upgrades can be completed.

NEXT STEPS

Interim works

- Reduce and maintain dam water level at 90% capacity (12m AHD)
- Review Dam Safety Emergency Plan with NSW SES and Police.
- Updating hydrologic and hydraulic modelling.
- Site surveys and further geotechnical investigations.



NEXT STEPS

Longer term actions

- Major upgrades to the dam's embankments potentially via:
 - Installation of stone columns
 - Excavation and replacement of materials
 - Shear walls
 - Deep soil mixing
- Dam upgrades are complex, and will take some time to be scoped, planned, approved and delivered.



COMMUNITY ENGAGEMENT



- Tuesday 16 July – Briefing with Port Stephens Councillors
- Wednesday 17 July – Public release of the report and executive summary. Direct mail to all downstream residents, property owners and businesses.
- **Tuesday 23 July, Friday 26 July, Saturday 27 July and Thursday 1 August – Community drop-in sessions in Raymond Terrace and Medowie**
Representatives from Dams Safety NSW attending some sessions



SUPPORTING OUR COMMUNITIES



We understand some in our community may be experiencing various pressures and we appreciate that receiving this information may be complicated and stressful.

Hunter Water has made available free and confidential counselling through NewPsych, our Employee Assistance Program (EAP) provider.

For more information visit NewPsych's website www.newpsych.com.au or please contact NewPsych on 4926 5005 (reference Hunter Water – Grahamstown Dam).



IN SUMMARY



- Hunter Water has completed its first major risk assessment under the new dams safety regulation.
- This work is part of our commitment as a responsible dam owner to ensure we meet modern engineering and safety standards, and our commitment to meet regulatory obligations.
- Grahamstown Dam continues to operate safely under normal conditions, as it has done for 60 years. It poses no immediate threat to our community.
- Given the age of Grahamstown Dam, the greater understanding of earthquake risk, advances in dam technology over time and the appropriate thorough nature of the risk assessment and safety review, it is not unexpected that actions are needed to ensure the dam operates safely for many decades to come.

QUESTIONS & FURTHER INFORMATION



W: www.hunterwater.com.au/grahamstown

E: yourvoice@hunterwater.com.au

P: 1300 657 657



SUSTAINABILITY STRATEGY

Emma Berry

13 AUGUST 2024

The Sustainability Strategy is our commitment to a sustainable future

Our Corporate Strategy

Sets our vision and purpose and the four strategic outcomes that we aspire to deliver. Our Corporate Strategy is supported by a set of guidelines to help guide how we'll get there.

Business Plan

Our Corporate Strategy is complemented by a number of tangible and measurable strategic objectives that will help move us towards our desired strategic outcomes. These objectives are regularly monitored and reviewed through Hunter Water's annual Business Plan.

Supporting strategies

A suite of organisation-wide strategies that support and complement Our Corporate Strategy, providing additional guidance to the business across key areas.



Customer Experience Our Values Safety Health and Wellbeing Sustainability Digital Community Engagement

Planning and implementation

Putting Our Corporate Strategy into action through:

Investment Planning - where, when and how to invest to meet our strategic objectives and manage risk
 Organisational planning - to drive important organisational outcomes such as safety, health and wellbeing, sustainability and community activities

Investment planning

Organisational planning

Sustainability, noun.

Meeting the needs of the present generation without compromising the ability of future generations to do the same.

Our vision and purpose

Water is life.
 We are creating a sustainable water future for all.

Who we are

We are here for our customers and community
We are passionate about water
We care about our people
We are trusted partners
We are champions for a sustainable future

WHY WE NEED A SUSTAINABILITY STRATEGY



WHY

Purpose

Being sustainable is good business - it's good for our customers, our community and our planet. Our Sustainability Strategy is our commitment to future generations. It guides our actions and decisions towards a more sustainable, resilient and prosperous future.

WHO

Our vision 'Water is life' is for everyone. We're all involved in creating a sustainable water future.

Drivers



SUSTAINABILITY STRATEGY
2024

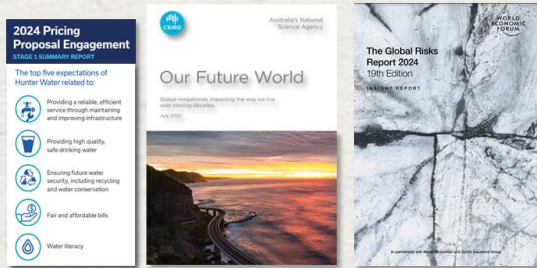


Old Sustainability Strategy expired in June 2024, was broad in scope and overlapped with other supporting strategies.

New Sustainability Strategy

- ✓ Aligned with our Miromaliko Baato & supporting Corporate Strategic Objectives
- ✓ Integrated with other key supporting strategies
- ✓ Supported by an ESG framework showing ESG matters across our strategic architecture
- ✓ Focussed on addressing our most material issues from a water perspective
- ✓ Defines our longer-term sustainability ambition
- ✓ 2030 targets are aligned with investment profile for PP25

HOW WE GOT HERE



Foundations	Strategic architecture					
	Sustainability Strategy	Customer Experience Strategy	Values Strategy	Safety, health and wellbeing Strategy	Community Engagement Strategy	Digital Strategy
<ul style="list-style-type: none"> Customer and employee experience Customer service Customer support Customer support operations Customer support operations Customer support operations 	<ul style="list-style-type: none"> Water conservation Water usage Water treatment and wastewater reuse Water and wastewater infrastructure safety, resilience, and efficiency Water security 	<ul style="list-style-type: none"> Customer satisfaction Customer service and experience 	<ul style="list-style-type: none"> Respect, integrity, and honesty Integrity Integrity and one page Integrity, Resilience, Action Plan, the business performance, engagement and government Clarity 	<ul style="list-style-type: none"> Safety, health and wellbeing of our staff and community Psychosocial wellbeing 	<ul style="list-style-type: none"> Chief of the Community Community engagement and participation 	<ul style="list-style-type: none"> Digital transformation Artificial intelligence Automation
<ul style="list-style-type: none"> Environmental management 	Environment <ul style="list-style-type: none"> Water conservation Water treatment and wastewater reuse Water and wastewater infrastructure safety, resilience, and efficiency Water security 					
<ul style="list-style-type: none"> People and culture People and culture People and culture People and culture People and culture People and culture 	Social <ul style="list-style-type: none"> Water conservation Water usage Water treatment and wastewater reuse Water and wastewater infrastructure safety, resilience, and efficiency Water security 					
<ul style="list-style-type: none"> Climate and environment Climate and environment Climate and environment Climate and environment Climate and environment Climate and environment 	Governance <ul style="list-style-type: none"> Water conservation Water usage Water treatment and wastewater reuse Water and wastewater infrastructure safety, resilience, and efficiency Water security 					

Strategic Outcome	Strategic Objective	Strategic Benefits	Proposed Measure	Link to Corporate Scorecard
Customers and Community at the heart of all we do	Great customer experience	Make it easy for me Respect my time, respect me	Easy to deal with* Community Trust	Customer Experience Score Community Trust
	Community Focused	Resolve the situation Compliance with ACOG's Respond and React	Compliance with ACOG's Respond and React Number of unplanned water interruptions* Customer satisfaction with drinking water* Customer satisfaction with wastewater services* Habitats, why the water projects Habitats, where and how often	Leakage
High quality, valued and affordable water services for all	High quality water services	Clean, safe water Reliable water supply Reliable wastewater services	Water in drought & for the future Water resources used wisely Bills as low as possible Support vulnerable customers	Customer and Environment Service Index Leakage
	Water security	Water in drought & for the future Water resources used wisely Bills as low as possible Support vulnerable customers	Water in drought & for the future Water resources used wisely Bills as low as possible Support vulnerable customers	Leakage
A trusted, innovative organisation with a values-driven culture	Be safe, live well, thrive	Our people are safe, living well & thriving	Our people are safe, living well & thriving	TSEIR
	Values-based culture	Our people are living our values	Cultural matters values survey* Diversity & Inclusion: Female and First Nations Participation* Digital Inclusion Scorecard*	Safety Incidents and impact index Probability (E8/TGA)
A sustainable, resilient and prosperous future	Deliver shareholder value	Achieve financial commitments Be an efficient	Business Plan and S&P Decisions Progress against Cost Efficiency Program	Program against Cost Efficiency Program
	Sustainable	Climate resilient Resilient to climate change	Major environmental incidents reported* Resilience performance* Carbon emissions*	Progress of 2024-25 Strategic Objectives (like 15 other measures)



Corporate strategy launch

Materiality assessment

Developed ESG Framework

Aligning objectives and measures with strategy and investment programs

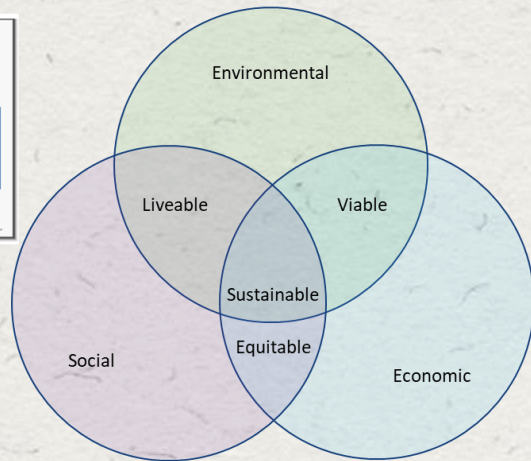
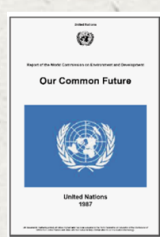


KEY CONCEPTS



Sustainability

Meeting the needs of present generation without compromising the ability of future generations to do the same.



“INSIDE-OUT” Impacts

Future orientation

ESG (environment, social, governance)

A set of criteria used to evaluate environmental, social and governance dimensions of an enterprise's activity



“OUTSIDE-IN” Impacts

Reporting orientation

ESG FRAMEWORK



Foundations Legislation and regulation Operating licence Management systems Regulated pricing by IPART (Independent Pricing and Regulatory Tribunal of NSW)	Strategic architecture						
		Sustainability Strategy	Customer Experience Strategy	Values Strategy	Safety, health and wellbeing Strategy	Community Engagement Strategy	Digital Strategy
<ul style="list-style-type: none"> ✓ Pollution control ✓ Environmental management 	<ul style="list-style-type: none"> ✓ Water conservation ✓ Water leakage ✓ Carbon emissions and renewable energy ✓ Waste and beneficial reuse (recycled water, biosolids) ✓ Biodiversity ✓ Waterway health 	<ul style="list-style-type: none"> ✓ Customer relationship ✓ Customer service and experience 	Inclusion and diversity, including: <ul style="list-style-type: none"> ✓ Gender - participation and pay gap ✓ Indigenous - Reconciliation Action Plan, First Nations participation, engagement and procurement ✓ Disability 	<ul style="list-style-type: none"> ✓ Safety, health and wellbeing of our staff and community ✓ Psychosocial wellbeing 	<ul style="list-style-type: none"> ✓ Voice of the Customer ✓ Community engagement education 	<ul style="list-style-type: none"> ✓ Socially responsible artificial intelligence 	
<ul style="list-style-type: none"> ✓ Code of conduct including bribery and corruption ✓ Corporate governance including remuneration, board diversity and tenure ✓ Reporting and disclosures ✓ Sustainable procurement ✓ Investment framework ✓ Enterprise risk framework ✓ Asset lifecycle and quality management ✓ Stakeholder engagement 	<ul style="list-style-type: none"> ✓ Sustainability reporting 		<ul style="list-style-type: none"> ✓ Values based culture ✓ Continuous improvement and innovation 			<ul style="list-style-type: none"> ✓ Cyber security ✓ Data driven decision making ✓ Smart systems (efficiency and optimisation) 	

A NEW STRATEGIC APPROACH

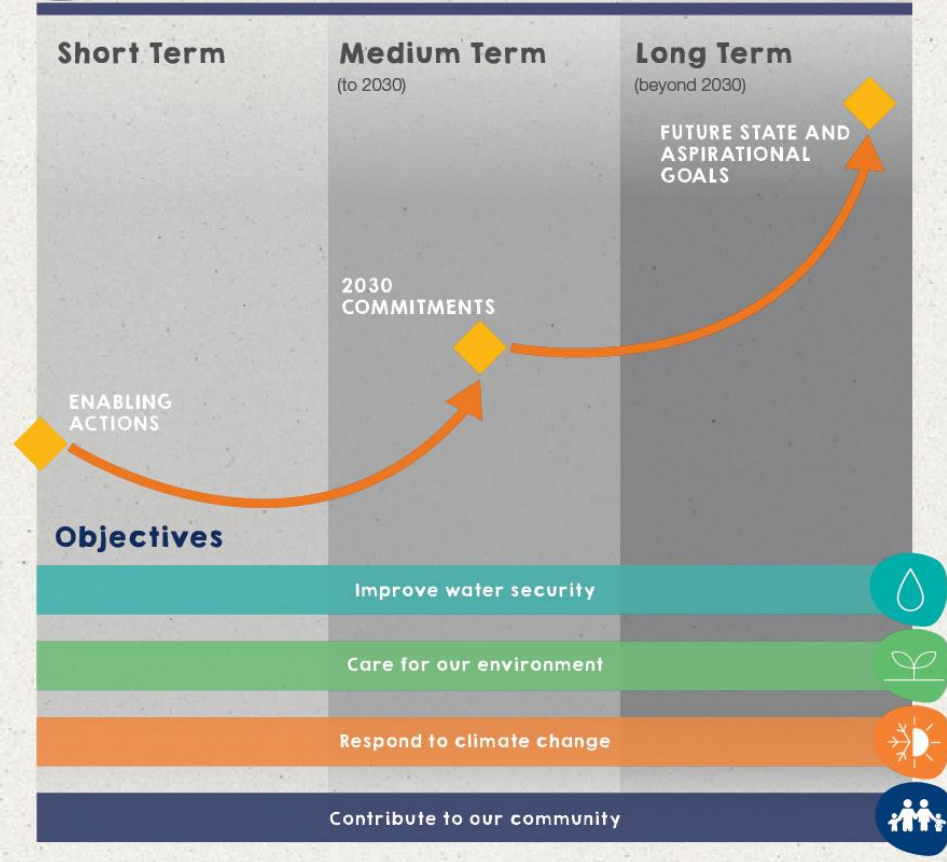


Our ambition: to move from an approach of reducing harm to creating a positive impact.



Strategy Objectives

- Improve water security for our community by making the most of our water resources and improving the resilience of our system.
- Care for our environment across our operations and working towards healthier and more resilient ecosystems.
- Respond to climate change by reducing our greenhouse gas emissions and adapting our assets, operations, and services to improve our resilience.
- Contribute to our community by partnering with our communities to improve the liveability and prosperity of our region.



Short term : Strategic guiderails actions

Medium term : defines our commitments (measures and targets to 2030) to move us towards our future state.

Long term : Beyond 2030. Defines our future state and aspirational goals

LONG TERM ASPIRATION AND PROGRESS TO 2030

WHAT

Objectives and SDG alignment	Improve water security	Care for our environment	Respond to climate change	Contribute to our community
Our aspirational goals	<ul style="list-style-type: none"> ☔ We meet community water needs in the long term and during drought. ☔ We have healthy waterways in our drinking water catchments. 	<ul style="list-style-type: none"> 🌿 We reduce, reuse, recover and recycle all non-hazardous waste. 🌿 We achieve net zero nutrient discharge into inland waterways by 2050. 	<ul style="list-style-type: none"> ☀️ We achieve net zero GHG emissions in our operations by 2035.³ ☀️ We achieve net zero GHG emissions across our supply chain by 2050. 	<ul style="list-style-type: none"> 👨👩👦 We enhance the wellbeing and liveability for everyone in our community. 👨👩👦 We enable regional prosperity.
Our future state	We are leaders in water resilience. We innovate, make the most of what we've got and ensure we have a robust system that can adapt and respond to future uncertainties to meet our region's future water needs.	We partner with others to achieve a nature positive impact on the environment and our community.	Our services, operations, and assets are resilient to a changing climate. We are active leaders in contributing to our community's climate resilience. We have achieved net zero emissions and are champions for a low-carbon future.	We actively partner with and support our community to make a positive impact on everyone's wellbeing and build regional prosperity and resilience.
Our 2030 commitments	<ul style="list-style-type: none"> ❖ Reduce drinking water consumption by 13% based on 2016-18 usage ❖ Reduce HW leakage ≤ 50L/connection/day ❖ Key milestones met in the delivery of the Belmont Desalination Plant 	<ul style="list-style-type: none"> ❖ Achieve net biodiversity gain (annual) ❖ Diversion of all solid waste from landfill - 80% ❖ Beachwatch grading - no degradation due to HW¹ ❖ Biosolids reuse -100%² 	<ul style="list-style-type: none"> ❖ Climate risk maturity level - 'embedded'⁴ ❖ Operational emissions reduction by 80% compared to 2020-21 levels ❖ Renewable energy installed capacity ≥13 MW 	<ul style="list-style-type: none"> ❖ Community trust - 85%⁵ ❖ Payment Times Reporting Scheme - 95%⁵ ❖ Supplier Partnership Principles (supplier performance for high threshold contract \$250K) - 'Progressing level' year on year improvement⁶
Programs to deliver our commitments	<ul style="list-style-type: none"> ➤ Catchment Improvement Program ➤ Water Conservation Program ➤ Leakage Program ➤ Recycled Water Program ➤ Source Augmentation Planning ➤ Drought Response Planning ➤ Community Engagement on all options PRW (Purified Recycled Water) 	<ul style="list-style-type: none"> ➤ Biodiversity Protection ➤ Waterways Program ➤ Resource Recovery (biosolids) ➤ Waste Management 	<ul style="list-style-type: none"> ➤ Climate Change Adaptation ➤ Climate Change Mitigation (Carbon Emissions) ➤ Renewable Energy Generation 	<ul style="list-style-type: none"> ➤ Community Partnerships (Grants, Sponsorships, Events, Recreation) ➤ Enable Regional Economic Development ➤ Support Our Local Economy

How we deliver our promises



Guiderrails & Actions

Our guiderails include cross-cutting actions that will enable us to deliver on our sustainability objectives.



Delivering commercial value

Working with our supply chain and procurement services to identify opportunities and deliver on our sustainability objectives.

- ◆ Develop local spend metric and baseline.
- ◆ Sustainable procurement gap assessment and roadmap.

Trusted relationships

Partnering with customers, community and industry groups, local councils, regional bodies, and research institutions to innovate together and leverage resources and knowledge.

- ◆ Refresh partnerships with local councils on Integrated Water Management, water conservation, climate change, waterways, and reporting programs.
- ◆ Refresh and implement the Research and Development Program.

Learning with First Nations wisdom

Learning with First Nations wisdom will enrich our understanding of land and water management and strengthen our environmental stewardship.

- ◆ Develop and implement a First Nations Engagement Framework.
- ◆ Identify opportunities to collaborate with First Nations people on catchment management and waterways programs.

Planning for future generations

Embedding intergenerational equity and sustainability principles into our policy, strategic planning, investment, and risk frameworks.

- ◆ Actively engage with young people to inform decision-making.
- ◆ Embed intergenerational equity and sustainability principles into decision-making framework and guidelines.
- ◆ Integrate social and community outcomes into decision-making frameworks.
- ◆ Develop biodiversity monitoring and reporting framework.
- ◆ Develop a Waterway Improvement Framework to guide our decisions to move us towards our waterway goals.

Listening and doing

Transparent and inclusive community engagement and education to understand our community's priorities and values, inform decision-making and help our community take meaningful action towards a more sustainable future.

- ◆ Mature and embed our water literacy approach within our community.
- ◆ Establish a Community Committee to review progress on customer outcomes and input on future priorities.

Digital transformation

Improve operational performance to deliver environmental and customer outcomes through innovation, smart devices and data-driven decision-making.

- ◆ Optimise service and asset performance, including reducing leakage and wastewater overflows through smart devices and data-driven decisions.
- ◆ Develop business capability to quantify climate change risk exposure to inform investment decision-making and reporting.

THANK YOU

Any questions?



Call

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

Head Office

36 Honeysuckle Drive
Newcastle NSW 2300

Email

enquiries@hunterwater.com.au

Mail

Hunter Water
PO Box 5171
HRMC NSW 2310

Connect

hunterwater.com.au

