



HUNTER WATER CORPORATION

# Consultative Forum Report 2011-12



August 2012

## About the Annual Operating Licence Reports

Hunter Water Corporation (Hunter Water) delivers services under an Operating Licence granted by the NSW Government. The licence protects consumers by prescribing minimum standards of service that Hunter Water must meet in relation to:

- Drinking water quality - supplying customers with safe drinking water
- Water continuity - providing customers with a reliable supply of water
- Water pressure - providing customers with water pressure as specified in the licence
- Wastewater transport - providing the reliable transport of sewage

The Operating Licence also sets out conditions relating to community consultation, customer and consumer rights, customer complaint and dispute handling, managing water demand and supply, environmental management, publication of environmental and Ecologically Sustainable Development (ESD) indicators and independent auditing of operational performance.

This report covers the final year of the previous Operating Licence, which was from 1 July 2007 to 30 June 2012. The content of the licence was determined after a full public review by the Independent Pricing and Regulatory Tribunal (IPART). Full copies of the 2007-2012 Operating Licence and the current licence (2012-2017) are available from the publications area of Hunter Water's website [www.hunterwater.com.au](http://www.hunterwater.com.au).

Each year, an independent audit of Hunter Water's operations is conducted to assess the Corporation's compliance with the Operating Licence. The audit assesses Hunter Water's performance against service standards and associated conditions of the licence. This annual audit is overseen by IPART.

To assist in the audit process, the Operating Licence requires a number of reports to be provided annually to IPART. These reports are:

- Catchment Report
- Consultative Forum Report
- Customer Services Report
- Drinking Water Quality Management Report
- Environmental Performance Indicators Report
- Integrated Water Resource Plan Report
- Service Quality and System Performance Report

The reports must be submitted by 1 September each year with the exception of the Drinking Water Quality Management Report, which is submitted by 31 December. All reports, or key elements of them as set out in the Operating Licence, are available on Hunter Water's website or to the community free of charge at Hunter Water's offices.

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## Executive Summary

The Consultative Forum is an advisory body that provides advice to Hunter Water on customer and consumer interests in relation to the Corporation's Customer Contract and the operational performance requirements of its Operating Licence.

The Forum works to a Charter which sets out its role, membership requirements and administrative arrangements, including meeting protocols and communication of Forum activities to the wider community. A copy of the Charter is placed on Hunter Water's website and can be found at: [www.hunterwater.com.au/Community/Consultative-Forum](http://www.hunterwater.com.au/Community/Consultative-Forum).

This report presents the activities undertaken by Hunter Water's Consultative Forum throughout 2011-12. During the year the Consultative Forum considered a number of matters including:

- Lower Hunter Water Plan
- Consultative Forum Review
- Hunter Water Customer Contract
- Community Funding Program
- Tillegra Dam planning process and determination

Throughout 2011-12, membership of the Consultative Forum consistently complied with Operating Licence requirements. At all times, membership included a delegate from all mandatory community and environmental representative groups and was compliant with the Consultative Forum Charter. Throughout the year, member groups remained consistent, and two groups provided delegates to represent their organisation and constituents to the Forum.

The Forum is a vehicle for obtaining timely feedback on issues of significance to Hunter Water and the community. It is a two-way means of communication between the community and Hunter Water's decision-makers, where requests are either addressed immediately, or through a Question on Notice system at the next Forum.

## 1 The Role of the Consultative Forum

Clause 5.4.1 of the Hunter Water Operating Licence requires that Hunter Water establish and regularly consult with a Consultative Forum (Forum) to enable community involvement in issues relevant to Hunter Water's performance under the Operating Licence. Clause 5.4.2 of the licence states that Hunter Water may use the Forum to provide advice on customer and consumer interests relating to the Customer Contract and other key issues relating to Hunter Water's planning and operations.

Under Clause 5.4.4 of its Operating Licence, Hunter Water is to develop and maintain a Forum Charter that addresses, amongst other issues, the role of the Forum. The Charter, developed in 2003 and reviewed by members for its relevance to the Operating Licence in 2010, states that the Forum is an advisory body, whose role is to provide advice, feedback and assessment on appropriate matters. More specifically, the Forum is to provide:

- A means for achieving effective customer and community input into Hunter Water's decision-making processes in line with its obligations under its Operating Licence;
- A means for examining relevant matters raised by community representatives and Hunter Water management;
- Opportunities for matters raised by community representatives to receive direct consideration and response from Hunter Water; and
- A means of facilitating and encouraging two-way communication between the representative groups and Hunter Water.

## **2 Consultative Forum Activities During 2011-12**

The Forum's Charter requires the Forum to address matters relevant to Hunter Water's performance and obligations under its Operating Licence, key issues related to Hunter Water's planning, as well as other matters of public interest.

Issues raised and discussed were generated from both Hunter Water and its members. In accordance with the Charter, matters were either raised for the information of members or for active engagement where members were encouraged to provide feedback.

### **2.1 Key Matters Raised by Members in 2011-12**

#### **2.1.1 Evaporation Mitigation Technologies for Grahamstown Dam**

A member requested that Hunter Water comment on an article that appeared in the Newcastle Herald regarding the feasibility of covering the entire surface of Grahamstown Dam in shade cloth to reduce evaporation.

The Convenor advised that the Lower Hunter Water Plan will consider a range of supply and demand management options, including evaporation mitigation technologies.

#### **2.1.2 Throsby Creek Rehabilitation Project**

A member stated that information sessions had been held on the proposed project for Throsby Creek however felt there was a lack of consultation throughout the process. It was agreed that discussions on this issue would take place directly between Hunter Water and the member, as it was not an ongoing issue of concern for other Forum members.

#### **2.1.3 Signage of Balickera Park**

A member noted that the park's signage had been removed during the pump station upgrade and had since not been replaced. The member enquired as to what was on the original sign and whether or not it would be replaced. The Convenor noted to the Forum that the old sign contained information about the park for the general public, including details such as operating hours, available facilities, park rules, and Hunter Water contact details. A new sign is now in place.

#### **2.1.4 Beautification of Nelson Bay Foreshore**

A member raised concerns regarding the beautification of the Nelson Bay 1 Wastewater Pumping Station on the Victoria Parade waterfront drive in Nelson Bay. The Convenor noted that in September 2011, Hunter Water awarded \$3,000 under its Community Funding Program, to the Nelson Bay Business Chamber to 'change the visual impact' of the Hunter Water infrastructure. Hunter Water is currently in discussions with the Chamber and Port Stephens City Council - who are also engaged in a landscaping plan for the wider area - about the most appropriate way for this beautification to progress.

#### **2.1.5 Huntlee Development Sewerage Infrastructure**

A member raised concerns to Hunter Water's position on the proposed Huntlee Development near Branxton and provision of sewer services to North Rothbury.

Hunter Water advised the extension of sewer services to North Rothbury would most likely be facilitated via the extension of new infrastructure provided by the developer for the adjoining Huntlee Development. However any arrangements similar to that of the previous Priority Sewer Program would be a matter for government.

## **2.2 Key Matters Raised by Hunter Water in 2011-12**

### **2.2.1 Hunter Water Customer Contract**

The Hunter Water Customer Contract came into effect in July 2011. Hunter Water and IPART undertook a review of the Contract, which involved consultation with the Forum as well as Hunter Water's Customer Panel and key public interest groups.

### **2.2.2 2013-2017 Price Path**

Hunter Water has begun the preparation process and will engage regularly with the Forum throughout the development of the Price Path submission. IPART will formally initiate the Price Path Review around June 2012 when they publish an issues paper for public comment. Hunter Water will submit a response by around September 2012. Key issues to be addressed will include customers' views on value for money services, and sustainable management of resources such as greenhouse gas emissions and recycled water use.

### **2.2.3 Water Efficiency**

For 2010-11, Hunter Water set a target to save 400 million litres of water through efficiency and loss minimisation. By 30 June 2011, Hunter Water had saved some 472 million litres of the region's drinking water.

### **2.2.4 Lower Hunter Water Plan**

The planning process for the Lower Hunter Water Plan continues, led by the Metropolitan Water Directorate and in conjunction with the Department of Finance and Services, other government agencies and the lower Hunter community. Updates on key milestone and announcements are made at each Forum meeting.

### **2.2.5 Chichester Trunk Gravity Main (CTGM) Lead Management**

Hunter Water has been managing the lead contamination issue over many years and more recently in January 2011. In consultation with key stakeholders, Hunter Water has undertaken a risk assessment and is improving the current procedures for general pipeline maintenance and management of any potential lead contamination risks. Hunter Water will continue to deliver implement practical measures such as fencing off high risk areas.

### **2.2.6 Operational Audit Results**

The IPART CEO noted Hunter Water's 2010/11 Operational Audit Results. Hunter Water continues to manage its resources and operations well, and that it also continues to deliver drinking water that is of an excellent standard. Hunter Water received high or full compliance in all areas of operations.

### **3 Membership of the Consultative Forum**

#### **3.1 Membership Requirements**

Clause 5.4.3 of Hunter Water's Operating Licence requires the Forum to include organisations representing the following segments of the community:

- Business and consumer groups;
- Organisations representing low income households;
- People living in rural and urban fringe areas;
- Residential consumers;
- Environmental groups, including environmental education;
- Local government; and
- People from non-English speaking backgrounds.

To ensure that the membership of the Forum is limited to a number that is workable, the Forum Charter allows members to represent more than one community segment. The Charter also requires Forum membership to include representatives of Hunter Water senior management.

#### **3.2 Membership Selection and Appointment Criteria**

Forum members are to be nominees of community organisations that meet one or more of the above criteria. Member organisations are chosen by a selection panel of Hunter Water senior management and Forum representatives. To qualify for representation, organisations must be able to demonstrate:

- That the organisation is a formally constituted entity, with membership of a reasonable size;
- Established mechanisms to facilitate two-way feedback between Hunter Water and the organisation;
- Primary objectives of promoting the interests of one or more of the nominated community segments;
- Direct links with the nominated community segments;
- That the organisation is non-party political in nature; and
- That the organisation has non-profit-making characteristics.

Appointed member organisations are responsible for nominating a representative to the Forum. Such representatives should meet the following criteria:

- An interest in water-related matters;
- An ability to report the views of their represented organisation to Hunter Water;
- An ability to provide feedback from Forum meetings to their organisation; and
- A commitment to work within the framework and philosophy of the Forum Charter.

At least once during each Licence period, Hunter Water will review the membership of the Forum. As part of this review, Hunter Water will consult with member organisations to confirm the continuation of their representation and their existing nominee.

The most recent membership review was undertaken during 2007-08. The review found that Forum members considered the size and composition of the Forum to be appropriate and to provide good coverage of Hunter Water's key stakeholder groups. It was suggested, however, that following the extension of Hunter Water's area of operations to the Dungog Shire, benefit could be gained by adding a representative from Dungog Shire Council.

In December 2007 advertisements calling for Expressions of Interest from organisations seeking representation on Hunter Water's Forum were placed in the local print media. Correspondence was also forwarded to all existing member organisations informing them of the Expression of Interest for membership and encouraging them to continue their membership of the Forum.

As a result of the review, the Forum welcomed new member organisations Dungog Shire Council and the Property Owners Association, as well as new representatives of existing member organisations the Hunter-Central Rivers Catchment Management Authority and the Hunter Business Chamber.

Hunter Water is currently undertaking a review of its member organisations. It has been suggested that the Forum should consist of members from a broad cross-section of the community, including those from business and consumer groups, organisations representing low income households, people living in rural and urban fringe areas, residential consumers, environmental groups, organisations representing the elderly, Aboriginal groups and people from non-English speaking backgrounds.

### 3.3 Current Membership

During 2011-12 membership of the Forum comprised the following:

**Table 3-1 Consultative Forum Members**

<b>Representative</b>	<b>Organisation</b>	<b>Representative category</b>
Mr Kim Wood	Hunter Water Corporation	Convenor
Cr Harold Johnston	Dungog Shire Council	Local government
Cr Christopher Parker	Cessnock City Council	Local government
Cr Arch Humphery	Maitland City Council	Local government
Cr Wendy Harrison	Lake Macquarie City Council	Local government
Cr Mike King	Newcastle City Council	Local government
Cr John Nell	Port Stephens Council	Local government
Prof George Kuczera	University of Newcastle	Business consumer group

<b>Representative</b>	<b>Organisation</b>	<b>Representative category</b>
Mr Jason Pauling	Hunter Business Chamber	Business group
Ms Ingrid Berthold	Hunter-Central Rivers Catchment Management Authority	Environmental group
Mr Kevin McDonald	Hunter Region Botanic Gardens	Environmental group
Ms Carolyn Gillard	Environmental Education	Environmental group
Mr John McDougall	Newcastle Combined Pensioners Area Council	Low income representative
Mr Alex Burns	Northern Settlement Services	Non English speaking background representative
Mr Rick Banyard	Property Owners Association	Residential consumer group
Mr James Hopson	Williams River Water Users Association	Rural and urban area representative

## 4 Consultative Forum Meetings

The Forum Charter requires Forum meetings to be held quarterly, usually in March, June, September and December. Minutes from the previous meeting, formal agendas and supporting materials are to be forwarded to Forum members one week prior to each meeting.

Forum meetings are to be chaired by the Hunter Water Managing Director or his nominee. Hunter Water provides the necessary administrative support to enable the Forum to function effectively. Meetings are to include appropriate presentations and field visits to allow Forum members to gain an understanding of the matters before it for discussion.

An initiative introduced in December 2009 enabled members to nominate an 'alternate' member from their organisation to ensure steady representation from each member organisation. Members agreed to determine an alternate representative from their respective organisations and provide their contact details prior to the March 2010 Forum meeting.

This alternate member system was used at the December 2011 meeting with the attendance of Mr Owen Nicholson, alternate member representing Williams River Water Users Association.

Standard agenda items included:

- Review of matters arising from previous minutes
- Hunter Water's Annual Reporting Program
- Questions on Notice received
- Managing Director's report
- Discussion items
- Members' issues and general business

Hunter Water provided minutes from the previous meeting to members at least one week prior to each meeting, along with the agenda and supporting materials.

Table 4-1 indicates each member's meeting attendance throughout 2011-12.

**Table 4-1 Member Attendance for 2011-12**

Representative	Attendance at meetings held			
	Sept 2011	Dec 2011	Mar 2012	June 2012
Mr Kim Wood				✓
Mr Dean Taylor (acting as Hunter Water Managing Director)	✓			
Sharon Smith (acting as Hunter Water Convenor in place of K Wood)		✓	✓	
Cr H Johnston	✓	✓	✓	✓

Representative	Attendance at meetings held			
	Sept 2011	Dec 2011	Mar 2012	June 2012
Cr C Parker		✓		✓
Cr A Humphery	✓	✓	✓	✓
Cr W Harrison				✓
Cr G Edwards (representing Lake Macquarie City Council in place of Cr W Harrison)				
Cr J Nell	✓	✓	✓	✓
Prof G Kuzcera			✓	
Mr J Pauling		✓		✓
Ms I Berthold	✓	✓	✓	✓
Mr K McDonald	✓	✓	✓	✓
Ms C Gillard	✓	✓	✓	
Mr J McDougall		✓	✓	✓
Mr A Burns				
Mr R Banyard	✓	✓	✓	
Mr J Hopson			✓	✓
Mr Owen Nicholson (representing Williams River Water Users' Association in place of Mr J Hopson)		✓		

## 5 Communication of Outcomes

As required by Clause 5.4.7(a) of Hunter Water's Operating Licence, the agendas and papers of the Forum are published on Hunter Water's website at

[www.hunterwater.com.au/Community/Consultative-Forum/Meeting-Papers](http://www.hunterwater.com.au/Community/Consultative-Forum/Meeting-Papers)

The minutes of each meeting are also incorporated into the Open Board component of a following Board meeting and published on our website at [www.hunterwater.com.au/About-Us/Our-Organisation/Our-Board/](http://www.hunterwater.com.au/About-Us/Our-Organisation/Our-Board/)

As stated by the Forum Charter, Hunter Water includes a summary of the Forum's activities for the previous year in its Annual Report.

Further, this report on the Forum's activities will be available free of charge on the Forum section of Hunter Water's website.

## 6 Operating Licence Checklist

**Table 6-1 Operating Licence Checklist**

Section In Licence	Location in report
<p>5.4.7 (b) Hunter Water must:</p> <p>publish a report by no later than 1 September each year on the activities of the Consultative Forum for the immediately preceding financial year that addresses the following issues:</p> <ol style="list-style-type: none"><li data-bbox="268 696 790 757">i. the activities and achievements of the Consultative Forum; and</li><li data-bbox="268 786 790 875">ii. compliance of the Consultative Forum with the Consultative Forum Charter; and</li></ol> <p>Post this report on Hunter Water's website on the internet for downloading free of any charges imposed by Hunter Water and make available at its offices for access or collection by any member of the public, also free of charges imposed by Hunter Water.</p>	<p>Forum activities during 2011-12 (<a href="#">Section 2</a>)</p> <p>Where Hunter Water has met the Consultative Forum Charter requirements:</p> <ul style="list-style-type: none"><li data-bbox="815 853 1283 913">• The role of the Consultative Forum (<a href="#">Section 1</a>)</li><li data-bbox="815 913 1331 974">• Membership of the Consultative Forum (<a href="#">Section 3</a>)</li><li data-bbox="815 974 1203 1012">• Forum meetings (<a href="#">Section 4</a>)</li><li data-bbox="815 1012 1299 1072">• Forum Activities throughout 2011-12 (<a href="#">Section 2</a>)</li><li data-bbox="815 1072 1347 1111">• Communication of outcomes (<a href="#">Section 5</a>)</li></ul> <p>This report will be posted on the Consultative Forum section of Hunter Water's website. Customers may also obtain a printed copy from any Customer Service Centre.</p>