

About us

Unitywater is a statutory authority, formed under the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009*. Governed by an independent Board, we have a Participation Agreement with the Moreton Bay Regional Council, Sunshine Coast Council and the Noosa Council. We service these local authority areas on behalf of their citizens.

What we do

Twenty-four hours a day, seven days a week, Unitywater's priority is providing our customers with a high quality, safe and reliable sewerage and water service that is economically and environmentally sustainable. We:

- maintain and supply drinking quality water to homes, businesses and public areas
- collect, treat and dispose of sewage
- produce and provide recycled water to residential and commercial customers and community groups
- manage trade waste from our business and industrial customers
- build, manage, operate and maintain our sewerage and water infrastructure, including recycled water assets
- provide around the clock response to sewerage, water and recycled water emergencies
- manage customer and stakeholder enquiries
- issue and manage sewerage, water supply and recycled water accounts
- provide returns to our participating councils
- provide responsive 24/7 incident, media and public information to ensure that our communities are prepared, informed and supported as needed.

Our vision

We aim to be a sustainable, industry-leading community and customer-oriented water and allied services business

Our purpose

Keeping our communities healthy

Our values

Reliability

We mean and do what we say: consistently, professionally in a timely manner

Safety

We think, walk and talk safety everyday and have the systems and processes in place to protect us, our customers, the community and the environment from our activities

Honesty and integrity

The work we do is always and only in the best interests of our customers, stakeholders, community and the environment

Efficiency

We don't waste time, money or effort because we have the right people in the right place getting it right the first time

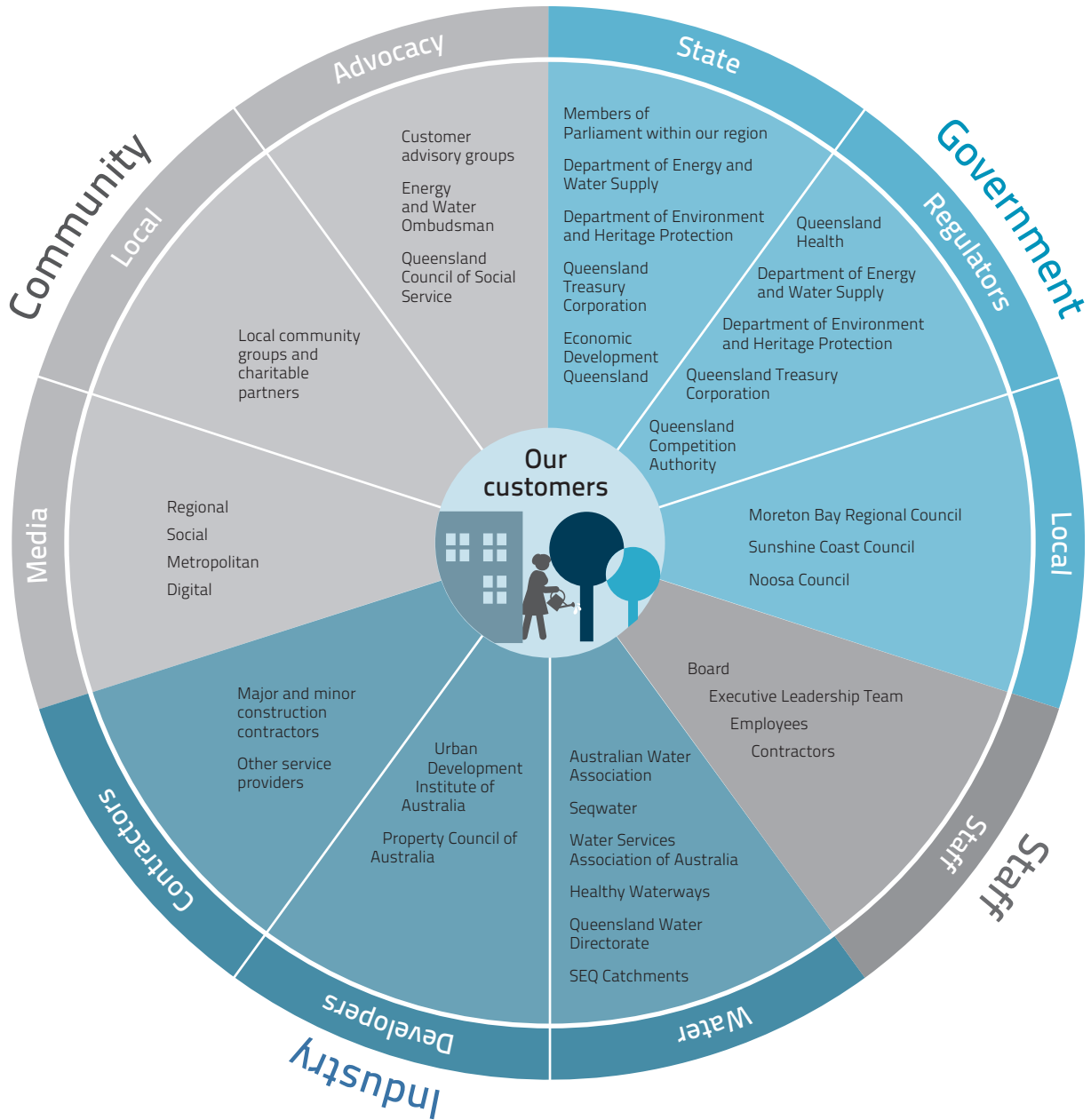
One team

No one succeeds at the expense or exclusion of others, and we are proud of our collective success

Innovation

We seek new ways of doing things better

Our stakeholders



Our strategic goal: Reduce our total cost to serve

Strategic priorities

Enhance Customer Value

Improve Sustainability

Pursue Efficiency

Strategies

Provide effective, low cost customer service

Inform and engage stakeholders

Reduce the cost of regulation

Generate a profit on new products and services

Meet governance and compliance requirements

Create a safe, proud and productive culture

Develop smarter systems and processes

Improve asset performance

Operate efficiently

Unitywater’s Corporate Strategic Plan 2015–20 is a five-year roadmap that takes us as an organisation to achieve our strategic goal of reducing our total cost to serve. This report describes and quantifies the strides we have made towards these goals.

Unitywater’s business direction and service delivery aligns broadly with the State Government’s objectives for the community, which aim to protect the environment through ensuring sustainable management of natural resources, and deliver new infrastructure and quality frontline services.

Strategic risks

Unitywater has identified and assessed the strategic risks and opportunities that it faces in the following areas:

- Safety
- Water quality
- Customer service
- Financial sustainability
- Regulatory compliance and policy
- Climate change
- Workforce planning
- Asset management

Unitywater manages these risks and opportunities through its strategic initiatives and annual business planning.

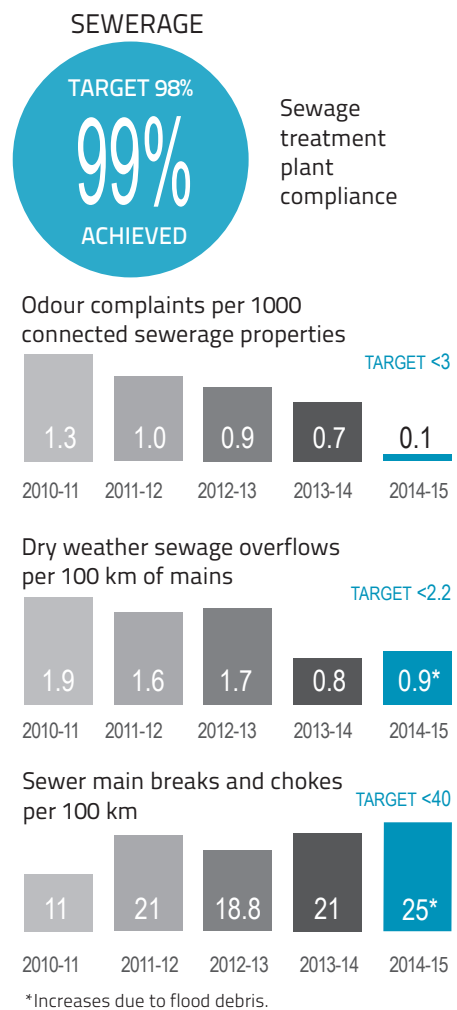
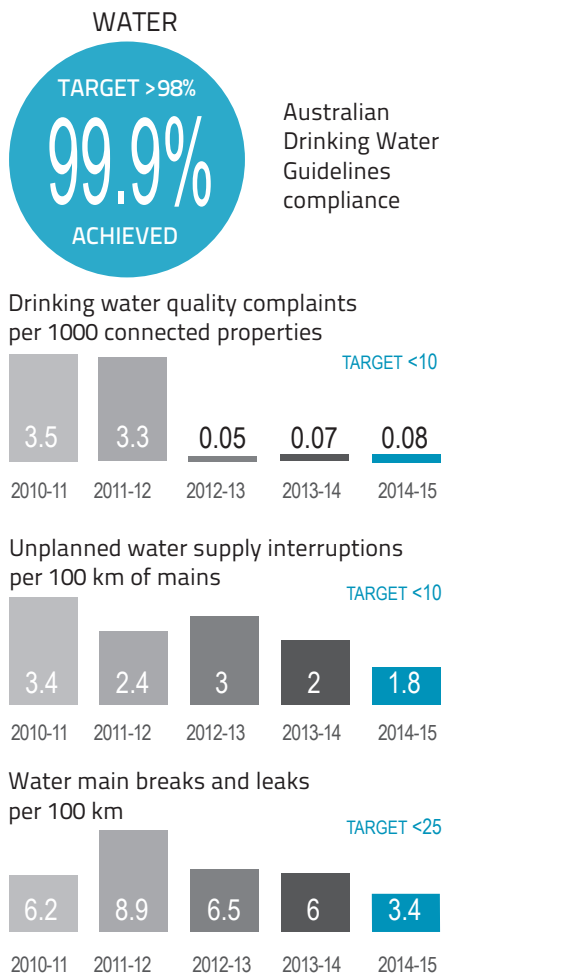
Key facts for 2014-15

Unitywater operates and maintains \$3.1 billion of assets across our service area. Throughout 2014-15 we grew our investment in this critical infrastructure while achieving savings across our operations:

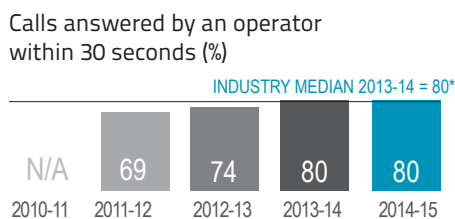
- We supplied more than 760,000 people across 5223 square kilometres with sewerage and water services.

- Our customer satisfaction rating reached 6.7.
- We invested \$35.8 million in water supply infrastructure.
- We invested \$57.4 million in sewerage infrastructure.

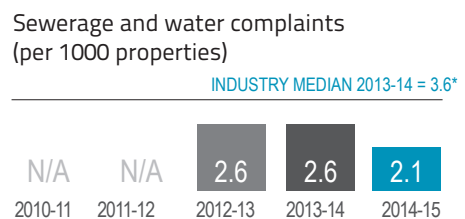
Meeting service standards



CUSTOMER SERVICE

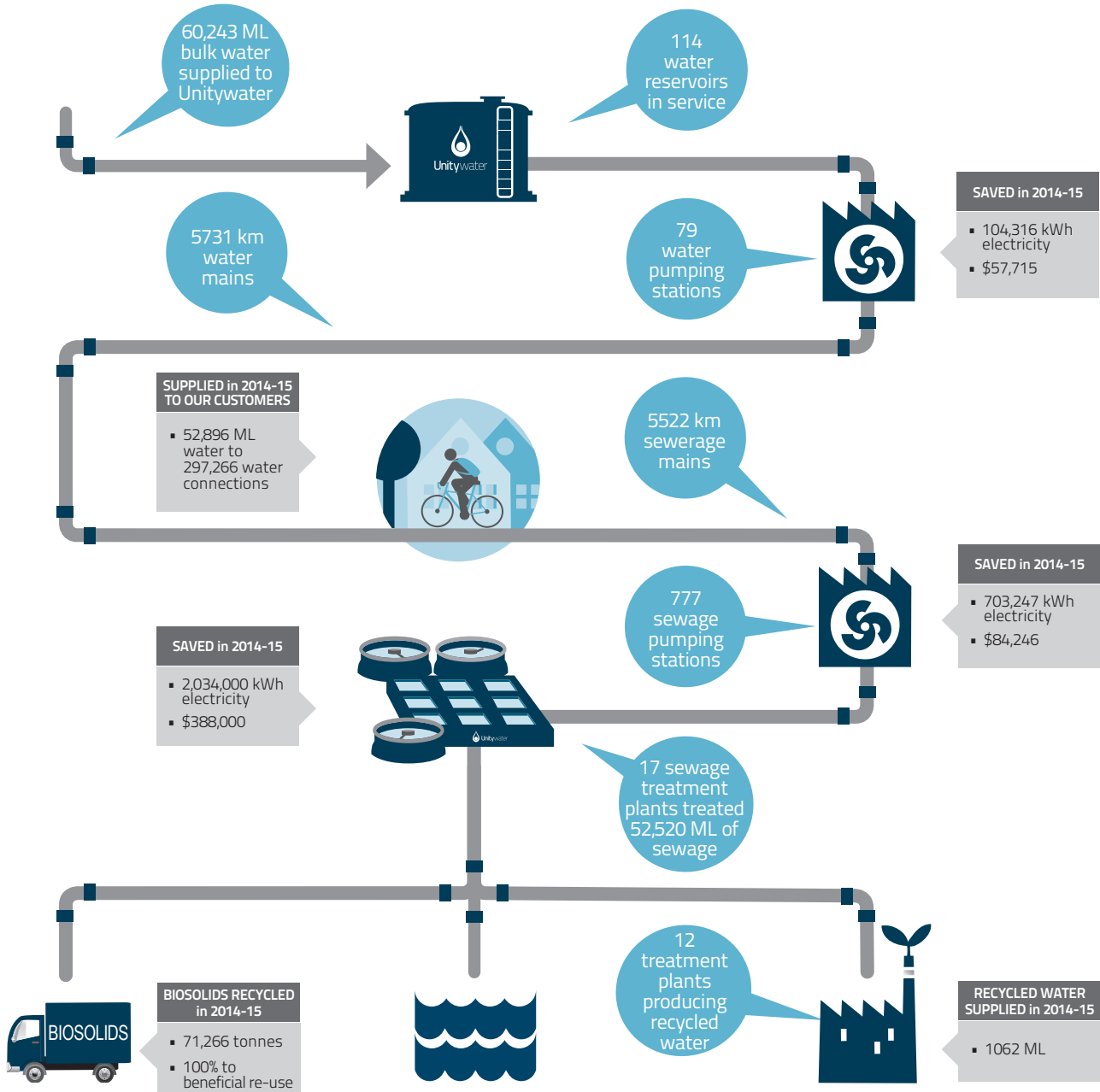


*Australian utilities with 100,000+ connected properties (National Performance Report 2013-14 Urban Water Utilities)

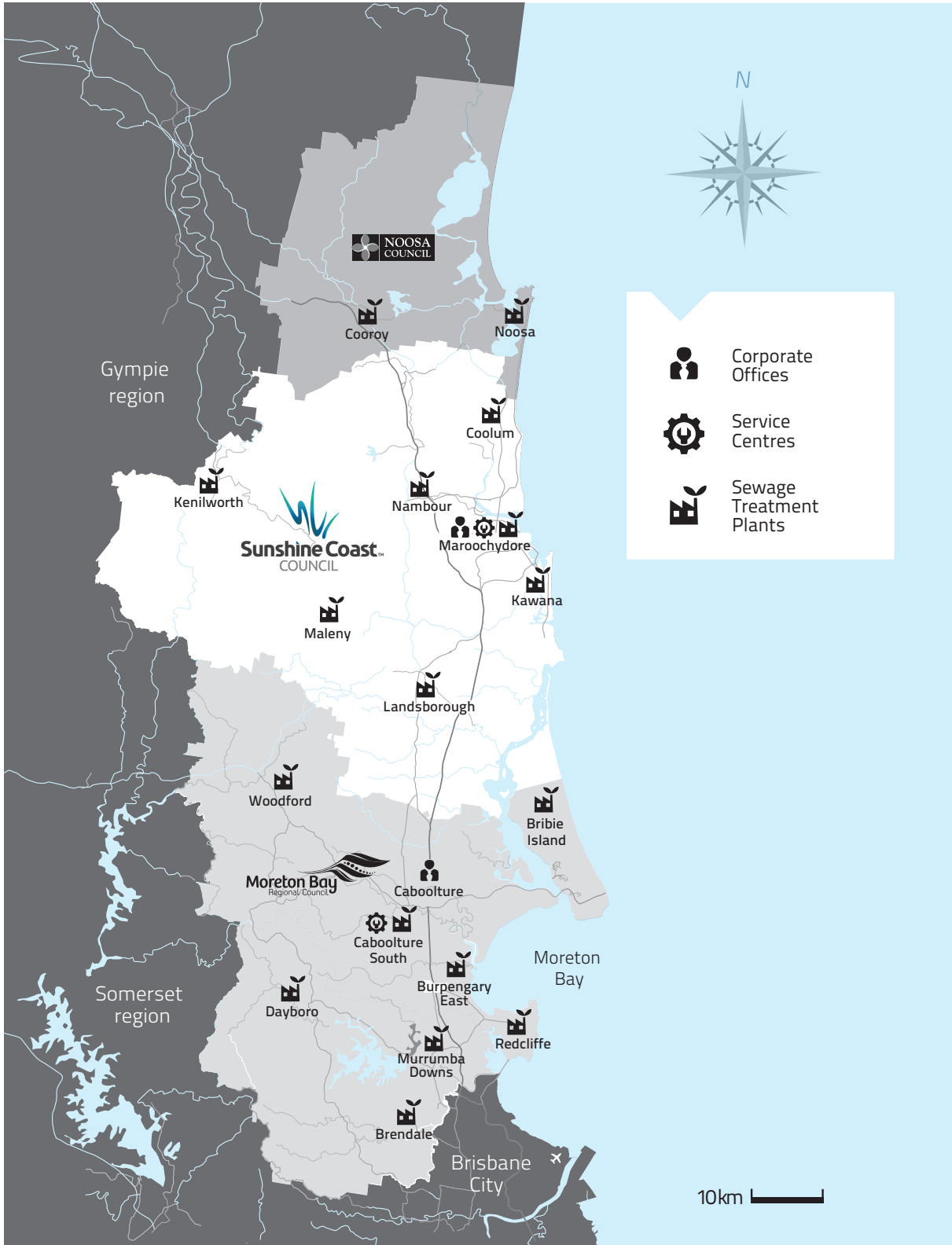


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The following summarises our sewerage and water operations for the year:



Unitywater's service area



Message from the Chairman and CEO

We are very pleased to present our 2014-15 Annual Report, marking five years of Unitywater operations. This report provides a summary of our operational performance, governance and compliance practices and the audited financial report.

In these five years we have made considerable progress towards our vision of becoming an industry leading water and allied services business that places the customer at the heart of everything we do.

Maintaining our community's assets

Unitywater continued to respond to emergency sewerage and water incidents 24 hours a day seven days a week and carried out thousands of planned maintenance activities to keep the sewerage and water network and treatment plants operating efficiently. In the process, our crews travelled 6.5 million kilometres across the region to maintain these vital assets.

Making prices fairer

One of our most important achievements since our formation, and one that wrapped up in 2014-15, is the delivery of our two and a half year program of tariff reform. We have successfully transitioned from a complex set of tariffs, fees and charges inherited from six councils to a fairer, more consistent pricing structure with an emphasis on user pays. Pricing reform has resulted in a \$4 million annual revenue loss to Unitywater but more importantly ensured over 140,000 of our customers were financially better off.

Working with communities

Our upgraded Maleny Sewage Treatment Plant and its associated wetlands won the Business Award for the Best Specific Environmental Initiative in the UN World Environment Day Awards in June 2015. We share this prestigious award with the community of Maleny, whose support was vital in helping us create this important facility.

Community engagement remains key in putting a face to Unitywater and this year our many community programs included working with Caloundra locals to choose the design and paint a mural on the landmark Queen Street reservoir. Customer satisfaction is at an all-time high of 6.7 out of 10.

Working with the development industry

Unitywater experienced an unprecedented increase in developer applications of 436% to 9500 for the financial year. This increase coincided with the launch of the new South East Queensland Utility Model.

Unitywater managed this increase with additional resources, and by ensuring we were able to process applications within the specified timeframe as the year progressed.

Innovations and upgrades

Any revenue loss is counterbalanced by our continued focus on reducing our operating costs. With electricity as our second highest cost after salaries and wages, initiatives to cut our energy bills include installing energy efficient pumps, trialling micro hydro generators to harvest electricity from pressure reduction facilities and water mains, and installing a 95 kilowatt solar power system on the roof of our Northern Service Centre in Maroochydore.

Other important innovations marking the 2014-15 year include our completion of the replacement and upgrade of 11 legacy SCADA systems to achieve one sophisticated network monitoring and control system at a cost of \$50 million. Improved centralised monitoring and control of almost 1000 sewerage and water assets has contributed to fewer sewerage overflows and more efficient deployment of field crews.

We also trialled different chemicals in partnership with industry and academia to explore more effective techniques to reduce sewerage odour complaints from our operations.

Workforce and leadership

The Unitywater of the future depends on our people and we have begun a three year program of Workforce Transformation that raises the bar on our teamwork, leadership and effectiveness of all of our employees.

Safety performance

We are immensely proud of all our people and how they have continued their focus on achieving Zero Harm, driving down the Lost Time Injury Frequency Rate to a record low of 0.8. We have further reduced the Significant Injury Frequency Rate by 58% to 8.

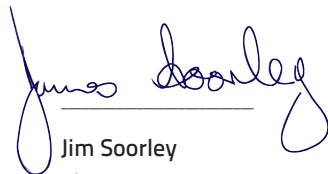
Environmental performance

We continued our program of upgrading our sewage treatment plants to meet both environmental standards and community expectations. The process to upgrade the Redcliffe Sewage Treatment Plant has begun, with a contract awarded to design, build, operate and maintain the plant. Our \$42 million upgrade of the Nambour Sewage Treatment Plant opened early in 2015, providing significant reduction in nitrogen (13 tonnes per annum) and phosphorous (seven tonnes per annum) into the Maroochy River.

We continued to work on preventing stormwater entering the sewerage network with a further 7,300 customer properties inspected for non-compliant plumbing and 13.2 kilometres of sewer for stormwater infiltration.

Financial performance

Unitywater made a loss of \$8.6 million after excluding developer contributions (comprising gifted assets and cash) of \$128.9 million from profit after tax. This compares to an adjusted profit of \$4.4 million in 2013-14. An increase in developer cash contributions for the year and prior year retained earnings enabled Unitywater to fund a \$93.2 million investment in water and sewerage infrastructure without further borrowings. We also provided total returns to the Participating Councils comprising tax equivalents, participation returns and interest on loans of \$133.0 million, the same as returns provided in 2013-14.



Jim Soorley
Chairman

4 September 2015



George Theo
Chief Executive Officer

4 September 2015