

# The year in review

In the five years since our establishment, Unitywater has overseen many significant improvements in our operations and accelerated our journey of transformation to become an industry leader that places our customers at the heart of everything we do.

## Innovation

Much more than just an operation of traditional pipes and pumps, our business innovated within a number of fields in 2014-15, including partnering with experts to develop software, installing hardware, trialling new technologies and working with university researchers.

### SCADA upgrade completed

During the year we completed a project to consolidate and upgrade 11 different legacy systems inherited by Unitywater into one sophisticated network monitoring SCADA (Supervisory Control and Data Acquisition) system. The \$50 million project, which began in 2010, delivers the ability to monitor around 405,000 points and control almost 1000 Unitywater infrastructure assets, thus delivering more responsive network management.

To see a video presentation of the SCADA project go to [unitywater.com/SCADA](http://unitywater.com/SCADA) or scan here.



### Mechanical Workshop and Electrical Training Rig opened

To aid the training of our workforce in SCADA, in September 2014 we opened our Mechanical Workshop and Electrical Training Rig at our Northern Service Centre in Maroochydore. This workshop consolidates all Unitywater's workshop activity into one location and provides a highly sophisticated training environment that simulates switchboard and SCADA controls to help develop the skills of our electricians. It also acts as a test environment for telemetry adjustments that supported energy optimisation projects (see Driving down costs, page 15).

### Forecasting tool developed

The Demand Modelling and Tracking Tool (DMaTT) was developed in partnership with software vendor Sizztech to forecast growth and network demand and to track development. The tool improves our strategic planning processes and consequently the justification of capital works. Demand projections prepared using DMaTT will be published in Unitywater's Netserv Plan.

### Void protection

By adding a dash of innovation to a commercially available safety barrier, Unitywater staff have devised a void protection system to prevent falls into open access hatches. Throughout the year, we continued our program of retrofitting sewage pump stations with almost 400 of our in-house designed aluminium safety grates.

### Remote inspection of reservoirs

Instead of sending a diver to inspect the interior of the Tanawha and Peregian reservoirs, we found a safer and more cost effective solution in a remotely operated vehicle (ROV). Before a diver enters a reservoir, it must be taken off the water supply network. With appropriate health and safety procedures, the ROV can be used while the reservoir remains connected to the network, resulting in considerable savings.

## Ice pigging program

And in another first for Unitywater, we partnered with specialist company Aqualogy Environment Ltd to clean water mains using a new process called ice pigging. The process cleans water mains by forcing an ice slurry through them to remove sediments, and is more effective and uses much less water than traditional cleaning techniques. The ice pigging program balances the need to clean the network to minimise water quality impacts on customers with the need to keep operating costs low.

To see a video presentation of Unitywater's ice pigging activity go to [unitywater.com/Projects/Ice-Pigging](http://unitywater.com/Projects/Ice-Pigging) or scan here.



## Research agreement with USC

Unitywater and the University of the Sunshine Coast joined forces during the year to launch a comprehensive study to understand the types of wildlife that are being attracted to the rehabilitated wetlands receiving treated effluent from the Maleny Sewage Treatment Plant. The four-year research project will look for and monitor all the species that return to the area.

## Cloevis trial with UQ

In another joint academic project, Unitywater teamed with researchers from the University of Queensland during the year to trial a new chemical product designed to fight hydrogen sulphide odours and corrosion in the sewerage network. The product, Cloevis, has had its cost and effectiveness assessed against other methods during a six month trial which returned positive results. The university is currently formulating the product's business model.

## Unitywater app

Another in-house innovation this year is the development of the Unitywater Mobile App. Using a smartphone or tablet, our customers and stakeholders can easily report issues they may see with our sewerage and water operations using the app, without the need to call us.

## Emergency home assistance insurance

During the year Unitywater teamed with international insurer MAPFRE Assistance to pilot home emergency services in the Pine Rivers area of Moreton Bay. A Home Emergency Repair Service product and a Water Leak Insurance product were offered to our customers.

### Awards

Unitywater's value of innovation is illustrated by the following industry awards won by us during 2014-15:

- UN World Environment Day Business Award for Best Specific Environmental Initiative to Maleny Sewage Treatment Plant and wetlands (June 2015)
- Australian Water Association Queensland Infrastructure Innovation Award to Maleny Sewage Treatment Plant and wetlands (September 2014)
- Queensland Project Management Achievement Awards: Organisation/Change Management Award for our Customer Service and Billing Solution (September 2014)
- Australian Water Association Queensland Program Innovation Award to Unitywater's World Toilet Day Art Prize 2013 (September 2014)
- Australian Business Awards for Technology and Innovation to Magnesium Hydroxide Liquid Batching Plant (July 2014)
- Most Active Member Award to Unitywater in the Isle Global Technology Approval Group Awards 2015

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## Driving down costs

Keeping abreast of our customers' feedback is vital to Unitywater and we ask them on a quarterly basis how we are faring against their expectations. Overwhelmingly the biggest overall impact on Unitywater's value to our customers is always price.

### Price freeze

Our efforts to drive down costs enabled Unitywater to announce in April 2015 that we will not raise sewerage and water prices during the 2015-16 year, with the exception of trade waste, recycled water and a small number of miscellaneous fees and charges. When compared to forecast CPI, the price freeze will save the average residential household \$34 a year in the Moreton Bay region and \$27 in the Sunshine Coast and Noosa regions.

### Energy optimisation

After labour, energy accounts for the largest cost across Unitywater's sewerage and water network operations. With a 2014-15 energy bill of \$9.8 million, we have been actively working to drive this cost lower into the future.

- During the year we drew together key staff to participate in an innovation workshop with the goal of identifying ways Unitywater could cut its energy bill. The ideas generated by the workshop are in addition to the following programs that were implemented in 2014-15.
- By identifying and examining processes at sewage treatment plants that are typically energy hungry, Unitywater was able to adjust them without compromising the quality of treatment. By the end of June, this had resulted in a saving of 2.03 gigawatt hours, worth \$388,000.
- By reviewing the way in which our largest and most expensive sewage and water pumping stations operate, adjustments have been made to 14 stations to operate pumps in the most efficient configuration and times without compromising performance of the networks. By the end of June, this had resulted in savings worth \$141,961.
- The large and flat roof of our Northern Service Centre, opened in 2013-14 in Maroochydore, proved a prime location for the Sunshine Coast's largest roof-mounted solar power system. Commissioned in March, the 95kW system uses 350 solar panels to generate around 75 per cent of that complex's energy needs. The \$156,000 system is expected to pay for itself in less than four years.
- During the year Unitywater renegotiated new energy contracts for both large and small sites, resulting in a reduction of energy charges for small sites until the end of 2016-17 and large sites until end of 2017-18.
- Unitywater teamed with Xylem to trial then install energy efficient pumps and controllers at six pump stations during the year. The advanced system optimises pumps to operate at the most efficient setting, pumping the most sewage using the least amount of energy. The controllers also have the ability to detect and reverse blockages, reducing call-out costs.
- Another well advanced joint project between Unitywater and Nextera Energy involves the planned installation of two micro hydroelectric generators into the water network at Diddillibah and Meridan Plains, to capture lost energy and convert it to renewable energy. The energy generated by these pressure reducing turbines is intended to be sold into the electricity network with a percentage of revenue to come to Unitywater, helping to offset Unitywater's energy bill.

To see a video presentation of the solar power system at the Northern Service Centre go to [youtu.be/KNJkoTYY8mY](https://youtu.be/KNJkoTYY8mY) or scan here.



- Towards the end of 2014-15, Unitywater consolidated all our energy initiatives under an Energy Reduction Program with the goal of reducing our energy bill by 25% by June 2018 compared with 2013-14.

### Changing how we bill our customers

Following our tariff reform for residential customers in 2013-14, we delivered new and simple ways for our customers to do business with us. Customers electing to take control of their own accounts is reducing the amount of time needed by our call centre to service their enquiries.

- To complement our electronic billing initiative, we began offering Smoothpay to our customers in December. This tool allows customers to budget for their Unitywater bills by opting to pay in either fortnightly or monthly instalments spread evenly over the year. It also allows customers to pay off existing debts of up to \$500 and is interest-free with no additional fees or charges.
- Unitywater now offers all our customers the convenience of receiving their bills by email or SMS and managing their own accounts online.

Customers are able to:

- check their account balance
- download their transaction history

- set up direct debit and payment plans to suit their circumstances
- update their details
- request infrastructure plans, search certificates and standard connections for sewerage and water services.

By the end of the year 8.5% of our customers had signed up. Customers electing to query and manage their own accounts is reducing the amount of time needed by our call centre to service their needs.

- Unitywater continued our program of tariff reform during the 2014-15 year, rolling out changes to the following customer segments:
  - Retirement villages
  - Residential unit complexes
  - Non-residential (including vacant land, mixed use and council accounts).

Tariff reform delivers consistent charges to our customers regardless of where in our service area they live. We have reduced a complex set of fees and charges and increased the customer's control over their bill but adopting a user-pays approach. At the end of 2014-15 less than two per cent of Unitywater's customers remain to be transitioned to the new pricing structure.

Tariff reform has resulted in a \$4 million per annum revenue loss to Unitywater.

### Tariff reform bill impact 2014-15



Retirement villages



Non-residential



Retirement unit complexes

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## Infrastructure and operations

Unitywater actively seeks ways of reducing the cost of our operations without compromising the quality of our service. In pursuing this goal, we completed the following projects during the year:

- To help us achieve our goal of operational excellence, we began implementing an optimisation project to achieve sustainable reductions in chemicals and labour costs, as well as energy (see energy optimisation on page 15), at our sewage treatment plants. The project is expected to achieve an annual saving of \$2.6 million.
- By closing the Suncoast Sewage Treatment Plant in July, Unitywater reduced the number of our sewage treatment plants to 17. The closure was made possible by the successful commissioning of an under-river pipeline that diverts the sewage load to Maroochydore Sewage Treatment Plant and reduces that plant's cost per megalitre of sewage treated.
- In March we brought together representatives from our key engineering, IT, retail and communications suppliers to proactively encourage them to work with us on transformative solutions, rather than maintaining a transactional, product-based relationship. During the open discussion, we sought their ideas on how we might continue our downward pressure on costs that can translate to our customers' bills. Indications are that suppliers are embracing the opportunity to offer innovative, partnership-based solutions.
- By negotiating a new print solution with one supplier across all our sites, Unitywater will save more than \$70,000 per annum. The arrangement has significantly reduced our per page print costs, wastage and administration costs.
- Also negotiated with one supplier was a bundling of Unitywater's meter supply, logistics, installation, reading service and administration. The new supply arrangement, which began in late March, permits savings through efficiencies and centralisation and had provided an estimated saving of approximately \$435,000 by the end of year.

Efficiencies leading to cost savings are benefiting Unitywater through the online contractor induction program. From February, the new system has allowed one person to manage all our contractors' requirements, for example verification of competencies and documentation, while ensuring compliance with Unitywater's policies and procedures.

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## Working with communities

As an essential service provider and significant employer, we have much to share beyond supplying sewerage and water services with the communities in our service area. By forging partnerships with our community and stakeholders we build trust, raise awareness and improve communication.

Unitywater actively engaged with local businesses and business groups, community organisations and local government throughout 2014-15. Our many interactions and programs helped put a face to Unitywater and improve how we are working together to make the Moreton Bay, Sunshine Coast and Noosa regions even better places to live.

### Murals program

During the year members of the local community pitched in to choose designs and help paint eye-catching murals on three of our prominent water assets that were regularly the victim of graffiti attacks. The community artworks were co-ordinated by a not-for-profit group that engages local disadvantaged youth and known taggers, working side-by-side with trained local artists. The community's response to the murals at reservoirs in Ferny Hills and Caloundra and a pump station in Scarborough has been universally positive.

### Men's Sheds sponsorships

Two vacant buildings at the Noosa Sewage Treatment Plant were made available to the fledgling Noosa Men's Shed group in October. Under our 10-year agreement, the group won't pay rent until they have a chance to establish themselves. In a similar gesture, our community sponsorship program funded the network connection fees for the Pomona and Deception Bay Men's Shed groups.

### Community events

- To celebrate the opening of the upgraded Nambour Sewage Treatment Plant in March, Unitywater invited the local community to an open day where they could see for themselves what happens after they flush.
- Unitywater partnered with Noosa Council, Moreton Bay Regional Council and Sunshine Coast Council to deliver activities for Healthy Waterways' Connect to Your Creek Week campaign in March. The program featured a range of partnership activities including an open day at the Murrumba Downs treatment plant and education centre, a photography competition, a tap water promotion and a grazing management workshop.
- Working with local bushcare groups, Osprey House Environmental Centre and Moreton Bay Regional Council, Unitywater staff continued our Creekside Greening program by helping to plant a further 1500 seedlings at the Pine Rivers Wetland Reserve. The planting added to the riparian vegetation we jointly planted a year earlier.
- Under the same program, our staff teamed with members of the Maleny District Green Hills Fund to plant 100 Richmond Birdwing Butterfly vines in the established riparian forest at Maleny Community Precinct.
- In August we began offering a water Refill Station as well as our existing mobile Hydration Station to community organisations wanting to provide free, fresh water to people attending their events. In total the Hydration Station was loaned to 52 events and the Refill Station to 18 events, attended by a total of 716,000 people.

- Unitywater staff were involved in a number of charity and worthwhile causes during the year including Leukaemia Foundation's Shave for a Cure, WaterAid's Walk for Water, Christmas hampers for the Salvation Army and raising funds for Charity Water through participating in Mindful in May. Several of our staff also came together to knit pouches to home and comfort injured wildlife at the Australia Zoo Wildlife Hospital.

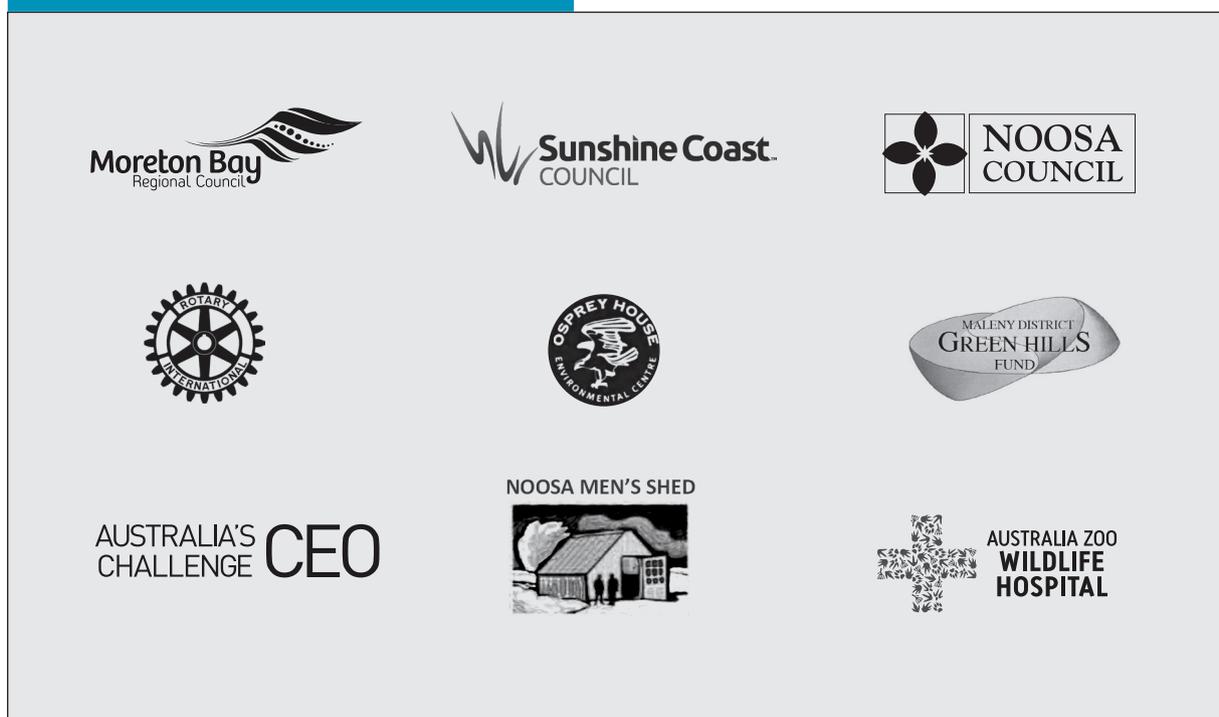
### Promoting awareness and education

- In July Unitywater teamed up with Australia Zoo to promote the Get Back to Tap for Turtles campaign. Throughout the month school students pledged to drink tap water instead of buying bottled water, and they learned about the impacts of plastic waste on marine life and the environment. In August Unitywater joined Terri, Bindi and Robert Irwin of Australia Zoo to award winning school Burnside State School with a chilled water refill station for the school to fill up reusable bottles into the future. The campaign raised \$10,000 for the Australia Zoo

Wildlife Hospital. The successful campaign was launched again in May for its second year.

- Children's television programs Totally Wild and Toasted TV both visited Murrumba Downs Sewage Treatment Plant through the year to film educational episodes. The programs took their young audiences through the fun and fascinating world of sewage.
- Unitywater's Chief Executive Officer continued his involvement in Australia's CEO Challenge, raising awareness and funds for the prevention of domestic violence. By the conclusion of the Challenge in November, our CEO had raised just over \$16,500 through fundraising events and raffles. The CEO reached in excess of 200,000 people through his awareness campaign.
- Throughout the year we initiated or accepted several invitations to make formal presentations to community groups on subjects of interest such as sewerage services and the impacts of our tariff reform program.

### Community partners



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## Planning for the future

### Netserv Plan

In October 2014 we published our Netserv Plan, as required under the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009*. This document describes the business and infrastructure approach Unitywater is currently taking to provide safe, reliable and secure water supply and sewerage services to our customers. Importantly, it also outlines our investment strategy to make sure we deliver the right infrastructure to meet our customers' needs for the next 30 years. The Netserv Plan can be downloaded from [unitywater.com/netserv](http://unitywater.com/netserv)

### Nambour Sewage Treatment Plant upgrade

Serving the communities of Nambour, Woombye, Palmwoods, Eumundi and Yandina, the upgraded Nambour Sewage Treatment Plant was officially launched in March. The \$42 million plant uses membrane bioreactor technology, eliminating an annual 13 tonnes of nitrogen and seven tonnes of phosphorus from treated effluent, helping to ensure the health of the Maroochy River. The plant is designed to meet the future needs of the equivalent of 45,000 people.

To see a video presentation of the construction of the Nambour Sewage Treatment Plant upgrade go to [youtu.be/Blxi\\_frta1Y](http://youtu.be/Blxi_frta1Y) or scan here



### Treatment Services Plan

During the year Unitywater continued our implementation of our Treatment Services Plan, which spells out how we will provide sustainable and holistic sewage treatment services to our customers. Initiatives included the Board's approval of the upgrade of the Kawana Sewage Treatment Plant which has been identified as a central hub in the long term strategy for the Sunshine Coast. The planning process for the upgrades of the Landsborough and Noosa sewage treatment plants was also completed, identifying significant capital cost savings compared to original forecasts.

### Moreton Bay Rail Link

Unitywater has overseen the relocation of eight kilometres of water and sewerage mains and construction of new pump stations and manholes by the contractor leading the Rail Link project. Those changes to Unitywater assets cost approximately \$10 million. All but \$250,000 worth of the construction was funded by the Rail Link project, not Unitywater customers.

To see a video presentation of Unitywater's Moreton Bay Rail Link activity go to [youtu.be/LfP1b56q4gM](http://youtu.be/LfP1b56q4gM) or scan here



### Caloundra South Infrastructure Agreement

The year saw Unitywater and Stockland complete negotiations on commercial terms for the Caloundra South Infrastructure Agreement. Under the agreement Unitywater will provide the external sewerage and water connecting works to service the future development of Caloundra South by 2026. This development is set to provide 20,000 new homes by 2049.

### Redcliffe Sewage Treatment Plant

In January we awarded TRILITY Pty Ltd the contract to implement our long-term plan to rehabilitate the Redcliffe Sewage Treatment Plant.

This is the first time Unitywater has awarded a contract encompassing the complete design, build, operation and maintenance scope of works. The capital works investment is estimated to be \$28.6 million.

TRILITY will operate and maintain the STP through to November 2022.

### Palmview Infrastructure Agreement

During the year Unitywater and Sunshine Coast Council signed an infrastructure agreement with the three landowners in the Palmview Structure Plan Area. This agreement sets out a mechanism for providing sewerage and water infrastructure to service the planned 7000 homes scheduled for this area by 2035.

## Building capability

In order to fulfil our vision of being an industry leader, we constantly look for ways of building the capabilities of our people, systems and processes. During 2014-15 we built our capability through the following projects and initiatives.

### Workforce transformation

So that we can deliver outstanding service to our customers in the most efficient and cost effective way, Unitywater began our Workforce Transformation program through the year.

This over-arching program aims for a safer, more engaged and productive workforce to meet the organisation's needs into the future. All Unitywater's people-related programs contribute to Workforce Transformation, which will continue for the next three years. New programs introduced during the year include:

- Leadership development program
- Employee wellbeing program to enable our people to perform at their best
- Refining and reorganising our processes as part of a leaner organisation.

### Leadership development program

Launched in November and completed in June, the leadership development program guided all Unitywater executive, branch and section managers through a series of comprehensive modules aimed at boosting their leadership qualities and skills. Each course targeted particular management groups with foundations, practical training and resources.

Additionally, a frontline leadership program ran over the course of the year targeting skills-building for frontline managers and team leaders in performance development planning and performance management, setting work objectives that support strategic goals, team effectiveness, communications, and managing a safe working environment.

### Unitywater Graduate Program

For the third year, Unitywater undertook a selection process to appoint three outstanding young graduates completing their studies in civil, electrical and chemical engineering to our Unitywater Graduate Program.

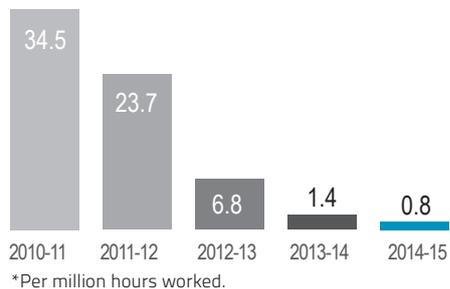
### Unitywater Scholarship in Engineering

In August, a third year student at the University of the Sunshine Coast was awarded the Unitywater Scholarship in Engineering. The award includes the opportunity for vacation work and inclusion in our graduate program as well as financial support for their studies.

### Safety record

Throughout the year we continued our Zero Harm initiative. This program has increased our safety capability, improved our safety systems and proactive injury management, and implemented culture-based safety initiatives. We also extended Zero Harm to our management of contractors and saw improvements in relationships and safety performance.

### Lost time injury frequency rate\*



### Certification and accreditation

Unitywater has received recertification of its Environmental Management Standard ISO 14001, Quality Management System ISO 9001 and the Safety Management Standard AS/NZ 4801. The recertification process involved being externally audited by SCiQual, who recommended recertification after successful audit outcomes.

In October Unitywater's laboratory successfully underwent a full technical audit for field sampling, microbiology and media preparation, and a surveillance audit for chemical testing as part of its accreditation under NATA (National Association of Testing Authorities, Australia). The laboratory is accredited to AS ISO/IEC 17025-2005.

## 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. Unitywater continues to rely on developer cash contributions as a key source of funding for ongoing investment in water and sewerage infrastructure.

The statement of comprehensive income below highlights the reliance by Unitywater on developer contributions.

	2010-11 \$M	2011-12 \$M	2012-13 \$M	2013-14 \$M	2014-15 \$M
<b>Revenue</b>					
Utility charges	350.9	394.0	414.0	448.2	474.2
Fees and charges	10.3	5.5	5.7	7.7	7.7
Developer contributions	94.4	71.7	81.6	80.1	128.9
Other income	18.1	17.0	15.6	14.5	13.8
<b>Total revenue</b>	<b>473.7</b>	<b>488.2</b>	<b>516.9</b>	<b>550.5</b>	<b>624.6</b>
<b>Operating expenses</b>					
Bulk water purchases	(67.7)	(91.0)	(112.0)	(131.3)	(143.7)
Employee expenses	(66.1)	(72.5)	(68.2)	(69.6)	(70.2)
Supplies and services	(73.0)	(72.9)	(68.0)	(70.1)	(69.5)
Depreciation and amortisation	(83.1)	(76.6)	(79.6)	(81.1)	(92.4)
Finance and borrowing costs	(86.9)	(89.7)	(93.3)	(75.7)	(82.2)
Other expenses	(6.1)	(5.4)	(4.3)	(4.0)	(2.4)
<b>Total operating expenses</b>	<b>(382.9)</b>	<b>(408.1)</b>	<b>(425.4)</b>	<b>(431.8)</b>	<b>(460.4)</b>
Profit before tax	90.8	80.1	91.5	118.7	164.2
Tax expense	(21.8)	(20.6)	(25.8)	(34.2)	(43.9)
<b>Profit after tax*</b>	<b>69.0</b>	<b>59.5</b>	<b>65.7</b>	<b>84.5</b>	<b>120.3</b>
Developer contributions	94.4	71.7	81.6	80.1	128.9
<b>Profit/(Loss) ex developer contributions</b>	<b>(25.4)</b>	<b>(12.2)</b>	<b>(15.9)</b>	<b>4.4</b>	<b>(8.6)</b>

\*Prior years' profits have been restated. Further details are set out in the Financial Statements.

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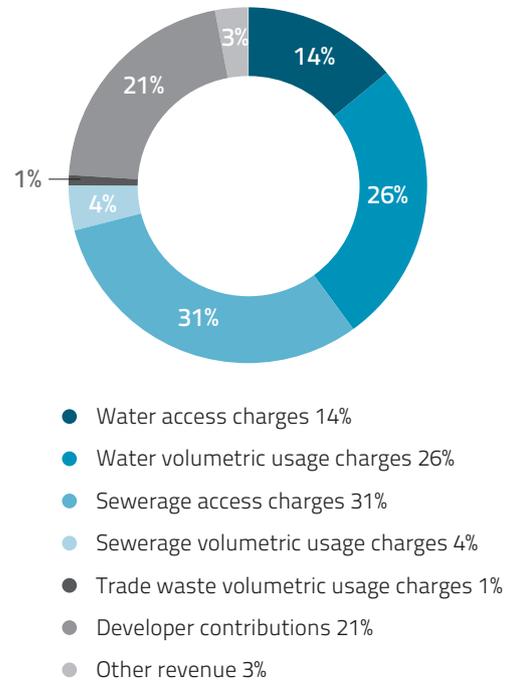
## Revenue

In 2014-15, revenue increased by \$74.2 million or 13.5 per cent.

This change was primarily driven by a \$48.8 million (61 per cent) increase in developer contributions as a result of an increase in the property market over the last year.

Utility revenue has increased by \$26.0 million or 5.8 per cent as a result of bulk water price increases, connections growth and a 3.5% increase in price.

The adjacent figure shows where Unitywater's revenue came from in 2014-15.



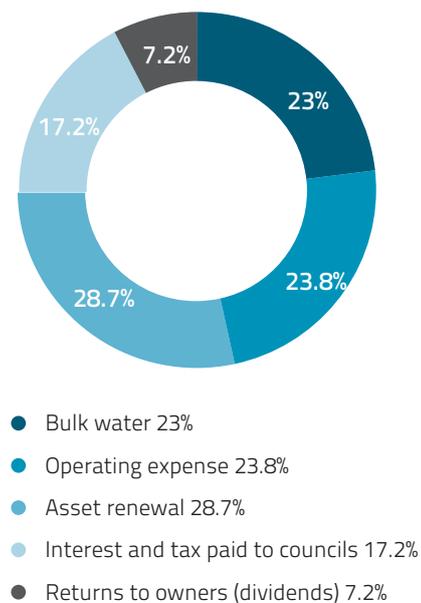
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## Expenses

Operating expenses increased by \$28.6 million from 2013-14. This change is primarily driven by higher bulk water costs of \$12.4 million, an increase in depreciation expenses of \$4.6 million and an increase in borrowing costs due to additional borrowings of \$78 million in 2013-14.

Our continued focus on key strategic initiatives aimed at driving down costs throughout 2014-15 realised a reduction in controllable operating costs. We have maintained operating costs such as employee expenses, supplies and services at 2013-14 levels despite additional expenditure being incurred as a result of customer growth, increases in prices paid to suppliers and restructuring costs incurred during the year.

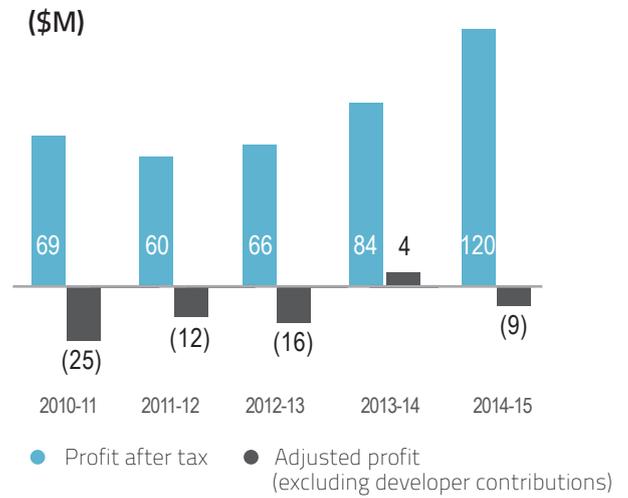
The number of full time equivalent staff reduced from 828 to 749 during the year, and this reduction is expected to assist with continuing the trend of maintaining controllable operating costs.



## Profit/Loss

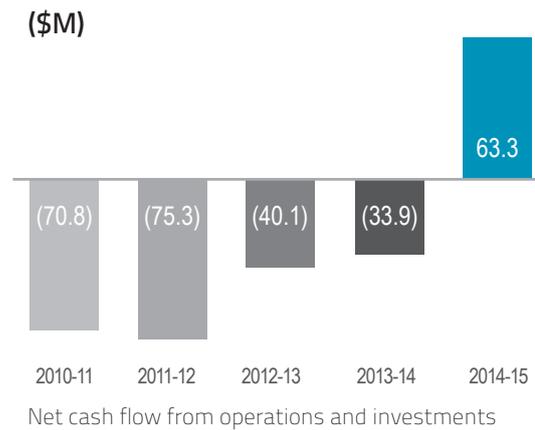
Excluding developer contributions, Unitywater made a loss after tax of \$8.6 million for 2014-15.

Developer contributions include cash to fund water and sewerage infrastructure, and infrastructure given to Unitywater to manage and maintain into the future.



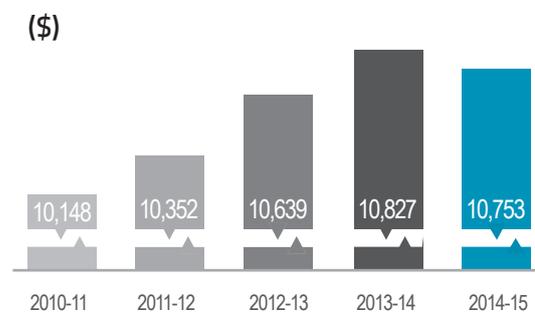
## Cashflow

A decrease in the capital program and a large increase in developer contributions resulted in a positive cashflow position for 2014-15.



## Assets invested per customer

Our \$93 million investment in water supply and sewerage infrastructure in 2014-15 was funded by developer cash contributions and prior year retained earnings. Unitywater continues to invest in infrastructure to support our growing customer base with a strong focus on innovation in investment.



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## Our structure

### Our Board

Unitywater's independent skills-based Board guides our Executive Leadership Team to fulfil its vision to create a sustainable, industry-leading, community and customer oriented water and allied services business.

The combination of Board members' qualifications, skills and experience ensures a strong commercial focus, with emphasis on identifying efficiencies across the organisation and passing on cost savings to customers.

Under the Participation Agreement, the performance of the Board is evaluated annually and reported to our participating councils.

The terms of the original board members expired on 30 June 2015. Mr Jim Soorley and Ms Sharon Doyle have each been re-appointed by the participating councils for a further three year term, expiring on 30 June 2018. Ms Megan Houghton was also eligible for reappointment, but has subsequently advised that she will not be seeking reappointment due to her acceptance of a senior role in the State Government. Mr Barry Casson and Mr Mike Williamson have also been reappointed for a second term of 18 months each, which will allow a staged replacement of Board members to ensure continuity and stability to the business. A new Board member to replace Ms Houghton will need to be appointed by the participating councils.

#### **Jim Soorley AM**

BA (Psych), MA (Org Psych)

##### **Chairman**

Jim was Lord Mayor of Brisbane from 1991 to 2003, presiding over an annual budget of \$1.6 billion and a workforce of 7,000. Jim currently chairs several boards. He also works as a consultant to improve business efficiency.

#### **Sharon Doyle**

LLB (Hons), BIT (Dist), GradDip Bus Admin, GAICD

Sharon has a broad range of commercial experience across a range of industries. She is the Managing Director of the corporate advisory firm, InterFinancial, and is a non-executive director of Social Investments Australia, an impact investment fund manager. Sharon has held leadership roles in Mincom Limited, a global software company, and as a commercial and corporate lawyer at Allens Arthur Robinson.

#### **Megan Houghton**

BCom, BA (Econ), GAICD

Megan has more than 19 years' experience as a senior executive in the Australian energy, water and sustainability industries in areas including corporate strategy, customer management, digital engagement, financial and economic performance. Megan has held CEO and senior executive roles in national energy and sustainability companies and was previously a Director Corporate Finance and Strategy with Pricewaterhouse

Coopers. Megan has also held non-executive directorships for the last six years with companies including Urbis and Wide Bay Water.

#### **Barry Casson**

CA, MAICD

Barry is a qualified Chartered Accountant and has worked in accounting, finance and corporate management for more than 40 years. His roles have predominantly been in the mining sector. Barry currently serves as a non-executive director on the boards of Archipelago Metals Limited and Metallica Minerals Limited, is a Director and Company Secretary of CassTech Limited and is Company Secretary for Archipelago Metals Limited.

#### **Mike Williamson**

FAICD

Mike brings to Unitywater more than 30 years' experience in the fields of water and sewage management, waste minimisation, resource recovery, engineering and project management. He has held positions as Managing Director of CH2M HILL Australia and Managing Partner of global consulting firm Environmental Resources Management. Since 2001 he has been Chairman of the Oil Stewardship Advisory Council and has held Board positions with Keep Australia Beautiful and Special Olympics NSW. Mike is a qualified marine and mechanical engineer and is a Fellow of the Australian Institute of Company Directors.

## Board meeting attendance 2014-15

Board Member	Eligible to attend	Meetings attended
Jim Soorley	10	9
Sharon Doyle	10	9
Megan Houghton	10	10
Barry Casson	10	9
Mike Williamson	10	10

## Board committees 2014-15

A number of committees aid the Board in the execution of its duties.

Committee	Scope of activities	Members	Meetings attended
Audit and Risk Committee	The Audit and Risk Committee helps the Board to fulfil its corporate governance responsibilities by reviewing Unitywater's safety reports, risk management reports and annual financial reports. In addition, it provides oversight and direction with respect to internal control systems, insurance, and audit and regulatory compliance processes.	Barry Casson (Chair)	3
		Megan Houghton	4
		Sharon Doyle	4
Capital Works Committee	The Capital Works Committee reviews, oversees and reports to the Board on the appropriateness of Unitywater's capital works practices for projects above \$5 million. Its role includes a detailed review of the annual program of capital works and associated budget.	Mike Williamson (Chair)	6
		Jim Soorley	6
		Sharon Doyle	6
Nominations and Remuneration Committee	The Nominations and Remuneration Committee supports the Board by conducting detailed examination of the remuneration framework for all staff. It also assists the Board to meet its decision-making obligations under the incentive framework for senior staff.	Sharon Doyle (Chair)	2
		Barry Casson	2
Environment Committee	The Environment Committee provides direction on environmental improvement and alternative servicing strategies, such as new and technologically innovative ways of managing carbon and other environmental matters that contribute to cost reduction.	Megan Houghton (Chair)	3
		Jim Soorley	1
		Mike Williamson	3

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## Executive Leadership Team

The Executive Leadership Team, headed by the Chief Executive Officer, leads the daily operation of Unitywater and delivers on corporate objectives.

The team is firmly focused on improving customer service, achieving operational efficiencies and providing high quality, affordable and sustainable sewerage services and water supply that provide benefits to customers, stakeholders, our community and the environment.

### George Theo

MBA (Bus), BEng (Civil), CPEng, Ass Dip Mun (Eng), MIEAust, GAICD  
CHIEF EXECUTIVE OFFICER

George brings more than 29 years' experience to Unitywater and a wealth of knowledge of the water industry through previous roles with global consulting company GHD, Brisbane Water (now Queensland Urban Utilities) and City West Water, Victoria. George was Unitywater's Chief Operating Officer prior to taking up the position of CEO.

### Glen Babington csc

MBA, BA (Hons), GAICD

EXECUTIVE MANAGER INFRASTRUCTURE SERVICES

Before joining Unitywater, Glen was involved in the South East Queensland (SEQ) water industry through the formation of the SEQ Distribution Entity and Queensland Urban Utilities. He has a background in leading large field-based organisations in defence and mining, along with strategic planning and marketing experience in the aerospace industry.

### Judy Bailey

Grad Dip Admin, MAICD

EXECUTIVE MANAGER RETAIL SERVICES

Judy has extensive executive management experience across diverse industries in major public and private sector environments. Previously responsible for managing budgets up to \$222 million, she has a successful track record in organisational strategy and change, business reform and the delivery of improved services to the community.

### Kenan Hibberd

BCom, CAHRMI

EXECUTIVE MANAGER PEOPLE, CULTURE AND SAFETY

Kenan has more than 20 years' experience in human resources in both the public and private sectors. He has held senior management positions in national and international organisations in the industrial services, engineering, logistics and health sectors.

### Simon Taylor

BSc (Hons), MSc (Eng), CPEng (IPENZ), RPEQ, MIEAust, MAICD, CWEM, FRGS

EXECUTIVE MANAGER INFRASTRUCTURE  
PLANNING AND CAPITAL DELIVERY

In Simon's 30 years in the water industry he has held senior management positions in water utilities and water industry regulators, led strategic planning investigations, managed teams and a wide range of projects covering most aspects of the water cycle. Simon also has extensive experience of achieving water and wastewater outcomes in the SEQ water industry. His leadership experience covers infrastructure planning, project and capital delivery as well as utility regulation.

### Pauline Thomson

BBus (Acc), CPA, GAICD

CHIEF FINANCIAL OFFICER

Pauline is a Certified Practising Accountant and brings more than 25 years' experience in retail, distribution and transmission entities across the energy and water sectors. Her leadership experience includes leading teams in a range of senior commercial, finance and regulatory roles.

### Jane Nant

BA (Hons), LLB (Hons), LLM, Grad Dip ACG, GAICD, AGIA

GENERAL COUNSEL AND COMPANY SECRETARY

Jane is an experienced lawyer and senior executive with post-graduate qualifications in environmental and planning law as well corporate governance. Jane started her career in private practice with top tier law firms, before moving to in-house roles in the property development, construction and water sectors.

## Our people

Unitywater continues to train and develop our staff to create a highly competent workforce with the optimal skills, knowledge, attitudes and behaviours that support the needs of our customers and our business.

### Workforce Transformation

In order to deliver outstanding service to our customers in the most efficient and cost effective way, Unitywater began our Workforce Transformation program through the year. This over-arching program aims for a safer, more engaged and productive workforce to meet the organisation's needs into the future. All Unitywater's people-related programs contribute to Workforce Transformation, which will continue for the next three years. New programs introduced during the year include:

- our leadership development program
- an employee wellbeing program to enable our people to perform at their best, and
- the reorganisation and refinement of our processes.

### Workforce planning

The year saw Unitywater embed business-wide workforce planning into our annual business planning cycle, resulting in the development of our Strategic Workforce Plan 2015-2020.

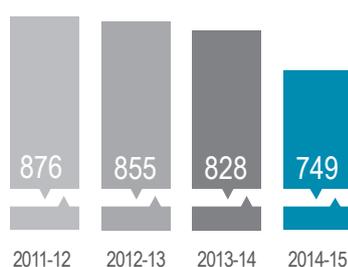
This plan focuses on how Unitywater will attract, develop and retain our workforce for the future as well as managing the Workforce Transformation program (above). The plan includes building capability and diversity, lifting employee engagement, aligning our values and developing our leaders.

Unitywater's health and wellbeing program welcomed the highly regarded sports star Alistair Lynch, who runs his own company that specialises in health and wellbeing of personnel in the workplace. At workplace presentations made available to all staff, Mr Lynch shared his experience of facing chronic fatigue and depression and gave insight into better health in everyday life and managing a work-life balance.

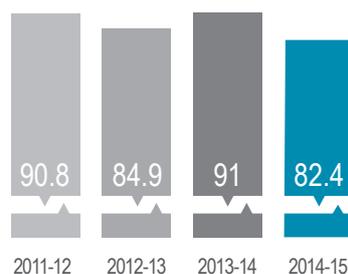
### Performance development program

Throughout the year, Unitywater intensified its focus on actively developing leadership skills within our organisation (see page 21 Building capability).

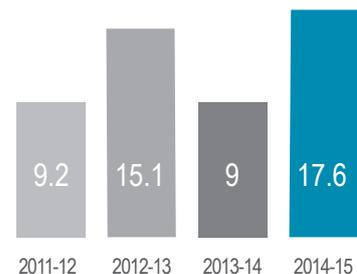
Full time equivalent employees



Permanent retention rate (%)



Permanent separation rate (%)



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Our leadership training enhances our existing employee performance management framework, which is structured to attract, retain and continually improve our people's role in meeting the needs of our customers.

The framework starts at the recruitment phase and managers use appropriate tools and techniques to ensure that the most suitable candidates are identified up front.

All shortlisted candidates must complete safety behavioural testing as part of the interview process to ensure they understand Unitywater's commitment to safety.

New staff undertake a full day corporate induction on their first day, including induction into critical corporate systems and safety processes. Site-specific induction takes place on the second day of employment.

Staff performance is managed and measured through six-monthly and annual performance and development planning, and any performance issues are addressed using processes outlined in Unitywater's policies and other internal procedures.

Our Reward and Recognition Program recognises individual and/or team success through team functions, Executive Leader award presentations, bi-monthly award presentations by the Chairman and annual excellence awards including Employee of the Year. For the 2014-15 year this was Greg Burnett.

To further improve our performance in the areas of safety, health and wellbeing, environment and quality, Unitywater consolidated teams responsible for these areas into one branch. The simpler structure is designed to achieve more efficient and effective operations across these vital areas.

To further emphasise the importance of safety in the workplace, for the first time Unitywater extended drug and alcohol education, awareness and behaviours to include all staff including those who are office-based. It is a condition of entry to Unitywater workplaces that all employees, contractors and visitors can be tested at any time.

During the year we again asked our employees to provide management with clear feedback through the 2014-15 employee engagement survey. The survey showed the overall score remaining static from the previous year. High scores are still being received around key safety measures, including 84% of respondents agreeing or strongly agreeing that 'Workplace safety and security are considered important at Unitywater' and 91% of respondents agreeing or strongly agreeing that 'I do everything possible at all times to ensure we achieve zero harm'.

The highest increases in engagement overall were in the categories of: reward and recognition, empowerment and autonomy, future vision from senior leadership, and brand pride and credibility.

## Kim champions adult literacy and numeracy

Following the successful rollout of Unitywater's field-based digital literacy program, Learning and Development Programs Manager Kim Moore has taken Unitywater's achievement Australia-wide as a champion of the new National Foundation Skills Framework Strategy.

In September, Kim's presentation of an employer's perspective on the Australian Core Skills Framework was deemed a feature of the Australian Council for Adult Literacy's Queensland conference. She was then invited to address the national Australian Council for Adult Literacy conference in May.

As one of several workplace champions, Kim is actively sharing her experience with her industry peers, including the Queensland Water Directorate.

## Equity and diversity

In order to improve Unitywater's approach to equity and diversity, during the year we undertook a formal review to identify Unitywater's challenges and opportunities in this area. As a result of the review the organisation has developed a program of work over the next three years to develop an integrated approach to diversity and drive a culture across Unitywater that is inclusive and equitable.

### Industrial and employee relations framework

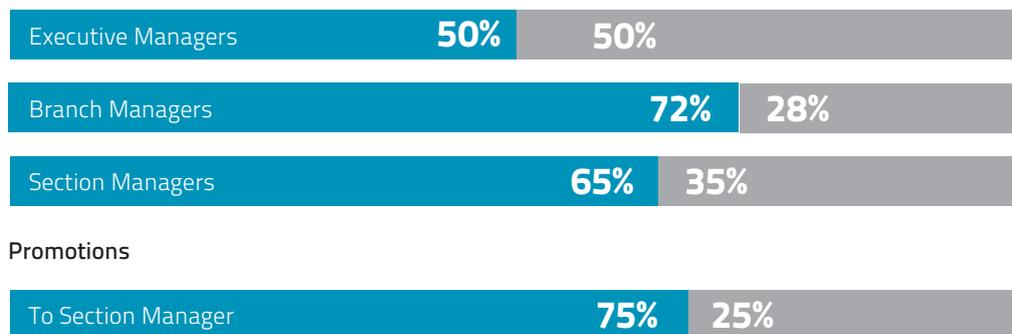
Unitywater's Certified Agreement provides stability and security for staff by setting out agreed terms and conditions of employment.

Our Certified Agreement consultative process is driven by a Joint Consultative Committee that consists of Unitywater managers, staff members and union representatives.

The Unitywater Certified Agreement No. 1 had a nominal expiry date of 30 June 2014, however changes to the Queensland *Industrial Relations Act 1999* and a recent decision of the High Court of Australia that has impacted on Unitywater has meant that negotiations for a new Certified Agreement have not been able to commence.

Flexible working arrangements are available to staff under the Certified Agreement. Work options include full time, part time, casual, job sharing and work from home. Unitywater also offers leave provisions that accommodate the planned and unplanned events that occur in our employees' lives.

## Gender balance in management



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## Risk management and accountability

Our business-wide approach to identifying, prioritising and managing risks underpins our commitment to good management and corporate governance. Our approach is aligned with the framework outlined in ISO 31000-2009 Risk Management – principles and guidelines.

The Audit and Risk Committee (see page 26 for details) is responsible for assisting the Board to discharge its corporate governance responsibilities to exercise due care, diligence and skills in regard to risk management and auditing.

The Executive Leadership Team is responsible for implementing the treatments required to ensure risks are managed within the Board's directed risk tolerances. The team reports to the Audit and Risk Committee on the effectiveness of internal control systems in managing Unitywater's risk profile.

Unitywater is conscious of its public standing and ethical and legal responsibilities, including provisions under the *Public Sector Ethics Act 1994*, *Public Interest*

Unitywater's Code of Conduct aligns to the Public Sector Ethics Act's ethics, principles and values.

### Record keeping

Unitywater makes and keeps full and accurate records of its activities in accordance with the standards and policies issued by the Queensland State Archives.

Our record keeping is informed by the *Public Records Act 2002*, Information Standard 40: Recordkeeping, and Information Standard 31: Retention and Disposal of Public Records.

Our record keeping program is documented through our policies and procedures. We have developed appropriate record keeping systems and tools such as an Electronic Document and Records Management System (EDRMS) and a Business Classification Scheme.

We proactively communicate with all staff about their record keeping obligations via training workshops, individual training and the use of fact sheets.

In 2014-15 we:

- commenced a review of the Business Classification Scheme (BCS) to further assist the business in their information management obligations

- commenced mapping the new BCS to approved retention and disposals schedules, and
- reviewed and improved the management of our inactive hard copy records.

In 2015-16 Unitywater will look to:

- introduce an Information Governance Framework
- implement the revised Business Classification Scheme
- investigate core business systems and their compliance with the *Public Records Act 2002*.

### Internal audit

Unitywater has established an internal audit function to provide assurance to the Board that Unitywater's financial and operational controls designed to manage the organisation's risks and achieve the entities objectives are operating in an efficient, effective and ethical manner. The function is undertaken by independent internal auditors who work in accordance with a strategic and annual plan approved by the Audit and Risk Committee, in accordance with the Internal Audit Charter and the Treasury's Audit Committee Guidelines. In 2014-15 the internal auditors have successfully completed all audits identified in the annual plan, as well as an assurance mapping project to inform future audit planning.

### Complaints management

Under our Customer Charter we have thorough internal processes to investigate and resolve customer complaints. We manage complaints in accordance with AS ISO 10002-2006 Customer Satisfaction Guidelines for Complaints Handling in Organisations.

If complaints are not resolved to a customer's satisfaction they can be referred to the Energy and Water Ombudsman Queensland (EWOQ) for review. During the reporting period 133 matters were referred to EWOQ by customers.

### Consultancies and overseas travel

Details of spending on consultants and overseas travel undertaken by Unitywater representatives can be accessed at the Queensland Government Open Data website [www.qld.gov.au/data](http://www.qld.gov.au/data)