

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
- manage trade waste from our business and industrial customers
- build, manage, operate and maintain our sewerage and water infrastructure
- provide around-the-clock response to sewerage and water emergencies
- manage customer and stakeholder enquiries
- issue and manage sewerage and 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 every day 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

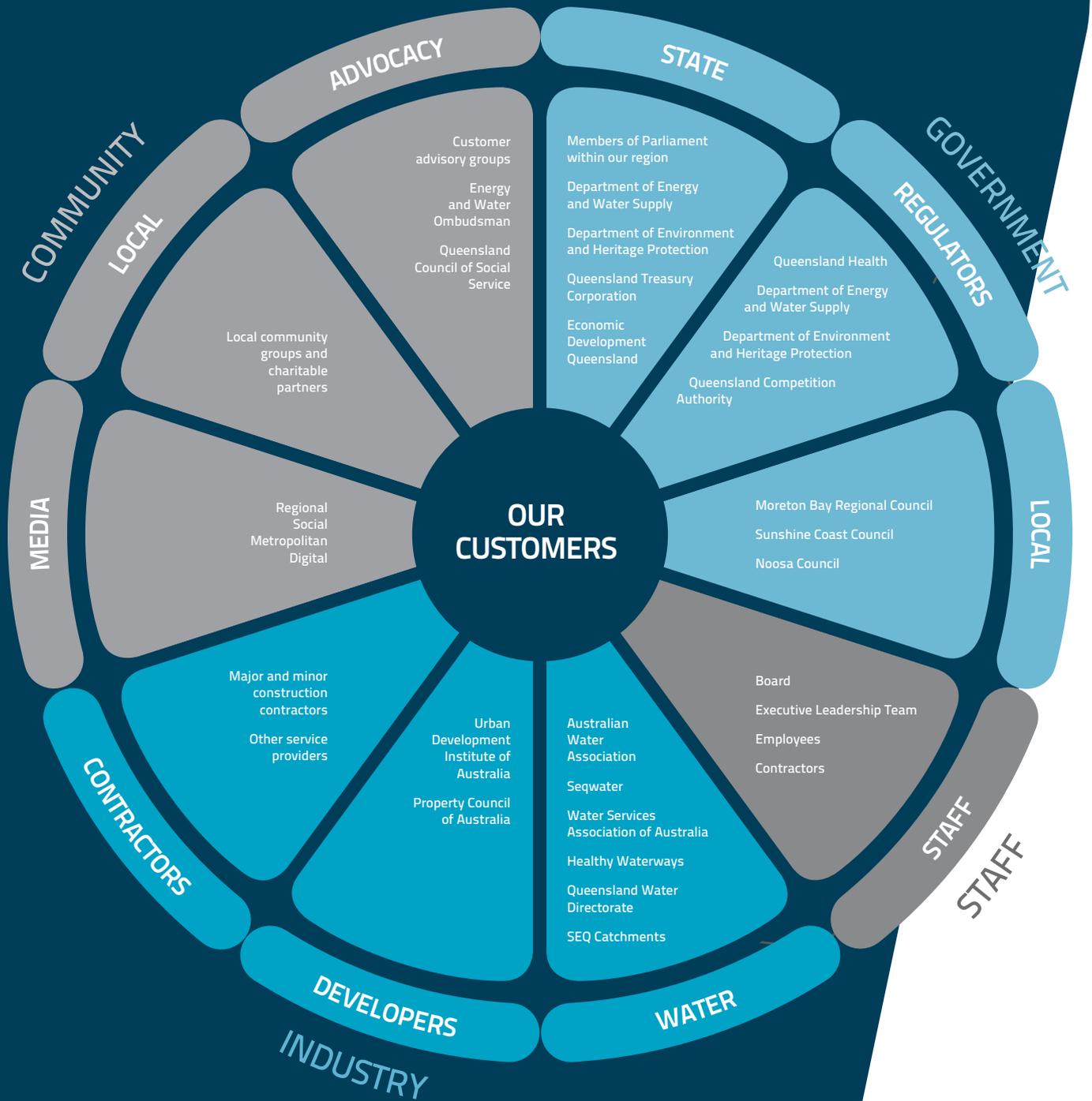
We don't waste time, money or effort because we have the right people in the right place getting it right the first time

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



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 the roadmap for our organisation's achievement of our strategic goal of reducing our total cost to serve. This report describes and quantifies the strides we have made towards this goal.

Unitywater's business direction and service delivery aligns 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.

Over the past six years we have made considerable progress towards our vision of becoming a sustainable, industry-leading community and customer oriented water and allied services business.

This Annual Report for 2015-16 provides a summary of our operational performance, key highlights, our governance and compliance practices and audited financial reports.

Our strategy

During the year we maintained our focus on our three strategic priorities: enhancing customer value, improving sustainability and pursuing efficiency.

■ Enhancing customer value

One of our most important achievements since our formation was to freeze water and sewerage prices in 2015-16 for the second time in four years as we work towards our goal of reducing our total cost to serve.

As a demonstration of how easy it is to engage with us on-line, 20 per cent of our customers had signed up to e-billing via our My Account portal by the end of the year.

■ Improving sustainability

Our detailed feasibility studies into a waste-to-energy facility at the Kawana Sewage Treatment Plant explore another opportunity to diversify revenue. Once implemented, this facility will reduce the plant's energy consumption by 30 per cent while generating new revenue by treating organic waste.

■ Pursuing efficiency

Technology continues to help us make better decisions for the benefit of our customers. During the year we implemented a business intelligence platform, continued rolling out to 90 per cent of our water supply network a technology that monitors for hidden leaks, and undertook an energy reduction program which aims to reduce energy costs by 19 per cent. By 30 June we had achieved a 12.3 per cent reduction.

Development and growth

With development and growth as defining characteristics of our service area, Unitywater continues to plan for the needs of our future customers.

During the year we processed 6788 development applications for new connections with the help of a new streamlined approvals process. We are now in the design stage of introducing on-line development applications.

Valuing innovation

We are always seeking new ways of doing things better and were recognised and rewarded with several industry awards during the year. They included the prestigious national Australian Water Association Infrastructure Project Innovation award for our Suncoast sewerage project and the Queensland Project Management Achievement Award for the upgrade of our Supervisory Control And Data Acquisition (SCADA) system.

Unitywater in the community

Working closely with the communities we serve to deliver quality services and extend our support of worthy grassroots projects helped our customer satisfaction rating to peak at 7.2 out of 10.

We continue to support many worthwhile organisations, events and sporting groups by providing equipment, in-kind support and water refill stations.

The community was overwhelmingly supportive of the giant murals painted on our high-profile Point Cartwright and Peregrine reservoirs during the year. The murals were part of a broader Unitywater initiative to place artwork chosen by the community on bland concrete reservoirs, turning them into works of art.

An increasing use of social media is helping us engage with community segments on a variety of issues, from water outages to creekside planting events.

Leadership and people development

We have again boosted our leadership and staff development programs to give all our staff every opportunity to be the best they can be.

We are working hard to implement new Enterprise Agreements that will further deliver efficient and effective customer services 24 hours a day whilst providing our staff with employment security and pay certainty.

We will continue to transform our workforce to meet the emerging challenges of a digital world and customer expectations through ongoing support of our people.

Unitywater is working to increase female participation rates and the number of staff under 35 within the business which currently stand at 33 per cent and 17 per cent respectively.

Equity and diversity has a heightened focus within the organisation. We launched a three-year program to attract diversity into all areas through targeted recruitment. For example, the annual Unitywater Scholarship in Engineering program was awarded to a female student for the first time.

Safety performance and wellbeing

Safety continues to be a priority for Unitywater. Despite the hard work by all employees across the business, the Significant Injury Frequency Rate (SIFR) per million hours worked for 2015-16 rose to 10.9 from 7.8 in 2014-15.

Management and the Board will ensure that the safety of our employees remains paramount in everything we do.

During the year we also launched our wellbeing program. Complementing our safety program, it provides information, tools and access to people who can assist staff with their overall wellbeing.

Providing essential water and sewerage infrastructure

In 2015-16 we invested \$98.2 million in water supply and sewerage infrastructure to support the ongoing delivery of water and sewerage services.

Financial performance

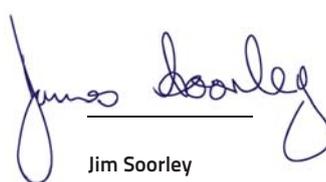
We are succeeding in our aim to lower operating costs without compromising our levels of service.

Unitywater's financial results demonstrate the hard work undertaken throughout the year which resulted in a slight increase of 0.3 per cent in operating expenses despite bulk water costs rising by 4.9 per cent compared to the previous year.

After excluding developer contributions (comprising gifted assets and cash) of \$143.7 million from profit after tax, Unitywater made a loss of \$7.4 million. This compares to a loss of \$7.6 million in 2014-15 after excluding developer contributions.

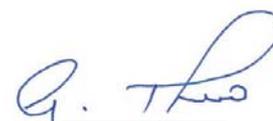
Total returns to Participating Councils, comprising tax equivalents, participation returns and interest on loans, were \$133 million, the same as provided in 2014-15.

As we move into our seventh financial year of operations, we extend a sincere thank-you to the Board members, the Executive and all staff for their ongoing support and commitment to making Unitywater an operationally excellent organisation for the benefit of our customers.



Jim Soorley

Chairman
6 September 2016



George Theo

Chief Executive Officer
6 September 2016

Key facts for 2015-16

Providing quality service to our customers sees us operate and maintain \$3.2 billion worth of assets. During the 2015-16 year we continued our investment for the long-term future of our customers and our region.

- We supplied more than 724,626 people across 5223 square kilometres with sewerage and water services.
- Our customer satisfaction rating reached 7.2.
- We invested \$35.8 million in water supply infrastructure.
- Our customers include 287,994 residential properties and 16,968 commercial and industrial enterprises.
- We invested \$62.4 million in sewerage infrastructure.

Meeting service standards

Water



Australian Drinking Water Guidelines compliance

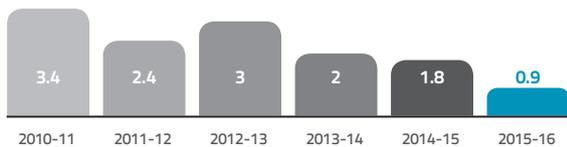
Drinking water quality complaints per 1000 connected properties

TARGET <10



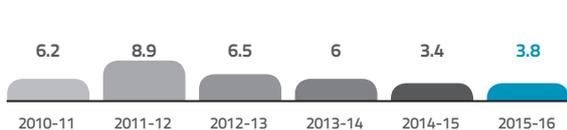
Unplanned water supply interruptions per 100 km of mains

TARGET <10



Water main breaks and leaks per 100 km of mains

TARGET <25
INDUSTRY MEDIAN 2014-15 = 26*



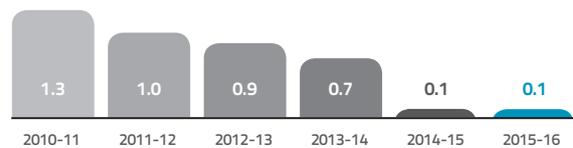
Sewerage



Sewage treatment plant compliance

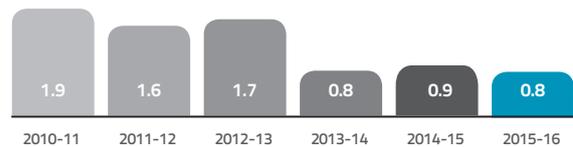
Odour complaints per 1000 connected sewerage properties

TARGET <3



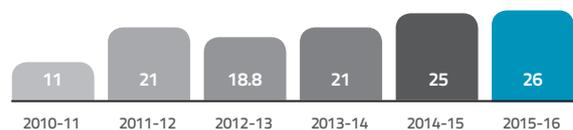
Dry weather sewage overflows per 100 km of mains

TARGET <2.2



Sewer main breaks and chokes per 100 km of mains

TARGET <40
INDUSTRY MEDIAN 2014-15 = 30.8*



Customer Service

Calls answered by an operator within 30 seconds (%)

INDUSTRY MEDIAN 2014-15 = 78*



Sewerage and water complaints per 1000 properties

INDUSTRY MEDIAN 2014-15 = 3.9*



*Australian utilities with 100,000+ connected properties (National Performance Report 2014-15 Urban Water Utilities)

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

