

# THE YEAR IN REVIEW

The 2015-16 year saw Unitywater make substantial progress towards achieving our strategic goal of reducing our total cost to serve. Keeping our customers at the heart of everything we do means all our initiatives are designed to ultimately benefit them.

## At a glance



90%

of our water supply network now monitored by advanced water leak technology



20%

of our customers now signed up for e-billing



12.3%

or \$1.2 million saved on our energy bills

6,788

development applications processed

7.2

out of 10 customer satisfaction rating

80

community events supported with hydration and refill stations

\$98.2M

invested in water supply and sewerage infrastructure

WON

National Australian Water Association Infrastructure Project Innovation Award

## Innovation

With innovation as one of our core values, Unitywater fosters innovative thinking that improves our customers' experience and delivers better environmental outcomes.

### Use of TaKaDu technology extended

During the year, we extended the use of TaKaDu technology to 90 per cent of our water supply network from 132 to 192 of our District Metering Areas. TaKaDu is an advanced software tool that uses Unitywater data to monitor water networks and quickly alert when potential leaks are detected. We estimate TaKaDu has prevented the loss of approximately 1079 ML of water worth \$2.85 million over the year.

### Offering TaKaDu and Unitywater expertise to other utilities

In conjunction with our partner TaKaDu, Unitywater has developed an offer to small water utilities, which combines our network monitoring and leak detection technologies. The offer provides a cost-effective way for small utilities to use sophisticated technology that saves water and improves water security. We presented on the initiative to three council water businesses during the year.

To see a video presentation of TaKaDu =, go to <http://bit.ly/UWtakadu> or scan here.



### SmartBall trial

A trial of the SmartBall technology from Pure Technologies Ltd saw a ball containing detection instruments floated through 8.9 kilometres of the Landers Shute trunk water main. The SmartBall proved its value by detecting three leaks which had the potential to lose \$31,000 worth of water annually had they not been found.

To see a video presentation of the SmartBall trial, go to <http://bit.ly/UWsmartball> or scan here.



### Harnessing the potential of waste

During the year Unitywater approved a business case for a waste-to-energy plant to be located at the Kawana Sewage Treatment Plant. The concept would see the plant accept organic waste from the market to use as "fuel" to generate energy. A detailed feasibility study is currently underway. The waste-to-energy plant, if approved for construction, would be commissioned in 2019-20, is expected to offset 30 per cent of the treatment plant's electricity needs.

As part of a separate but parallel project, Unitywater also received tenders for the upgrade of Kawana Sewage Treatment Plant in June.

### New operations centre

The Network Operations Control Room was upgraded at the beginning of 2016 as part of the refurbishment of the legacy section of the Northern Corporate Centre in Maroochydore. Staffed 24 hours a day, the control room now has better integration with the Customer Contact Centre and gives operators new and enhanced tools to remotely manage our sewerage and water supply networks.

# \$2.85

## MILLION

WORTH OF WATER SAVED THROUGH  
LEAK DETECTION TECHNOLOGY

## AWARDS

Innovation at Unitywater led to the organisation receiving prestigious industry accolades during the year:

- Unitywater's project to reconfigure the Suncoast-Coolum-Maroochydore sewerage network, which involved the closure of the Suncoast Sewage Treatment Plant and the diversion of the sewage load to Maroochydore Sewage Treatment Plant, won the Australian Water Association (AWA) Queensland Infrastructure Project Innovation Award in September.
- Having won the state award, the project to reconfigure the Suncoast-Coolum-Maroochydore sewerage network went on to win the national AWA Infrastructure Project Innovation Award in May.
- Unitywater, in partnership with Livingstones, was awarded an Australian Learning Impact Award for the leadership app that was developed to support our Trusted Leader Program.
- In April Unitywater was presented with the national Geospatial Information and Technology Association (GITA) Performance Award for the provision of the 'Dial Before You Dig' service.
- Unitywater's \$50 million project to upgrade our SCADA system, completed in 2014, won the Construction/Engineering award at the 2015 Queensland Project Management Achievement Awards.

The number of people served by Unitywater will be boosted in coming years by a number of priority growth areas. The new Maroochydore City Centre will be developed over the next 20 years and will include 2000 residential apartments. In the next 30 to 40 years, 20,000 homes will be built in Aura, previously known as Caloundra South. Unitywater is planning for these developments and more.

## Maroochydore City Centre

As a greenfield site, the new Maroochydore City Centre provides many exciting opportunities for a master-planned development. To harness the potential, Unitywater held a joint workshop in August with development authority SunCentral to explore water and sewerage options.

As part of the fundamental infrastructure for the new Maroochydore City Centre, Unitywater awarded the contract to install a new sewerage main to link the development to the Maroochydore Sewerage Treatment Plant. The new sewerage main will be part of a \$16 million upgrade of the Maroochydore sewerage network to be completed late 2017.

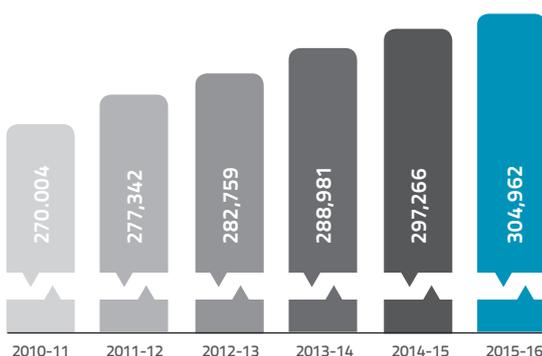
## Greenfield developments

Unitywater is working with developers helping to unlock greenfield areas for master-planned developments that will provide high quality, liveable urban environments. These include Caloundra South on the Sunshine Coast, and Warner and Caboolture West in Moreton Bay.

In consultation with Economic Development Queensland, Unitywater provided approvals for sewerage and water infrastructure to Stockland, the developers of Aura, during the year. Construction on this new city, which will eventually include 20,000 homes for an expected 50,000 residents, began in 2016.

## Growth in water connections

Since 2010-11, the number of Unitywater's water connections has grown by 13 per cent.



## Redcliffe Sewerage Treatment Plant

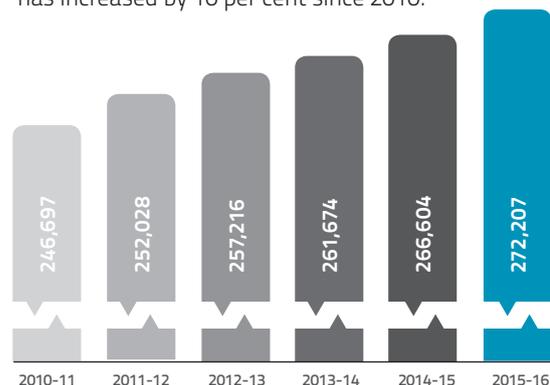
Rehabilitation works at the Redcliffe Sewerage Treatment Plant are in progress following the commencement of work on site in November by contractor TRILITY. A major component of the scope, the new odour control facility, is due for completion before the end of 2016. Construction works for the remainder of the rehabilitated sewerage treatment plant components continue, with the majority due for completion by mid-2017.

## Modelling the future

Using our in-house developed Demand Modeller and Tracking Tool (DMaTT), during the year we worked with Sunshine Coast and Moreton Bay councils to progress the modelling of forecast demand. This work supports the planning of water supply and sewerage infrastructure to cater for future growth. DMaTT provides robust and transparent demand forecasts that support prudent and efficient investments in infrastructure. A review and feedback process with Sunshine Coast Council has resulted in demand forecasts ready for Council endorsement. Preliminary forecasts for Moreton Bay council have also been completed.

## Growth in sewerage connections

The number of Unitywater's sewerage connections has increased by 10 per cent since 2010.



Sewerage and water services are essential to the community, so it is important they remain affordable and represent excellent value for money to our customers. Unitywater must remain competitive with the wider market in terms of quality, reliability and, in particular, price.

## Serving our customers

Savings made over the previous three years of operations enabled Unitywater to freeze water and sewerage prices at 2014-15 levels throughout the 2015-16 year.

Since we launched electronic billing to our customers in December 2014, 20 per cent of our customers have chosen the convenience of receiving their bills by email or SMS. This has increased from 8.5 per cent at 30 June 2015. In January Unitywater launched a competition for residential customers to encourage them to sign up for electronic billing. The competition will run for each quarter of the 2016 calendar year. The winners receive 12 months free water and sewerage, capped at \$1500.

After a two-and-a-half year rollout, Unitywater's Tariff Reform Project was completed during the year. The project streamlined and harmonised customer charges for sewerage and water regardless of where in our service area they live: 830 price plans were reduced to 108.

## Development

At the beginning of 2016 Unitywater embarked on creating an Accreditation and Certification System for development works. The aim of the system is to reduce the costs of certifications by accrediting private certifiers. Private certification is currently in place for many utilities across Australia.

Since 1 July 2015, Unitywater processed 6788 development applications for new connections to our water supply and sewerage networks. A new fast-track approval service now allows development applications to be approved within five working days of lodgement, where applications lodged are complete and accurate.

Throughout the year Unitywater continued to work with Moreton Bay and Sunshine Coast councils to identify options to improve the liveability of existing brownfield areas. Locations under examination are where the existing council planning schemes permit a variety of higher density residential and commercial land uses.

Developing these brownfield urban areas to their potential means that Unitywater will probably not have to build and maintain any new assets to service their new connections. By utilising the full capacity of existing assets with limited or no investment in new assets or increases in maintenance costs, it potentially reduces the cost of water supply and sewerage services to all Unitywater's customers.

## Our sewerage and water operations

By negotiating a new environmental licence for our sewage treatment plants (STPs), we have reduced our forecast expenditure on STP upgrades from approximately \$1.1 billion to \$600 million over the next 30 to 40 years without compromising safety or the environment. The change to the licence from our regulator, the Department of Environment and Heritage Protection, means that all discharges from STPs are considered on a watercourse, as opposed to each STP on its own. This approach delivers better overall water quality outcomes in our rivers.

By streamlining asset data surrounding sewage treatment plants and pipes, we have completed the first phase of a program to facilitate better long-term management of our sewerage and water supply assets.

Unitywater's Energy Reduction Program has realised annualised energy savings of \$1.2 million, which represents 12.3 per cent of the 19 per cent savings target set for the end of 2016-17. Changes made to the control code of selected large water and sewage pump stations and to the operation of sewage treatment plants have contributed significantly to these savings.

## Across the business

- Unitywater's great improvements in our safety record have resulted in a reduction of more than \$350,000 in our annual Workcover premium.
- The upgrade of Unitywater's Geographical Information System has allowed us to develop apps for sharing information, and to significantly improve the analysis, interpretation and impact of water quality-related complaints on our customers.
- By examining various business processes using Lean Improvement methodology, Unitywater has identified hundreds of hours of time and efficiency savings in payroll and procurement functions through examining waste in processes, and developing new ways of working.

Delivering safe water to our customers is a fundamental role of Unitywater. Through our water quality monitoring programs, we can be confident our customers have a safe and reliable water supply, seven days a week, every day of the year.

In January Unitywater was awarded international certification for ISO 22000 (Food Safety Management System), complementing the regulatory requirements for water quality management. The Department of Energy and Water Supply regulates the supply of drinking water through the Drinking Water Quality Management Plan. With ISO 22000 certification Unitywater can be even more confident that the network is well managed for the supply of safe drinking water and continue to protect the communities we serve. Unitywater is the first distributor-retailer in South-East Queensland to receive the certification.

Unitywater was the first water utility in Queensland to trial ozone disinfection technology in our water pipelines. The trial in June saw ozone gas pumped from a portable trailer unit into mains, and samples collected for testing. The technology is a cost-effective, reliable and environmentally friendly alternative method of sterilising water mains.

To support our existing programs Unitywater constantly seeks new ways to manage water quality. During the year we extended our advanced monitoring program. Unitywater now has more than 200 sample taps for routine monitoring, and online water quality instrumentation (e.g. analysers or probes) at strategic locations across our water supply network to proactively alert us of any potential deterioration in water quality.

A data exchange agreement now allows Unitywater staff to access Seqwater online instrumentation via SCADA at multiple Seqwater water treatment plants and bulk supply points. This arrangement improves the visibility of water quality information, allowing us to see changes early and continue to deliver water that meets our customers' expectations.

Unitywater manages 30 water quality management facilities that boost disinfection across our water supply network. During the year we continued a program of significantly upgrading these facilities so they can be remotely monitored and controlled by the Network Operations Control Room through our SCADA system.

For more information on our water quality compliance please refer to [www.unitywater.com/Water-Quality-Reports](http://www.unitywater.com/Water-Quality-Reports)



**FOOD SAFETY MANAGEMENT  
SYSTEM AWARDED**

As an essential part of the community, we invest in a range of initiatives to support our customers and enhance our environment. Through our education program, we share our expertise with the next generation. Our sponsorship program supports initiatives that align with our purpose: keeping communities healthy. Through partnering with our neighbours in the community and investing in small, meaningful initiatives at a local level, we are able to make big differences to our customers.

## Partnerships

Working with local communities and artists, Unitywater transformed the exterior of our Peregian and Point Cartwright reservoirs this year. Murals have been painted on the large concrete structures as part of our program to deter graffiti and improve the appearance of these substantial structures. The Peregian mural was completed in November and Point Cartwright in March.

To see a video of the painting of the Point Cartwright Reservoir go to <http://bit.ly/UWCart> or scan here.



Unitywater's annual Creekside Greening event at Pine Rivers in September saw the program's 10,000th seedling planted. Creekside Greening is a Unitywater environmental initiative in which we partner with councils to support the health of our regions' waterways, parklands and communities. It involves Unitywater staff working with bush care groups, schools and the community to revegetate public spaces with native seedlings.

In April we partnered with Noosa Council, Sunshine Coast Council and Moreton Bay Regional Council to promote and participate in Healthy Waterways' second annual Connect to Your Creek Week. The region-specific campaigns ranged from photo competitions, sewage treatment plant tours, kayak tours and river cruises.

A partnership formed with the Bunya Bunya Country Aboriginal Corporation guaranteed the final six months of a four-year project to monitor and map vulnerable Water Mouse habitats as well as register historical 'traditional use' sites of Aboriginal significance in the Maroochy and Mooloolah estuaries.

## Education

Unitywater's Murrumba Downs Sewage Treatment Plant welcomed a film crew from children's television program Totally Wild in May. The segment went to air in June.

The Murrumba Downs Education Centre, within the grounds of the sewage treatment plant, welcomes regular excursions of school children who learn about the importance and technology of sewage treatment. During the year it facilitated nine school and community group tours. Unitywater staff also visited 23 schools and community groups to deliver presentations of the same educational information.

Social media is playing an increasingly important role in helping us to reach and educate our customers. During the year we produced three simple and quirky animated videos explaining how householders can help us reduce sewage overflows in very wet weather. The videos were distributed via Facebook and YouTube.

To see our Storm in a Teacup video, go to <http://bit.ly/UWteacup> or scan here.



**10,000<sup>TH</sup>**  
**SEEDLING**

PLANTED AT OUR CREEKSIDE  
GREENING EVENTS

## Sponsorships

During the year, sporting groups were invited to contact Unitywater if they wanted donations of water bottles, coolers and scoreboards or loans of water refill stations and marquees for events. A total of 46 clubs with more than 15,500 players benefited from this sponsorship in 2015-16.

The Get Back to Tap campaign ran for a second year, encouraging the drinking of tap water instead of buying disposable plastic water bottles. The campaign reached approximately 3600 students, generated excellent media coverage and raised approximately \$10,000 for the Australia Zoo Wildlife Hospital.

As the principal sponsor of Sunshine Coast Council's Kids in Action program, Unitywater hosted the Unitywater Environmental Projects Day at the Maleny Community Precinct in August. Activities for the 350 primary school students included wetlands monitoring.

Unitywater continued its commitment to reducing the impact of domestic violence in the community through its partnership with Lions in Place, providing essential support and household items for women and children. Unitywater also supported Noosa Council's Day of Action against domestic violence on 10 October.

Our sponsorships of Men's Shed groups in Pomona, Noosa and Deception Bay are delivering mutual benefits, for example the building of nesting boxes for our sewage treatment plant grounds and wetlands.

We are funding a literacy program for 30 children through the Rotary Redcliffe Sunrise Literary Program. Unitywater has committed \$2200 per annum for three years.

Unitywater's Hydration Stations and Refill Stations were loaned to 80 community events during the year, attended by 595,230 people.

In partnership with Moreton Bay Regional Council, Unitywater provided financial support and sponsorship for the Pumicestone Passage Shellfish Restoration Project during the year. The project is an initiative of SEQ Catchments.

Also in partnership with Moreton Bay Regional Council, we sponsored the inaugural Moreton Bay Innovation Awards which are aimed at underpinning the economic diversification and sustainability of the region through the reward and support of invention and innovation. The Unitywater Moreton Bay Showcase Award was presented to Packer Leather for its K-Fuse product.

## Community partners



Vital to fulfilling our aspirations to be an industry-leading water and allied services business is building the capability of our people, systems and processes. During the year we continued with our established programs and created a number of new initiatives.

## Safety Saves!

Unitywater hosted the inaugural South-East Queensland Workplace Health and Safety Water Industry Forum at the Brisbane Entertainment and Convention Centre in June. With the working name of Safety Saves!, the forum attracted an audience of 140 delegates from South-East Queensland's water utilities, councils, water industry contractors and suppliers.

Speakers included the Hon Mark Bailey, Minister for Energy and Water Supply, Jim Soorley, Chairman of Unitywater and industry experts.

## Equity and diversity

Unitywater is committed to instilling equity and diversity organisationally to create an inclusive working environment grounded in respect and appreciation of difference. Focusing on diversity is a commercial decision that leads to higher levels of organisational performance by creating better quality outcomes, improved employee engagement, innovation, and long-term sustainability. Faced with the challenge of an ageing workforce in a traditionally male-oriented industry, Unitywater has implemented a three-year Equity and Diversity Program. Its initial focus centres on age and gender initiatives. Additionally two working groups have been established to support the drive for inclusiveness, diversity and generational change:

- The Equity and Diversity Working Group comprises representatives from all levels across the business. Their role is to liaise with their business areas and act as advocates, providing input into talent development programs and other initiatives designed to facilitate the achievement of the organisation's equity and diversity outcomes.
- Similarly, the Under 35s Working Group is drawn from representatives across the business and works to aid the development and review of programs to ensure the under 35s are appropriately considered. For example, the working group provided input into the Unitywater Graduate Development Program and has compiled a calendar of networking and development events. The group was launched with the help of guest speaker and Olympic hockey player Angie Lambert in June.

## Recruiting the next generation

We continued with our programs that help recruit and develop the next generation of Unitywater employees:

- In September the University of the Sunshine Coast awarded the third Unitywater Scholarship in Engineering to an outstanding undergraduate Engineering student. For the first time the scholarship was awarded to a female student. She receives the opportunity to join Unitywater's vacation work program and graduate program as well as financial support.
- Five engineering graduates joined the Unitywater Graduate Development Program in June as part of our commitment to building future talent pipelines within our workforce. From next year the program will expand to include an annual intake of graduates across a broader range of disciplines.
- After completing their apprenticeships during the year, five Unitywater employees made the transition to becoming trade qualified. We also employed two new apprentices as part of our Apprenticeship Program. This ensures we have ten apprentices engaged on an ongoing basis as part of our commitment to providing apprenticeships to locals wanting to gain trade qualifications.

## System improvements

Improvements to Unitywater's Safety, Health and Wellbeing, Environment and Quality (SHEQ) data recording systems during the year has led to better quality and quantity of data to guide process improvement. The improvements have also allowed the inclusion of environmental incidents in the database so they can be analysed in the same way as safety incidents.

Seeking a significant upgrade of our human resources system drove Unitywater to market through the year. The new system, expected to be implemented in 2017, will see the automation of key HR processes, self-service of all core HR functions for staff and managers, and enhanced HR analytics that support workforce planning and talent management.

## Leadership development

Significant investment in leadership development is helping drive transformational change at Unitywater in line with our strategic priorities. Each of our middle and senior leaders is now assessed against those behaviours defined as critical for transformational leadership. The outcomes of the assessment are worked through with their executive coach before creating a development plan.

The major vehicle of leadership development is the Trusted Leader Program; it is supported by a series of short leadership capabilities courses and the Frontline Leader Program that tailors practical approaches to frontline leaders.

## Corporate induction

All new staff undergo corporation induction which during the year was enhanced to become more strategically aligned. Newcomers now gain an understanding of our customers – who they are, how we interact with them and what they expect of us – and are taken on a tour of our water and sewerage assets where they experience the practical aspects of what our business does.

## Personal and professional development

Unitywater is committed to building the capability of our people. Throughout the year we continued our focus on core safety and compliance training for all staff to ensure mandatory training requirements are adhered to. A solid calendar of programs is also offered to employees to ensure they have the personal, professional and technical skills they need to do their jobs effectively and to support career development opportunities. Study assistance and industry-based subscriptions and networks are available to support employees to develop in their roles.

## Health and wellbeing

By partnering with health insurer Bupa, Unitywater undertook health assessments of 457 of our employees during the year, which gleaned a summary of key themes and trends in our workforce.

As part of the assessment process, employees also received personalised feedback, advice and strategies to improve their individual health and wellness.

Armed with the health assessment summary, Unitywater was able to develop a multifaceted health and wellbeing program that is now being delivered into the business.

The program aims to address various health and wellbeing issues identified by the health assessments, as well a larger industry and national issues such as domestic violence and healthy levels of alcohol consumption.

Many employees at Unitywater are now participating in Bupa Life-skills programs and partnerships aimed at improving their overall health. Some have won wearable sensors that help them track their daily activities.

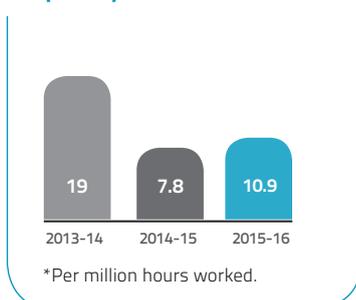
A drug and alcohol testing program was developed and implemented during the year with the aim of reducing risks in the workplace. The testing program will be supported by an ongoing awareness and support program for people struggling with addiction.

Unitywater also signed an agreement to become accredited to the national "White Ribbon" program, which represents our organisational commitment to prevent domestic violence.

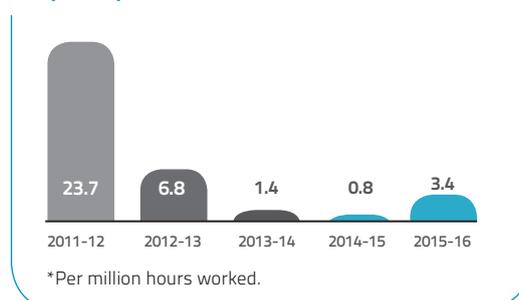
Manual handling awareness sessions were delivered into the business and will continue throughout 2016-17.

Our safety initiative of installing void protection systems was completed during the year. There are now more than 800 wet wells at sewage pump station sites across the region with safety grate and railsafe barrier systems in place, preventing falls into open voids and providing maintenance workers with a greater sense of safety when working in these high-risk environments.

### Significant injury frequency rate\*



### Lost time injury frequency rate\*



Our business-wide approach to identifying, prioritising and managing risks underpins Unitywater's commitment to good management and corporate governance.

Unitywater aligns our approach to risk management with the framework outlined in ISO 31000-2009 Risk Management – principles and guidelines.

The Audit and Risk Committee (see page 24 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 appetite. The team reports to the Audit and Risk Committee on the effectiveness of internal control systems in managing Unitywater's risk profile.

The Audit and Risk Committee observes the terms of the *Audit and Risk Committee Charter* and the *Audit Committee Guidelines: Improving Accountability and Performance* issued by the Queensland Treasury. The Committee's role is to oversee the financial management, internal controls, risk management, compliance and work health and safety. It receives and considers reports and recommendations from the external (Queensland Audit Office) and internal auditors (see below).

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

Code of Conduct training is provided to all new employees. Existing staff undertake retraining every two years. The latest round of Code of Conduct training was completed by all staff by April 2016.

## 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 2015-16 the internal auditors have successfully completed all audits identified in the annual plan. An assurance map has been developed to assist identification of areas of the business to be audited.

## Information systems and 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 2015-16 we:

- completed a review of the Business Classification Scheme to further assist the business in their information management obligations
- adopted an approved Retention and Disposal Schedule
- adopted an Enterprise Information Management Strategic Framework and Enterprise Information Governance Framework.

## 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 113 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)

## 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.

On 1 September 2015, Ms Kate Farrar was appointed to the Board to replace Ms Megan Houghton, who resigned to take up a senior role with the State Government.

### Jim Soorley AM

BA (Psych), MA (Org Psych)  
Chairman

Jim was Lord Mayor of Brisbane from 1991 to 2003. He has been the Chairman at Unitywater now for six years. Involved in many activities in South-east Queensland, he is also the Chair of CS Energy and the LGAQ and AEGIS enterprise, Propel, which works in the public sector cutting cost and improving customer service delivery.

### Sharon Doyle

LLB (Hons), BIT (Dist), Grad Dip Bus Admin, GAICD

Sharon is the Managing Director of InterFinancial, a corporate finance advisory and mergers and acquisitions firm. Sharon is also a non-executive director of Social Investments Australia, an impact investment fund manager, as well as Starts at 60, an online media business partially owned by Seven West Media. Sharon has held leadership roles in Mincom Limited and Allens Linklaters.

### Kate Farrar

BMus (Hons), MCom (Econ), GAICD  
(Appointed 1 September 2015)

Recognised as an electricity industry leader, Kate has grown her company QEnergy from a start-up into a national business with 25,000 small business customers across Australia's eastern states. Prior to this, Kate was a Director with the national stockbroking firm Morgans and built up and sold Ergon Energy Retail for \$1.2 billion. She has a decade of directorship experience in the energy, financial services and health sectors.

### Megan Houghton

BCom, BA (Econ), GAICD  
(1 July 2015 to 24 August 2015)

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 has been primarily in corporate finance roles working in accounting firms, corporate finance and executive management positions for more than 40 years. While his roles have predominantly been in the mining sector, they include property development and agribusiness, as a consultant or in executive positions. Barry currently serves as non-executive Chairman of Metallica Minerals Limited (ASX listed) and as a non-executive director on the boards of Archipelago Metals Limited and CassTech Limited. Barry is also company secretary of CassTech Limited and 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 2015-16

Board Member	Eligible to attend	Meetings attended
Jim Soorley	11	11
Sharon Doyle	11	10
Barry Casson	11	11
Mike Williamson	11	11
Kate Farrar	9	7
Megan Houghton	2	2

## Board committees 2015-16

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

Committee	Scope of activities	Members	Meetings attended
Audit and Risk	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)	4
		Megan Houghton (to August 2015)	0
		Kate Farrar (from September 2015)	3
		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)	3
		Jim Soorley	3
		Sharon Doyle <sup>2</sup> (to November 2015)	2
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
Sustainability and Innovation Committee <sup>1</sup>	The Sustainability and Innovation Committee provides direction on environment and sustainability and strategies for innovation and commercialisation that contribute to cost reduction.	Megan Houghton (Chair to August 2015)	1
		Jim Soorley	3
		Mike Williamson	3
		Kate Farrar (from September 2015, Chair from April 2016)	2
		Sharon Doyle <sup>2</sup> (from April 2016)	1

Notes:

<sup>1</sup> Formerly the Environment Committee. The first meeting of the Sustainability and Innovation Committee was on 25 November 2015

<sup>2</sup> Sharon Doyle transferred from the Capital Works Committee to the Sustainability and Innovation Committee.

## 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 achieving strategic goals, 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 30 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  
(to April 2016)

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.

### Michael O'Toole

ACTING EXECUTIVE MANAGER INFRASTRUCTURE SERVICES  
(from April 2016)

Michael has 20 years' experience in the water industry working across a variety of disciplines. His management experience includes leadership in frontline operations and key support services.

Michael has led change across diverse functions including construction and fleet services. He was a part of the team that worked on the establishment of Unitywater and led the development of a number of key functions in the company.

Unitywater needs a highly trained and competent workforce with the right mix of skills, knowledge, attitudes and behaviours if we are to achieve our corporate goals.

At the end of June 2016, Unitywater employed 708 full-time equivalent staff, with a broad range of professional, para-professional, technical and trades skills and competencies.

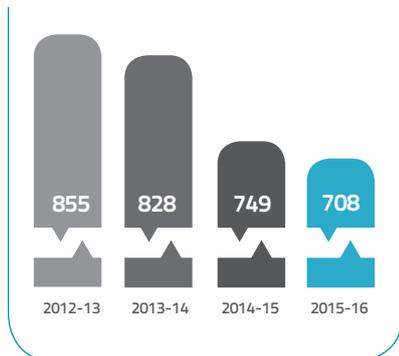
The number of full-time equivalent staff reduced by 5.5 per cent compared to 2014-15 and by 17 per cent since 2012-13.

Secondments or acting in higher duties are a means of providing valuable experience and development opportunities for employees. During the year 142 secondments or elevation to higher duties occurred. Another 31 people were promoted to new positions.

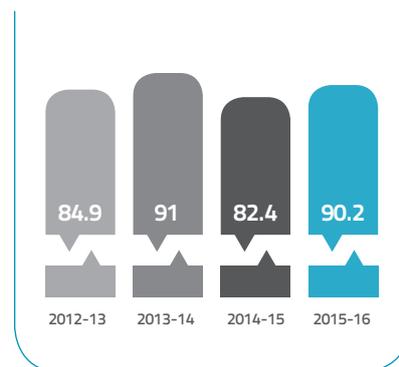
Unitywater's major initiatives that are designed to develop our people and transform our workforce to one that is safer, more engaged and productive are outlined under Building Capability on pages 20 and 21.

Unitywater partnered with employees and their representatives over the 2015-16 year to develop an updated industrial agreement that balances favourable employment conditions, long-term security and the needs of the organisation's customers. This process will continue into 2016-17.

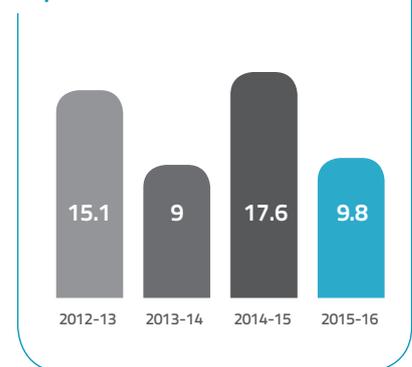
### Full-time equivalent employees



### Permanent retention rate (%)



### Permanent separation rate (%)



### Gender balance



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

	2011-12 \$M	2012-13 \$M	2013-14 \$M	2014-15 \$M	2015-16 \$M
<b>PROFIT AND LOSS STATEMENT</b>					
<b>Revenue</b>					
Utility charges	394.0	414.0	448.2	474.2	482.4
Fees and charges	5.5	5.7	7.7	7.7	8.0
Developer contributions	77.1	84.3	118.9	117.5	143.7
Other income	17.0	15.7	14.5	13.8	16.3
<b>TOTAL REVENUE</b>	<b>493.6</b>	<b>519.6</b>	<b>589.4</b>	<b>613.2</b>	<b>650.4</b>
<b>Operating Expenses</b>					
Bulk water purchases	(91.0)	(112.0)	(131.3)	(143.7)	(150.8)
Supplies and services	(72.9)	(68.0)	(70.1)	(69.5)	(75.3)
Employee expenses	(72.5)	(68.2)	(69.6)	(70.2)	(67.8)
Depreciation and amortisation	(76.7)	(79.8)	(81.3)	(86.0)	(79.0)
Impairment losses	-	-	-	(6.7)	(0.3)
Finance and borrowing costs	(89.7)	(93.3)	(75.7)	(82.2)	(80.8)
Other expenses	(5.2)	(4.3)	(7.9)	(5.3)	(11.2)
<b>TOTAL OPERATING EXPENSES</b>	<b>(408.1)</b>	<b>(425.5)</b>	<b>(435.8)</b>	<b>(463.6)</b>	<b>(465.2)</b>
<b>Profit before tax</b>	<b>85.4</b>	<b>94.1</b>	<b>153.6</b>	<b>149.7</b>	<b>185.3</b>
Income tax equivalent expense	(22.2)	(26.6)	(45.0)	(39.8)	(48.9)
<b>PROFIT AFTER TAX*</b>	<b>63.2</b>	<b>67.5</b>	<b>108.6</b>	<b>109.9</b>	<b>136.3</b>
<b>ADJUSTED PROFIT</b>					
<b>Profit after tax</b>	<b>63.2</b>	<b>67.5</b>	<b>108.6</b>	<b>109.9</b>	<b>136.3</b>
Less developer contributions	(77.1)	(84.3)	(118.9)	(117.5)	(143.7)
<b>Adjusted profit for the year</b>	<b>(13.9)</b>	<b>(16.8)</b>	<b>(10.4)</b>	<b>(7.6)</b>	<b>(7.4)</b>

Totals may not add due to rounding.

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

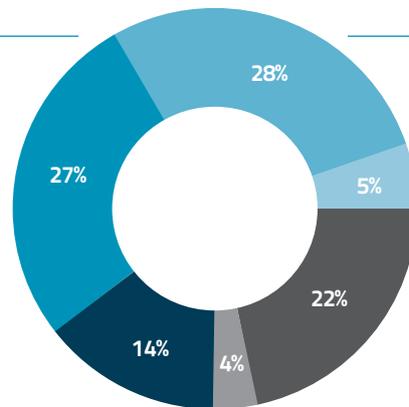
## Revenue

In 2015-16, revenue increased by \$37.2 million or 6.1 per cent.

This change was primarily driven by a \$26.3 million (22.4 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 \$8.2 million or 1.7 per cent as a result of bulk water price increases (Unitywater's prices were frozen in 2015-16) and connections growth.

The adjacent figure shows where Unitywater's revenue came from in 2015-16.



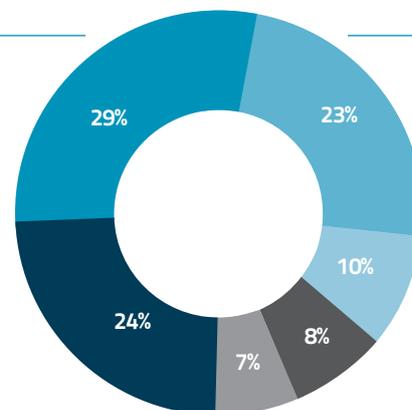
Water access charges	14%
Water volumetric charges	27%
Sewerage access charges	28%
Sewerage volumetric charges	5%
Developer contributions	22%
Other revenue (incl. trade waste)	4%

## Expenses

Operating expenses increased by \$1.6 million (0.3 per cent) from 2014-15. This change is primarily driven by higher bulk water costs of \$7.1 million (4.9 per cent), offset by multiple items including depreciation expenses of \$7.0 million.

Our continued focus on key strategic initiatives aimed at driving down costs throughout 2015-16 realised a reduction in controllable operating costs, which has enabled us to freeze prices again in 2016-17.

The number of full-time equivalent staff reduced from 749 to 708 during the year, and this reduction is expected to assist with continuing the trend of maintaining controllable operating costs.



Operating expenses	24%
Infrastructure upgrades	29%
State government bulk water charges	23%
Interest	10%
Tax	8%
Return on equity	7%

## Profit/Loss

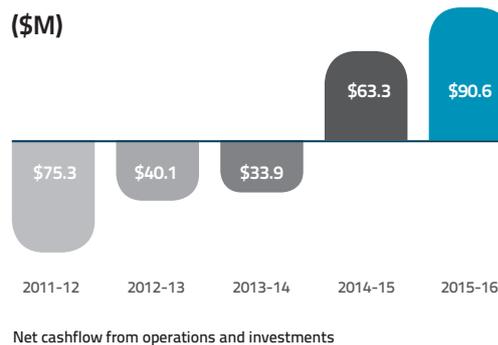
Excluding developer contributions, Unitywater made a loss after tax of \$7.4 million for 2015-16.

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



## Net cashflows from operating and investing

Net cashflows from operations and investing further increased in 2015-16 mainly due to greater cash contributions from developers and slighter lower capital expenditure.



## Assets invested per customer

Our \$98.2 million investment in water supply and sewerage infrastructure in 2015-16 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.

