

# THE YEAR IN REVIEW

Our activities throughout 2016-17 all focussed on delivering our strategic priorities, placing the customer at the heart of everything we do.

## Highlights at a glance

32,240 *new customers signed up to e-billing*

1821 *students learnt about sewage treatment and the water cycle*

151 *fast track development applications received and processed*

19,040 *water meters replaced*

6.7 *out of 10 customer satisfaction rating*

121 *community events and festivals sponsored*

\$131.8M *invested in water supply and sewerage infrastructure*

The 2016-17 year saw Unitywater continue the delivery of quality sewerage and water supply services to our customers.

- We operate and maintain \$3.3 billion worth of sewerage and water supply assets.
- We supplied more than 755,609 people with sewerage and water services across 5223 square kilometres.
- Our customer satisfaction rating averaged 6.7 out of 10.
- Our customers include 296,267 residential properties and 16,985 commercial and industrial enterprises.
- Our investment in infrastructure was \$44.9 million in water supply and \$86.9 in sewerage.

## WATER



TARGET >98%

100%

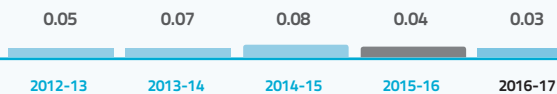
ACHIEVED

Bacteriological compliance with Public Health Regulation 2005

Drinking water quality complaints per 1000 connected properties

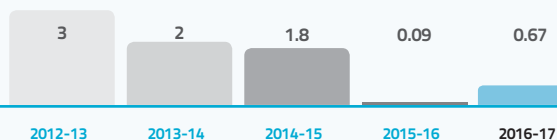
TARGET <10

INDUSTRY MEDIAN 2015-16 = 1.4\*



Unplanned water supply interruptions per 100km of main

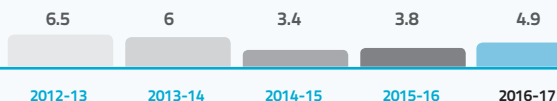
TARGET <10



Water main breaks and leaks per 100 km of mains

TARGET <25

INDUSTRY MEDIAN 2015-16 = 21.4\*



## SEWERAGE



TARGET >98%

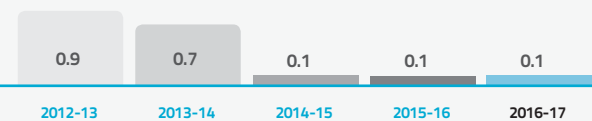
99.1%

ACHIEVED

Sewage treatment plant compliance

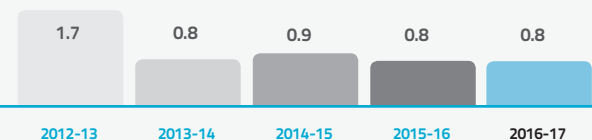
Odour complaints per 1000 connected sewerage properties

TARGET <3



Dry weather sewage outflows per 100km of main

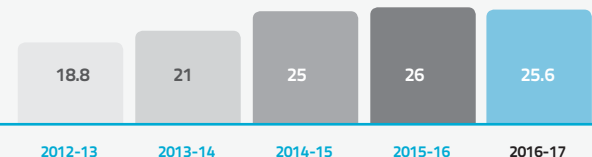
TARGET <2.2



Sewer main breaks and chokes per 100 km of mains

TARGET <40

INDUSTRY MEDIAN 2015-16 = 30.3\*

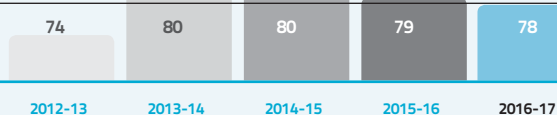


## CUSTOMER SERVICE



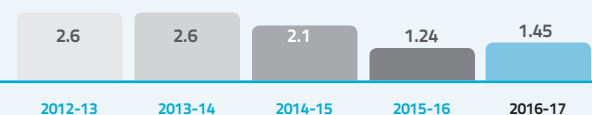
Calls answered by an operator within 30 seconds (%)

INDUSTRY MEDIAN 2015-16 = 78.6\*



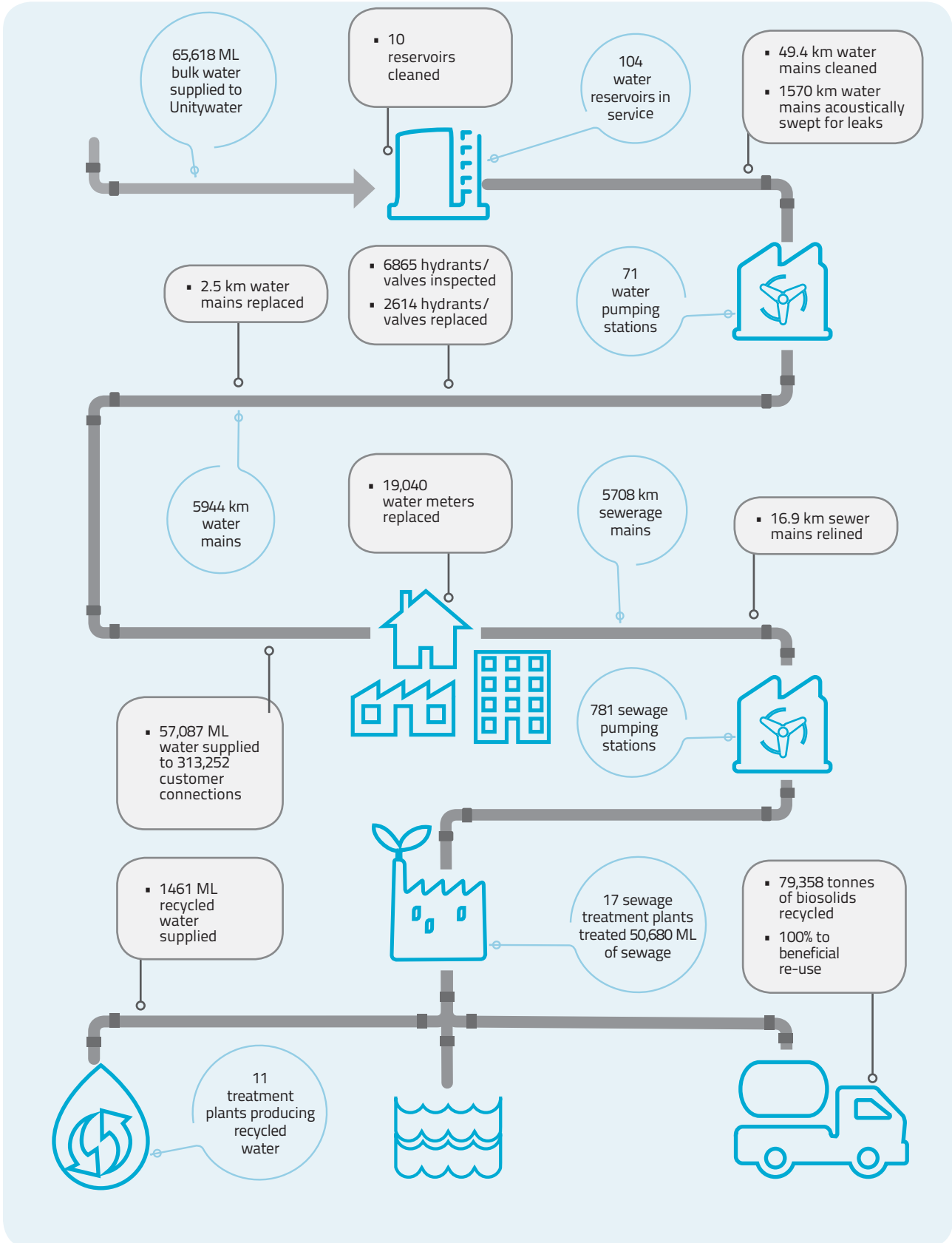
Sewerage and water complaints per 1000 properties

INDUSTRY MEDIAN 2015-16 = 4.1



\* Australian utilities with 100,000+ connected properties (National Performance Report 2015-16 Urban Water Utilities)

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



# Unitywater moments 2016-17



## JULY

Unitywater and Seqwater launch the **Petrie water supply upgrade** project to connect and secure **100,000 Moreton Bay residents** to the South East Queensland Water Grid.



## AUGUST

We purchased 190 hectares of former cane farmland at Yandina Creek to restore to wetlands. Nutrients kept out of the Maroochy River by the wetlands will be offset against those entering the river in treated effluent.



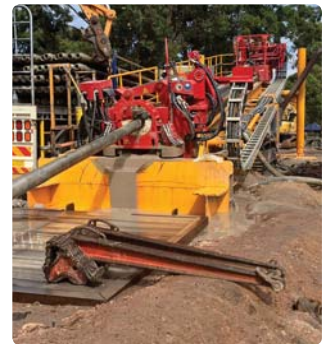
## SEPTEMBER

We start work on a project to relocate a water main that ran within the boundaries of the Sunshine Coast Airport. Relocation reduced the risk to the operations of both Unitywater and the airport.



## OCTOBER

We announced construction of two major sewerage pipelines to the Kawana Sewage Treatment Plant that will service future growth and reduce sewage overflows in extreme weather in this vicinity.



## NOVEMBER

Working with SunCentral we continue to create the water and sewerage infrastructure for commercial, residential and retail customers of the future Maroochy CBD.



## DECEMBER

We continue to trial ozone technology to disinfect water mains and clean up sewage spills.





## JANUARY

We announced a \$73.9 million upgrade to Kawana Sewage Treatment Plant to cater for future population growth.



## FEBRUARY

We commenced a trial of digital metering technology at 1000 properties in Noosa and Clontarf.



## MARCH

We sponsored a beach clean-up event ahead of the Noosa Festival of Surfing to keep Noosa Main Beach free from plastic waste.



## APRIL

Our sponsorship of charity Orange Sky Laundry permanently extends their free mobile laundry service for the homeless in our service area.



Photo: Mike Burton



## JUNE

We completed our beautiful public artwork mural on the Kallangur Water Tower. The design was chosen through an extensive consultation process with the local community.



## MAY

The total number of seedlings planted as part of our Creekside Greening program grew to 12,650 with our planting day at Peregian Beach Reserve.



With the customer at the heart of everything we do, Unitywater is always seeking new ways of better understanding and meeting our customers' needs and expectations.

## Providing effective, low cost customer service

### Pricing changes for 2016-17 year

Changes to Unitywater's pricing for the 2016-17 year saw a reduction in our water and sewerage charges for our customers in Moreton Bay and an increase of just 1.4 per cent to water and sewerage fees in Noosa and the Sunshine Coast. These changes were a result of a rebalance following a price freeze during the previous year and reflected our ongoing efforts to reduce operating costs and identify savings.

### Easier, faster more convenient service

Our customers are increasingly expecting to deal with us through a variety of channels that allow better response times and better service. The immediacy of electronic communication gives customers better access to us and therefore improves our relationships with them.

### E-billing continues to grow

The advantages of electronic billing and self-service through our account web portal continue to increase in popularity among our customers. At 30 June, 30.5 per cent of our customers had chosen the convenience of receiving their bills by email or SMS, showing a growth of 51 per cent over the year. Unitywater's success in growing our uptake of electronic billing was presented as a case study to national water industry conference Ozwater'17 in May.

## Redevelopment of web-based customer communication

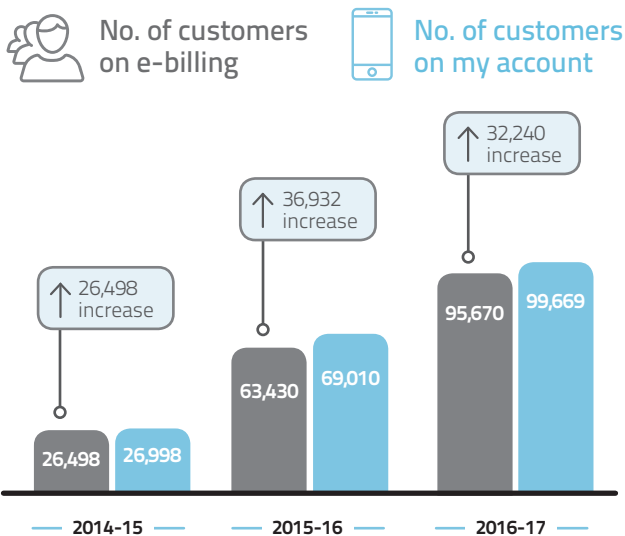
In December we signed a contract with a specialist provider for the delivery, hosting and support of a new website, customer portal and intranet. Development of the website and intranet is complete, with the migration of our 278 internet pages and 324 intranet pages to be finalised before go-live early in 2017-18. Development of the customer portal was largely complete by the end of June, with the project's finalisation planned for late 2017.



## CUSTOMER VALUE VIA SOCIAL MEDIA



The immediate and two-way nature of social media is enhancing effective and positive communication between us and our customers and is proving to be particularly valuable during unplanned water supply outages. Throughout the year we actively worked to grow the number of customers on our social media platforms: our Facebook Likes increased by 163 per cent to 6749, we increased our use of LinkedIn, particularly in promoting Unitywater as a preferred employer, and we began actively using Twitter.



## Being valued by our community

Unitywater plays an important role across our community, with our role extending beyond providing high quality sewerage and water supply services to playing a part in the social fabric in keeping our community healthy.

### Kallangur water tower public art

The Kallangur water tower is the latest project in Unitywater's Graffiti Prevention Program, which puts large scale public artwork on selected high profile assets. Through a community consultation process, locals proposed artwork subjects and voted on three final designs. Work on the chosen mural finished in June. As part of the project, we also facilitated a youth mentoring through art program with at-risk students from Dakabin High School.

To see a video of the youth mentoring program, go to [bit.ly/KallangurWaterTower](http://bit.ly/KallangurWaterTower) or scan here.



### Planting to support waterway health

During the year Unitywater staff again joined with local bush care groups and councils in two community plantings under our ongoing Creekside Greening program. The Pine Rivers Wetland Reserve at Griffin received 1500 new trees and grasses and is showing lush results from our involvement in three previous plantings. Another 500 seedlings were planted in the Peregrin Beach Reserve in May.

### Providing community sponsorship

Our new Community Sponsorship Program which provides up to \$10,000 for community initiatives that help keep our area vibrant and healthy was rolled out through the year. A total of 19 community projects across our service area shared in a funding pool of \$133,000.

To see a video presentation of our Community Sponsorship Program, go to [bit.ly/CommunitySponsorship](http://bit.ly/CommunitySponsorship) or scan here.



### Supporting the disadvantaged

Through partnering with the Rotary Club of Redcliffe Sunrise, Unitywater enabled 23 additional children to receive a free book a month until they turn five. We also continued our partnership with Lions inPlace, providing support and essential household items to women and children impacted by domestic violence.

## Reaching out to the homeless

By partnering with different community organisations, Unitywater is helping to improve the health, comfort and self-esteem of homeless people in our service area.

- Working with national charity Backpack Bed for Homeless we provided 143 all-weather outdoor beds to help the increasing number of people sleeping rough across our service region.
- Partnering with Maroochy Neighbourhood Centre, we sponsored a mobile trailer that offers individual, private hot showers at various locations in the Noosa and Sunshine Coast regions, and a cold room for community dinners.
- A free mobile laundry service provided by charity Orange Sky Laundry has been substantially extended to be available on a permanent basis to the homeless thanks to a \$15,000 donation by Unitywater.
- Through our community sponsorship program, we funded Ready Set Work, an employment pathways program for homeless men and women.

## Reducing plastic pollution with Back to Tap

During the year Unitywater continued our Back to Tap campaign, encouraging our communities to avoid adding to plastic pollution in the marine environment simply by avoiding single-use plastic bottles and refilling reusable water bottles:

- Back to Tap teamed up with international big wave surfer Mark Visser during National Water Week to promote our message of drinking tap water.
- We sponsored five permanent water refill stations at Australia Zoo, providing free chilled tap water to visitors. By 30 June, patrons had filled up around 42,000 water bottles at the zoo.
- We sponsored stainless steel water bottles to reduce plastic water bottle waste at the Noosa Festival of Surfing and the World Environment Day Festival.
- Through our community sponsorship program, we facilitated a youth education program, Art Action 4 Oceans, in which up to 1000 primary students participated in a plastic waste workshop and a beach clean-up program.
- We sponsored 121 community events and festivals and provided free chilled water refills with our Back to Tap van.
- We provided 21,356 community members with reusable water bottles.

To see a video of Mark Visser promoting Back to Tap go to [bit.ly/NatWaterWeek](http://bit.ly/NatWaterWeek) or scan here.



## uVolunteer

In March we launched our uVolunteer program to our full- and part-time staff. This enables Unitywater employees to put their hand up to work for one day a year supporting selected charities and community organisations across our service region.

## Community education

Throughout the year we hosted 14 school presentations and sewage treatment plant tours, educating 1821 primary and secondary students on the sewage treatment process and our role in the urban water cycle. Our staff members hosted 11 community group presentations, meeting with 520 community members, spreading the word about the vital role of sewage treatment in the community.

## Men's Shed creates wildlife nesting boxes

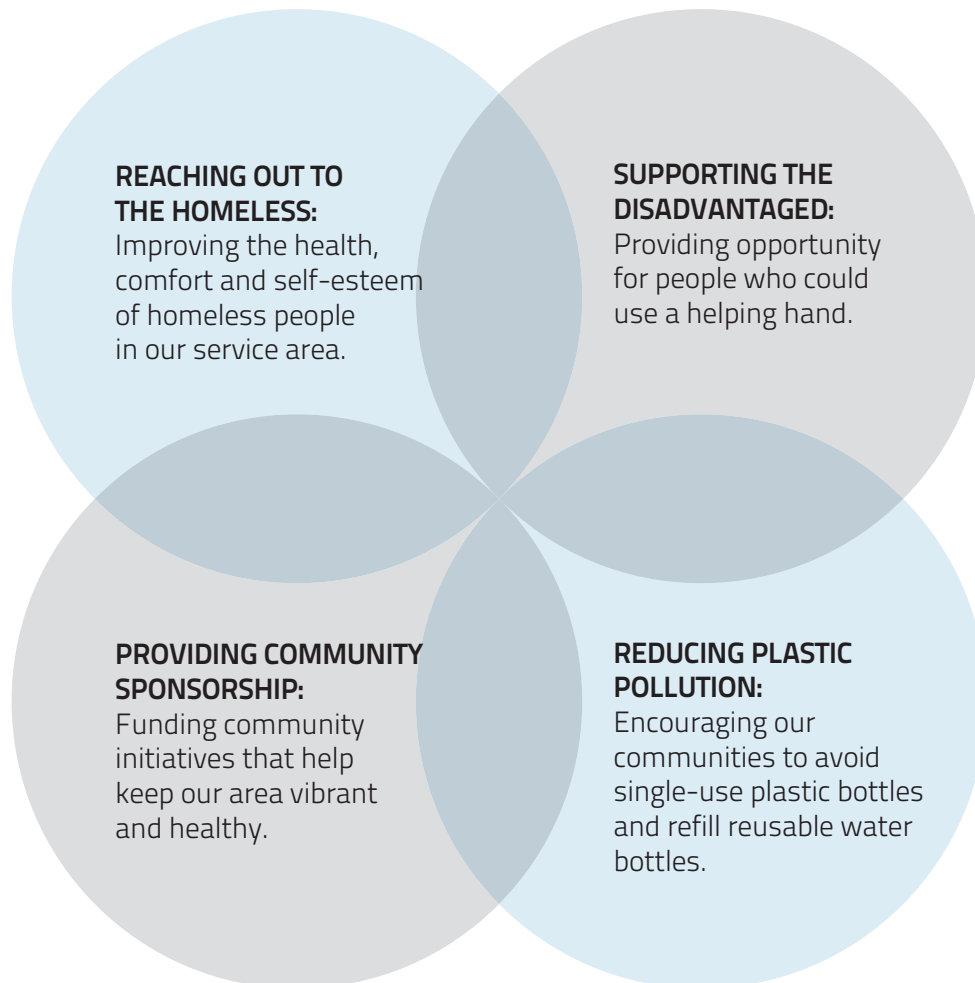
Unitywater's support of the Pomona Men's Shed helped them to craft wildlife nesting boxes installed at our Cooroy Sewage Treatment Plant in October.



# 21,356

*reusable water bottles provided to community members*

## Unitywater's social programs





For Unitywater to thrive into the future, we need to be operationally excellent while we foster our culture of innovation and new ways of doing business.

## Encouraging and supporting innovation

### Revised Treatment Services Plan

During the year Unitywater reviewed and updated our Treatment Services Plan (TSP) which sets out the future direction for sewage treatment services within our service area.

The original TSP was adopted in 2013. To ensure Unitywater complied with environmental licences existing at that time, the plan set out a centralised approach to treatment services which aimed to reduce the number of sewage treatment plants from 18 to 12 before 2041. Unitywater has since undertaken extensive investigations, resulting in a revised plan that reduces future capital costs by around \$500 million.

The updated plan focuses on retention and improvement of the existing sewage treatment plants rather than investment in large, new, transfer infrastructure. It also moves towards Total Water Cycle Management solutions with the potential to deliver better environmental outcomes at a reduced cost.

### ARENA waste-to-energy feasibility study

With support from the Australian Renewable Energy Agency (ARENA) Unitywater is developing a waste-to-energy feasibility study that could revolutionise the way we think about sewage. ARENA is providing \$315,000 funding for Unitywater to assess the commercial viability of converting our Kawana Sewage Treatment Plant to produce biogas and electricity from various waste sources. Unitywater is also contributing funding to the study. Waste streams under investigation include fats, oils and greases from industry, restaurants and cafes.

### Innovation at SunCentral

Throughout the year Unitywater held innovation meetings with SunCentral, the developers of the new Maroochydore Town Centre. Some of the innovations agreed between SunCentral and Unitywater include provision of recycled water to both the Civic Park and Urban Square and the adoption of digital water meters.

### Trialling remote sensing of mechanical equipment

In February we began a six month trial of the MOVUS FitMachine System to provide remote, real-time insight into the condition and operation of mechanical equipment. Twenty two sensors have been magnetically attached to mechanical equipment in a number of our pumping stations and treatment plants, monitoring vibration, temperature and noise.

### Trial of ozone technology

Unitywater continued our trial of ozone across our operations during the year. Ozone is an effective, safe, easy method of cleaning and disinfecting not just water mains but other infrastructure such as pump stations and cleaning up sewage spills. The trials to date have included using ozone technology in both reactive and proactive projects.



*ARENA is helping us  
rethink  
the value of sewage*

## KAWANA SEWAGE TREATMENT PLANT UPGRADE

Unitywater has announced an upgrade of Kawana Sewage Treatment Plant (STP) worth \$73.9 million. The upgrade is a significant step to address future population growth in the area, taking the current treatment capacity of the plant from about 90,000 people to 150,000 people. The

STP currently services communities from the southern end of its catchment at Pelican Waters through to Buddina and the upgrade will mean sewage from South Buderim, Chancellor Park and Sippy Downs, which is currently treated at Maroochydore STP, will be sent to Kawana STP.



## Developing new products and services and alternative customer solutions

### Digital metering trial

In February we began a year-long trial of digital meter technology at 1000 properties in Noosa and Clontarf, which represent a good cross section of Unitywater customers. A digital transmitter or digital meter was fitted to each property for the collection of daily information to share with customers. This extra data allows the customer and Unitywater to gain a more detailed understanding of water usage on a daily basis and to notice any abnormal patterns. This is particularly useful in helping to detect concealed leaks.



### Integrated water management

As outlined under the revised Treatment Services Plan, on p.19, Unitywater is taking a big picture approach to total water cycle management, turning our attention to beyond piped water and sewerage services.



## UNITYWATER WINS GOVERNANCE RISK AND COMPLIANCE INSTITUTE AWARDS



Unitywater's approach to managing risk and ensuring compliance across the organisation won the Compliance Team of the Year Australia and the Compliance Team of the Year Overall awards at the Governance Risk and Compliance Institute Awards. The awards recognise outstanding contributions to the development, understanding or implementation of governance, risk and compliance systems.

- Nutrient offset from Yandina Creek wetlands

Unitywater's purchase of 190 hectares of former cane farms during the year was made to restore it to wetlands, which will improve river health by removing nutrients and sediments. We will be able to offset the amount of nutrients removed by these wetlands against the nutrients in treated effluent discharged into the Maroochy River.

- Wamuran irrigation project

Unitywater has undertaken extensive preparatory water demand studies, surveys and analysis and received strong local support from growers for the supply of recycled water for the Wamuran Irrigation Scheme. We have also submitted an extensive funding application to the Australian Government from the National Water Infrastructure Development Fund and as at 30 June are awaiting the outcome of the assessment due in July 2017. This project is expected to provide substantial benefits including economic growth to the region, support for residential growth of the planned Caboolture West priority development and improvement in the health of the Caboolture River.

### In-house water usage monitoring pilot

During the year we explored the benefits of offering customers an in-house water usage monitor as part of a pilot program. A number of customers who had expressed concerns about their water consumption were provided with a monitor that would help them better understand their water usage patterns, including identifying leaks.

## Meeting governance and compliance requirements

### ISO 22000

In February an independent auditor assessed our Drinking Water Management System against our ISO 22000 Food Safety Management system certification. The surveillance audit was a success with no major non-conformances identified.

### NATA reassessment audit

In July, Unitywater's Scientific Services laboratory hosted four NATA (National Association of Testing Authorities) representatives for a one-day reassessment audit. As a result of the successful audit the laboratory has extended the range of NATA accredited tests available to our customers.

### Audit of safety management system

As part of Unitywater's internal audit program, a comprehensive audit of Safety, Health and Environment systems and processes was undertaken in October 2016. The audit identified a significant number of positive findings across the operations, along with improvement opportunities that will further build on Unitywater's solid foundation.

By improving our business efficiency and reducing our total cost to serve, we will limit future price impacts on our customers.

## Improving systems and processes

New electronic recording system for liquid waste carriers

A new electronic recording system now makes it easier for liquid waste carriers to do business with Unitywater. Paper docketts have been replaced by a key fob system which identifies the carrier and type of waste, accurately measures the volume of liquid waste discharged to our sewage treatment plants and links with our billing system to automatically invoice the carrier.

Mobile Field Office goes live

In June Unitywater launched our new Mobile Field Office. This technology platform simplifies how operational staff do their day to day tasks like planning, asset management and work orders on an easy-to-use interface. Having everything on the one platform greatly improves users' efficiency and effectiveness.

Process improvement initiative

Our dedicated Process and Continuous Improvement team has supported the organisation to save more than 2000 hours in staff effort throughout 2016-17. Their work supported the removal of waste and duplication in business processes, resulting in improved customer experience and increased quality of service. Within Unitywater, the team focused on streamlining administration services, and externally turned their attention to development and private works services.



# 2000

*staff hours saved through process improvement*

Restructure of Network Operations

A reshaped Network Operations area has formed two centres of excellence that provide greater levels of efficiency, enabling us to respond to our customers' needs faster than ever. One is focussed on command, communication and control of Unitywater's water and sewerage network and the other on the execution of field work to minimise disruption to services.

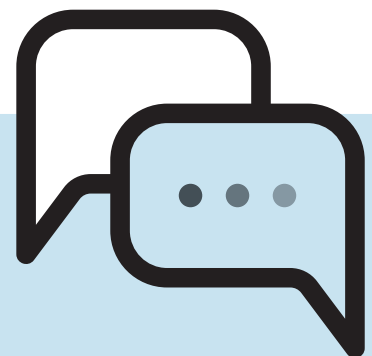
## AWARDS RECOGNISE OUR INNOVATION AND EFFICIENCY

### Unitywater wins Project Management Award for Tariff Reform

In September we won the Regional Project of the Year Award at the Queensland Project Management Achievement Awards for our Tariff Reform project. The winning project transformed our pricing structure by streamlining customer fees and charges.

### Event management highly commended in Premier's Sustainability Awards

Unitywater's innovative use of water network monitoring software TaKaDu was highly commended at the 2016 Premier's Sustainability Awards in November. We have developed an offer for small utilities to take advantage of the technology, saving money and improving water security.



## Improving asset performance and utilisation

### Upgrading the Sunshine Coast sewerage network

During the year Unitywater progressed several sewerage projects on the Sunshine Coast. Each will increase the capacity and efficiency of the sewerage network, meet forecast population growth and alleviate the frequency and severity of sewage overflows in extreme wet weather.

- Caloundra and Mountain Creek sewerage upgrade

In early 2017 we began construction of two new sewerage pipelines to the Kawana Sewage Treatment Plant: a 2.5 kilometre sewerage main from Caloundra Road along Nicklin Way, and a 3.2 kilometre main from Mountain Creek along Kawana Way. Unitywater is investing \$30.9 million in the pipelines, the majority of which are being constructed using horizontal directional drilling which will minimise disruption to the community and environment. They are due for completion in January 2018.
- Central Caloundra sewerage main

We constructed a new sewerage main 500 metres through central Caloundra, with the majority tunnelled to minimise disruption to the community, traffic and a holiday park. The \$3.7 million project was completed between July and December.
- Upgrade of Caloundra sewage pump station

In February we began a \$9.2 million augmentation of the major Caloundra sewage pump station, a project that will significantly reduce wet weather sewage overflows in the Caloundra CBD and Golden Beach.
- Maroochydore sewerage upgrade

In June we completed Stage 1 of a \$15.9 million upgrade to Maroochydore's sewerage network. A new 3.3 kilometre sewerage main is being built in three stages using a combination of horizontal directional drilling and trenching. The final stage of the project is due for completion in November 2018.

### Savings through leak detection

Over the course of the year Unitywater continued to refine our use of TaKaDu technology, and along with timely responses and repairs, prevented the loss of \$1.5 million worth of water. TaKaDu is an advanced software tool used to monitor water networks, analysing trends and abnormalities and alerting us when potential leaks and network faults are detected.

### Petrie water supply upgrade project

A joint project between Seqwater and Unitywater to connect and secure 100,000 Moreton Bay residents to the South East Queensland Water Grid was launched by the Minister for Energy, Biofuels and Water Supply Mark Bailey in July. The project involves constructing a new water main connecting the Northern Pipeline Interconnector to the Petrie Water Supply Scheme (consisting of Dakabin, North Lakes, Mango Hill, Kallangur, Murrumba Downs, Griffin, Petrie, Lawnton and Strathpine areas), a water pumping station and a water treatment facility. The new infrastructure is scheduled to be operational by the end of the 2017 calendar year for an investment of \$16.5 million.

### Sunshine Coast Airport water main diversion

In May we completed the relocation of a 2.7 kilometre water main that services Coolum and Peregian. The main had run beneath a section of the Sunshine Coast Airport; relocating it to outside the boundary enables us to service our water infrastructure without impacting on airport operations.

### Leading the industry in asset management practices

Our participation in the Water Services Association of Australia asset management benchmarking project during 2016 identified Unitywater as a leading water utility in Australia. Unitywater has leading practices in:

- integrated system planning and investment prioritisation
- strategic planning and demand forecasting
- asset acquisition process providing best value lifecycle solutions.

Forty-four participants from Australia, New Zealand, USA, Canada, Japan and the UK took part in the project. Our participation report identified that since the 2012 survey we had made significant improvements.

### Redcliffe Sewage Treatment Plant rehabilitation

Work to rehabilitate the Redcliffe Sewage Treatment Plant continued throughout the year. The \$28.6 million project began in early 2015 and remains on track for completion in late 2018.

**\$1.5M** *worth of water saved through leak detection technology*

## Operating efficiently

### Higher density development in brownfield areas

We continue to collaborate with the Sunshine Coast Council and Moreton Bay Regional Council to identify and encourage higher density development in brownfield urban areas. This work aims to improve the utilisation of existing water and sewerage assets. In those areas where network capacity already exists, higher density can be encouraged via reduced infrastructure charges and we worked with councils to develop such a policy.

**\$1.4M**  
*saved on energy*

### Energy reduction program

Unitywater's Energy Reduction Program has realised annualised energy savings of \$1.4 million which represents 14.4 per cent of the 19 per cent savings target by the end of 2016-17. A number of significant initiatives will be completed before the end of 2017 which will see year-on-year energy savings nearer the planned 19 per cent.

### Negotiation of three federal Enterprise Agreements

Following extensive consultation and collaboration, Unitywater successfully negotiated and implemented three updated Enterprise Agreements during the year. Covering more than 80 per cent of the workforce, these agreements balance favourable employment conditions, long-term security and the needs of our customers.

### Fast-track development services

During the year we received 151 applications for our fast-track approval service. Our fast-track service offers an express assessment for Development Applications, reducing the normal 20 days to five days. It has been offered since July 2015 and has received 199 applications since then.

### Collector app

During the year we configured a mobile mapping app that improves the efficiency of contractors engaged in asset inspection and replacement programs. The app provides up-to-date maps to assist with asset location, as well as capturing information including photos that can be seen in near-real-time in the office.

### Valve and hydrant replacement

During the year Unitywater replaced 2614 hydrants or valves in Morayfield, Burpengary, Deception Bay, Tewantin, Beerwah, Caboolture, Nambour, Coolum Beach and Sunshine Beach. We inspected a further 6865 assets across various suburbs. Future replacement programs will be determined based on this inspection data.

**2614**

*hydrants and valves replaced  
across our service area to  
ensure fire flow rates*

To succeed in all our endeavours we need an engaged, capable and innovative workforce.

## Creating a proud and productive workforce

### Unitywater named as endorsed employer of women

Unitywater is the first water and sewerage utility in Australia to be recognised by Diverse City Careers as an endorsed employer of women. Through our Women of Unitywater network we have implemented various initiatives to enhance the work environment for all staff, including women. These include increased options for workplace flexibility through job-sharing or part-time classifications, paid parental and carer's leave and other measures that spread a culture of support for women in our workforce.

### Unitywater scholarship awarded

In keeping with our long-standing partnership with University of the Sunshine Coast, this year we presented the Unitywater Scholarship in Civil Engineering to a 21-year-old female student. In addition to the \$10,000 prize and paid vacation work over the summer break, the winning student is also guaranteed employment as part of Unitywater's three-year Graduate Development Program on completion of their degree.

### Graduate program

Unitywater's graduates made valuable contributions to the organisation throughout the year as they rotated across engineering and non-engineering business units as part of the graduate program. As part of a group innovation project they are working together to develop a tracking tool to aid future capital works scheduling and process upgrades for the Maroochyodre Sewage Treatment Plant. Individual involvement has also included the Smart Seeds innovation program, presentation at AWA meetings and participation in the Waterathon innovation event and the Under 35s Network. Our next six graduates will include non-engineering disciplines for the first time, with opportunities being offered to finance, business and human resources graduates.

### Student work experience

Unitywater offers opportunities to local university students through a formal vacation program and industry-based learning placements. During the year, students were drawn from a range of disciplines including engineering, finance and economics, marketing and communications and social science. Local high school students are also given the opportunity to understand the work of Unitywater through a one week work experience placement.

We also helped University of the Sunshine Coast town planning and engineering students gain practical experience by providing data, software and real-life infrastructure scenarios as part of their course work. Students undertaking

the Strategic Infrastructure Planning subject have been able to merge their studies with industry-specific information and solve problems using a simplified version of Unitywater's demand forecasting software.

### Leadership development

Leadership development remains a key focus for Unitywater. Since July approximately 150 staff have participated in leadership development programs including Transformational Leadership, Frontline Leadership and Emerging Leader development.

We launched the Emerging Leader program during the year; it aims to develop foundational leadership capabilities in the next generation of our leaders. Thirty-four people were identified for the program based on their individual performance, demonstration of values and talent-based criteria.

Following the annual performance review, Unitywater undertakes formal succession planning of the leadership group, improving talent identification and retention.

### Mentoring program

Unitywater's first mentoring program was launched in 2017 with approximately 40 participants (both mentors and mentees) identified through talent and succession planning. The nine month program supports employee professional learning, development and collaboration across the organisation.

### Competency-based Water Industry Worker Framework

A new competency-based Water Industry Worker framework was rolled out this year, providing our outdoor civil workforce the opportunity to refresh and improve their skills. The nationally recognised formal training and skills-based career pathways ensure a highly responsive, adaptable and agile workforce.

### Building cultural diversity at Unitywater

By creating opportunities for diversity of thought, a diverse workforce contributes to innovation and improve overall team performance. Unitywater's Diversity and Inclusion Program is focused on reflecting our community and creating diversity and inclusion. As part of the program, the Unitywater community came together for NAIDOC week to learn more about Indigenous Australian culture, and again in February for a Cultural Diversity Month celebration to learn more about the different national cultures. We have also commenced the development of a Reconciliation Action Plan, a framework to realise our vision for reconciliation.

## Improving our workforce's safety, health and wellbeing

### Life Saver Rules relaunch

Unitywater relaunched the Life Saver Rules to all staff through the year, reinforcing the importance of thinking safe and working safe. The Life Savers are seven straight forward rules that are pivotal to upholding the integrity of our safety management system.

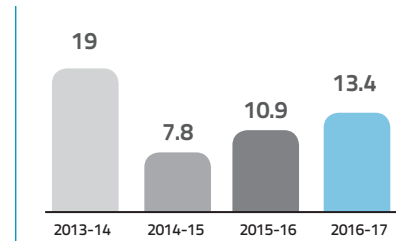
### Safety and Compliance Training Framework

Keeping employees safe, compliant and technically proficient continues to be imperative for Unitywater. Our online training and assessment, delivered through our Safety and Compliance Training Framework to deliver role-specific, compliance-based training, consistently achieved a 99 per cent training completion rate throughout the year.

### White Ribbon accreditation

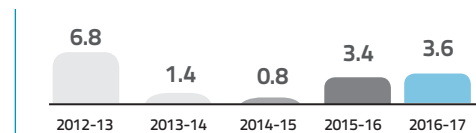
Unitywater is committed to stand against domestic and family violence. As early adopters and supporters of the White Ribbon program, we completed phase one and are seeking full White Ribbon Australia Workplace Accreditation. This program extends our ability to make a real difference for people living with domestic and family violence.

### Significant injury frequency rate\*



\*Per million hours worked.

### Lost time injury frequency rate\*



\*Per million hours worked.

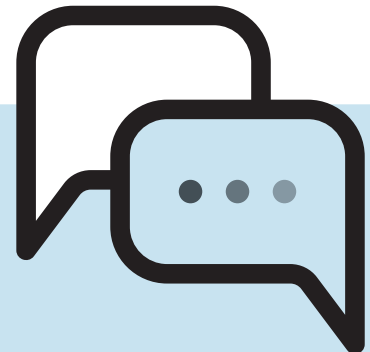


## CULTURAL DIVERSITY SURVEY RESULTS



**A survey of Unitywater employees in early 2017 revealed that we are more diverse than the communities we serve. Of Unitywater staff:**

- 2.2 per cent identify as Aboriginal or Torres Strait Islander
- More were born in a country other than Australia
- 15 per cent speak a primary language other than English



“ I have worked in a few different countries in my life and various organisations and I personally find Unitywater the most forward thinking, culturally sensitive and respectful to individuals. ”

“ In my opinion a lot of other companies across Australia could learn from Unitywater. ”

“ There are people around me from all parts of the world and how quickly they all become part of the one team culture is a credit to how this organisation works. ”

## Workplace skin checks

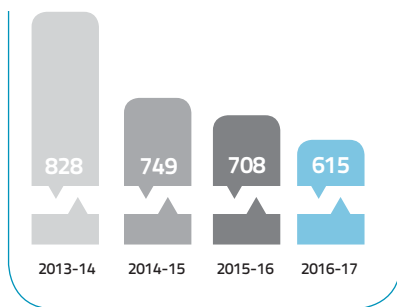
In 2015 our annual health profiling identified that 65 per cent of participating employees had high or moderate risk due to sun exposure. As a result we engaged Skin Patrol, a mobile medical practice dedicated to performing onsite skin checks, to provide a skin check program for staff. They examined 270 Unitywater employees, a third of whom had moderate to severe sun damage. Importantly, 43 employees required follow up treatment, five urgently.

## Workforce profile

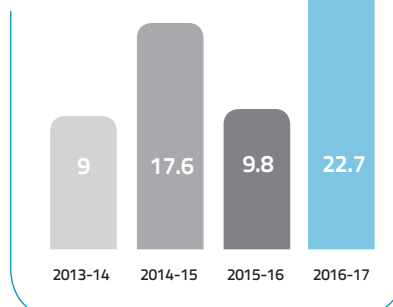
At the end of June 2017, Unitywater employed 615 full-time equivalent staff, with a broad range of professional, paraprofessional, technical and trades skills and competencies.

Secondments or acting in higher duties are a means of providing valuable experience and development opportunities for employees. During the year 119 secondments or elevation to higher duties occurred. Another 15 staff were promoted to new positions.

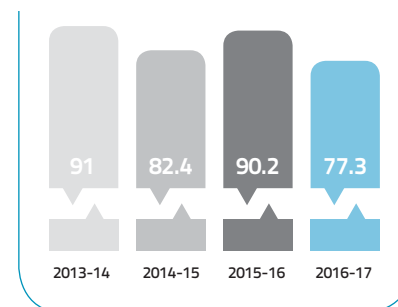
### Full-time equivalent employees



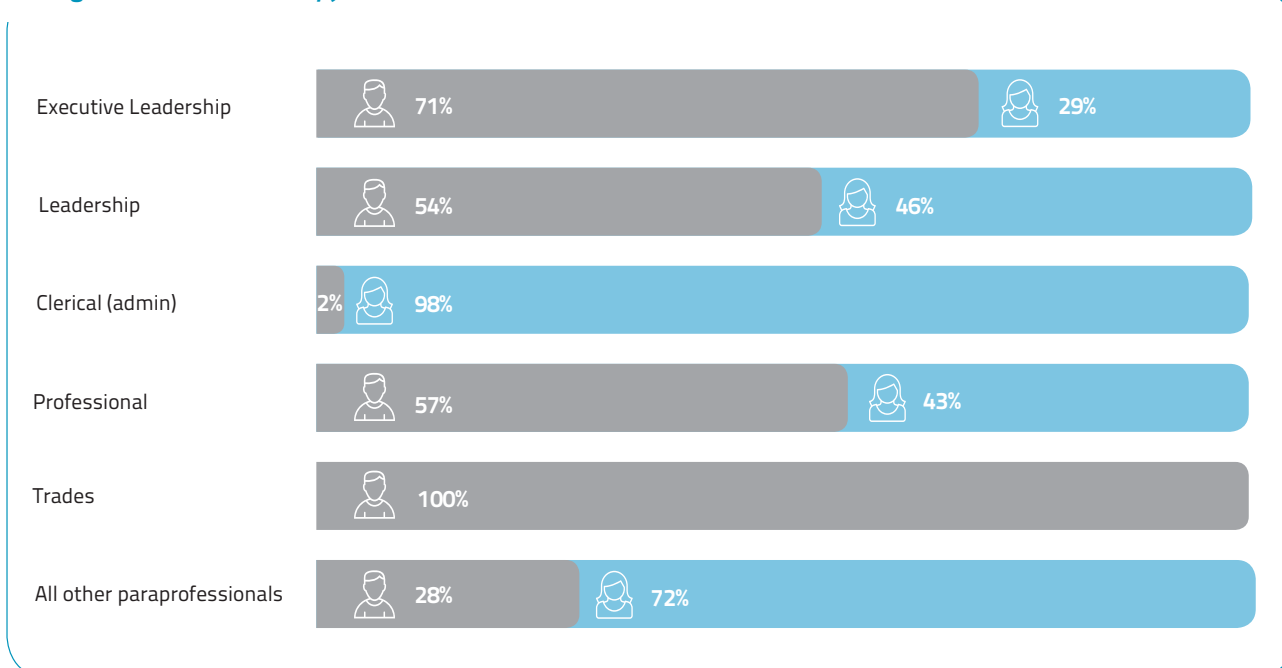
### Permanent separation rate (%)



### Permanent retention rate (%)



## 2017 gender distribution by job





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 29 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 ethics principles and ethics values in the *Public Sector Ethics Act 1994*.

Code of Conduct training is provided to all new employees. Existing staff undertake retraining every two years. The next round of Code of Conduct training is proposed to be completed by all staff in the first quarter of 2018.

## 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 entity's 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 2016-17 the internal auditors have successfully completed all audits identified in the annual plan, as well as a review of Unitywater's assurance map which was 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 continue to proactively communicate with all staff about their record keeping obligations via training workshops, individual training and the use of fact sheets.

In 2016-17 we:

- commenced implementation of an Asset Technical Library – a searchable drawing and technical document management solution
- commenced disposal of legacy records under the approved Retention and Disposal Schedule
- decommissioned network drives with redundant processes and duplicated information
- commenced implementation of the 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 144 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 [qld.gov.au/data](http://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 2016 Ms Fiona Waterhouse was appointed to the Board to replace Ms Kate Farrar, who resigned to take up a role interstate.

### 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 for seven years. Jim is involved in many activities in South-East Queensland. He is also the Chair of CS Energy and Propel Partnerships, a joint venture by the LGAQ and Aegis.

### 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 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

(Resigned August 2016)

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.

### Fiona Waterhouse

B Mfg Mgt, Dip Env Studies, Cert Business, GAICD

(Appointed September 2016)

Fiona is CEO of bioenergy developer Utilitas, one of the pioneers of the emerging industrial bio-products market in Australia. A production engineer by trade, Fiona has owned and advised industrial and technology-related business for the past 20 years. The Business Sustainability Roadmap that she developed as part of her role in the Queensland Environment Department between 2000 and 2003 was recognised as a sustainable development milestone for Queensland.

### Barry Casson

MAICD

Barry was initially in Chartered Accounting before moving into corporate finance roles working in accounting firms, corporate finance and executive management positions for more than 40 years. His roles have predominantly been as a consultant or executive in the mining sector, although his background also includes property development and agribusiness. Until 12 December Barry served as non-executive Chairman of Metallica Minerals Limited (ASX listed) and he is 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 Australia and as Managing Partner of global consulting firm Environmental Resources Management (ERM). From 2001 until 2015 he was Chairman of the Oil Stewardship Advisory Council and he 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 2016-17

Board Member	Eligible to attend	Meetings attended
Jim Soorley	11	11
Sharon Doyle	11	9
Barry Casson	11	11
Mike Williamson	11	11
Kate Farrar	3	3
Fiona Waterhouse	8	8

## Board committees 2016-17

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
		Sharon Doyle	4
		Fiona Waterhouse	3
		Kate Farrar (resigned)	1
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)	4
		Jim Soorley	4
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)	4
		Barry Casson	4
Sustainability and Innovation Committee	The Sustainability and Innovation Committee provides direction on environment and sustainability and strategies for innovation and commercialisation that contribute to cost reduction.	Fiona Waterhouse (Chair)	2
		Jim Soorley	3
		Sharon Doyle	2
		Mike Williamson	3
		Kate Farrar (resigned)	1

## 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.

### Michael O'Toole

ACTING EXECUTIVE MANAGER INFRASTRUCTURE SERVICES  
(TO SEPTEMBER 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.

### Rob Dowling

BCom (IR/OrgPsych), MBA  
EXECUTIVE MANAGER CUSTOMER DELIVERY  
(FROM SEPTEMBER 2016)

Rob brings extensive operations experience across the water industry, where his roles have included Chief Operating Officer for Suez Environment in North America and General Manager at South Australian Water Corporation. With a background in production management in the automotive sector and industrial relations, Rob possesses a strong focus on change management, lean, safety, innovation, developing teams, and delivering beneficial outcomes for the customer.

### 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, FAIRI  
EXECUTIVE MANAGER PEOPLE, CULTURE AND SAFETY

Kenan has more than 25 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

MSc (Eng), BSc (Hons), FIEAust, CPEng, EngExec, NER APEC, RPEQ, MAICD  
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), FCPA, 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  
(TO APRIL 2017)

Jane is an experienced lawyer and senior executive with post-graduate qualifications in environmental and planning law as well corporate governance.

### Cameron Lawrie

BCom, LLB (Hons)  
ACTING GENERAL COUNSEL AND COMPANY SECRETARY  
(FROM MAY 2017)

Cameron has been the Manager of Legal Services at Unitywater since 2014. He has 30 years' legal experience working in the private, public, water and electricity sectors with a background in corporate law, general commercial law, manufacturing, private equity and public private partnership initiatives.

Unitywater made a profit of \$5.3 million after excluding developer contributions (comprising gifted assets and cash) of \$130.2 million from profit after tax. This compares to an adjusted loss of \$7.4 million in 2015-16. 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 profit or loss below highlights the reliance by Unitywater on developer contributions.

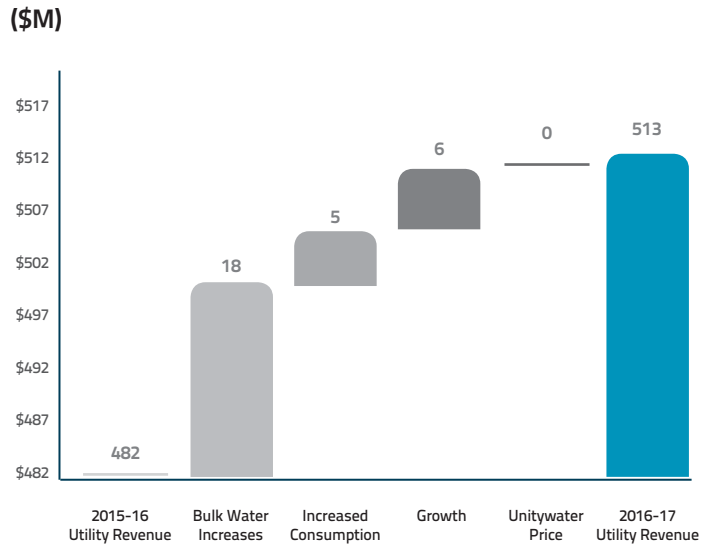
	2012-13 \$M	2013-14 \$M	2014-15 \$M	2015-16 \$M	2016-17 \$M
<b>STATEMENT OF PROFIT OR LOSS</b>					
<b>Revenue</b>					
Utility charges	414.0	448.2	474.2	482.4	512.8
Fees and charges	5.7	7.7	7.7	8.0	7.7
Developer contributions	84.3	118.9	117.5	143.7	130.2
Other income	15.7	14.5	13.8	16.3	18.8
<b>TOTAL REVENUE</b>	<b>519.7</b>	<b>589.4</b>	<b>613.2</b>	<b>650.4</b>	<b>669.5</b>
<b>Operating Expenses</b>					
Bulk water purchases	(112.0)	(131.3)	(143.7)	(150.8)	(170.2)
Employee expenses	(68.2)	(69.6)	(70.2)	(67.8)	(64.1)
Supplies and services	(68.0)	(70.1)	(69.5)	(75.3)	(81.3)
Depreciation and amortisation	(79.8)	(81.3)	(86.0)	(79.0)	(79.7)
Impairment losses	-	-	(6.7)	(0.3)	(1.8)
Finance and borrowing costs	(93.3)	(75.7)	(82.2)	(80.8)	(79.8)
Other expenses	(4.4)	(7.9)	(5.3)	(11.2)	(12.3)
<b>Total operating expenses</b>	<b>(425.6)</b>	<b>(435.8)</b>	<b>(463.6)</b>	<b>(465.2)</b>	<b>(489.2)</b>
Profit before tax	94.1	153.6	149.7	185.3	180.3
Tax expense	(26.6)	(45.0)	(39.8)	(48.9)	(44.8)
<b>PROFIT AFTER TAX</b>	<b>67.5</b>	<b>108.6</b>	<b>109.9</b>	<b>136.3</b>	<b>135.5</b>
<b>ADJUSTED PROFIT</b>					
Profit after tax	67.5	108.6	109.9	136.3	135.5
Developer contributions	(84.3)	(118.9)	(117.5)	(143.7)	(130.2)
<b>Profit/(Loss) ex developer contributions</b>	<b>(16.8)</b>	<b>(10.4)</b>	<b>(7.6)</b>	<b>(7.4)</b>	<b>5.3</b>

## Revenue

In 2016-17, total revenue increased by \$19.1 million or 2.9 per cent. This change is made up of a decrease in capital revenue of \$13.5 million, an increase in utility revenue of \$30.4 million and an increase in other revenue of \$2.2 million.

The change in utility revenue was primarily driven by increases in Seqwater bulk water charges, which Unitywater is required to pass on to customers, growth in the region with over 8000 new connections over the last year and higher levels of consumption during the year due to a dry summer affecting customers' water usage.

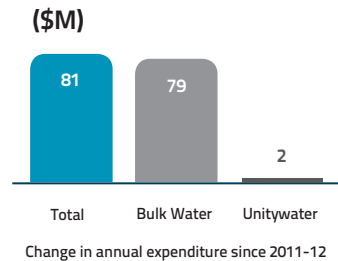
The adjacent figure shows Unitywater's utility revenue movement from 2015-16 to 2016-17.



## Expenses

Operating expenses increased by \$24 million (5.2%) from 2015-16. Driven primarily by higher bulk water costs which increased by \$19.4 million (12.8%).

Since 2011-12, Unitywater's own operating expenses have only marginally changed (\$2 million increase from 2011-12), whereas Seqwater bulk water charges have increased by \$79 million. Our continued focus on key strategic initiatives aimed at driving down costs throughout 2016-17 has enabled us to reduce costs and thereby freeze the overall average price again in both 2016-17 and 2017-18. This has included reducing the number of full time equivalent staff from 708 to 615 during the year (13.1%). Unitywater's focus is to continuously seek out opportunities to maintain controllable operating costs.

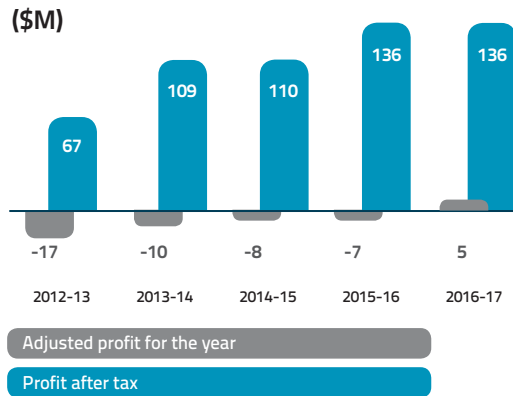


## Profit/Loss

Excluding developer contributions, Unitywater made a profit after tax of \$5.3 million for 2016-17.

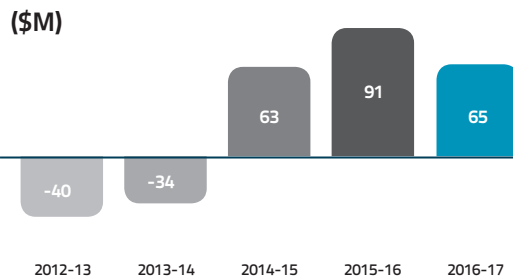
Developer contributions include cash to fund water and sewerage infrastructure, and infrastructure given to Unitywater to manage and maintain into the future.

Unitywater intends to reinvest operating profits into reducing future costs, improving efficiencies and delivering more services to customers.



## Net cash flows from operating and investing

Net cash flows from operations and investing remained positive in 2016-17 mainly due to greater cash contributions from developers.



## Assets invested per customer

Our \$131.8 million investment in water supply, sewerage and supporting infrastructure in 2016-17 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.

Assets invested per customer has reduced from the prior year by 0.8% which demonstrates our focus on serving more customers with less assets and increasing efficiencies across the water and sewerage network.

