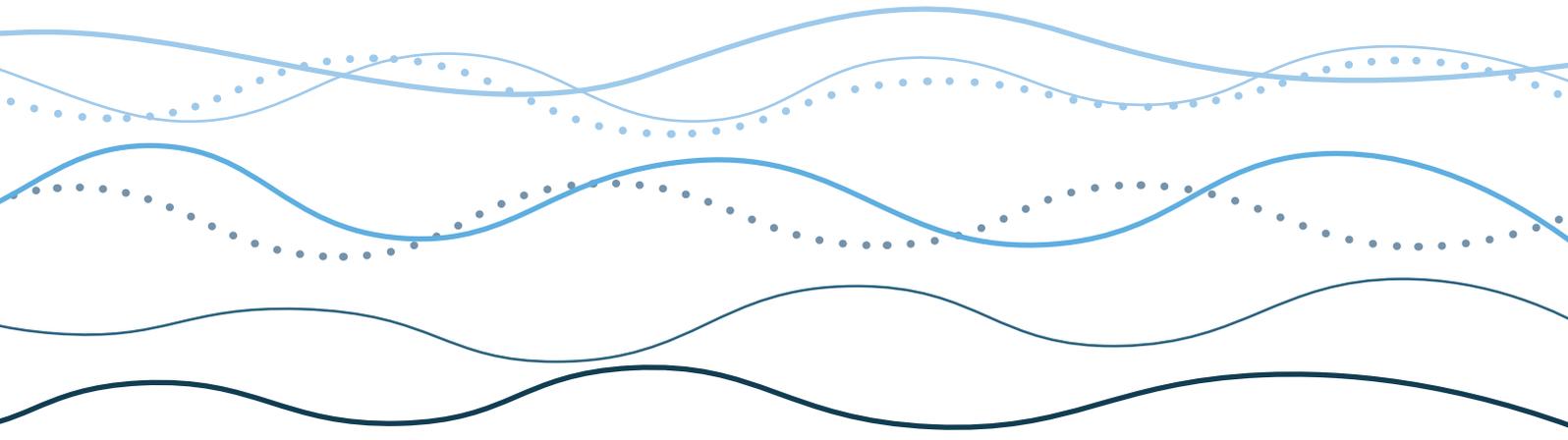




2019/20

ANNUAL
OPERATIONS
REPORT

A LOOK BACK



WIDE BAY **water**

water today  water tomorrow



 Puigul Sewage Treatment Plant

CONTENTS

Overview

| | |
|----------------------------------|---|
| About us..... | 4 |
| Annual Performance Plan..... | 5 |
| Local Government Directions..... | 5 |

Objectives

| | |
|--------------------------|---|
| Vision..... | 6 |
| Business Objectives..... | 7 |

Governance structure & committee

| | |
|-------------------------------------|----|
| Committee Profiles..... | 8 |
| Members attendance at meetings..... | 10 |
| Meeting dates..... | 10 |

Executive team

| | |
|---------------|----|
| Profiles..... | 11 |
|---------------|----|

Performance summary

| | |
|------------------------------------|----|
| Key Financial Performance..... | 14 |
| Key Non-Financial Performance..... | 15 |

Operational summary

| | |
|------------------|----|
| Water..... | 16 |
| Sewerage..... | 18 |
| Engineering..... | 20 |
| Environment..... | 22 |
| Reuse..... | 24 |
| Quality..... | 26 |

OVERVIEW



Wide Bay Water (WBW) is a Commercial Business Unit of the Fraser Coast Regional Council (FCRC) providing water and sewerage services to the Fraser Coast.

This Annual Operations Report has been prepared in accordance with s190 of the *Local Government Regulation 2012*.

The report provides a summary of WBW's major activities over the 2019/20 reporting year, including an assessment of our performance against the financial and non-financial targets defined in the WBW Annual Performance Plan 2019/20.

About us

WBW's major operating assets include one dam and three weirs, four water treatment plants (WTP), eight sewage treatment plants (STP) and two integrated reuse schemes. At the end of the 2019/20 year underground assets comprised 1139km of water mains, 789km of sewerage mains and 72km of effluent reuse mains.

Services provided include management of water storages including the safe operation of the region's referable dams, management of two bulk water supply schemes and customers, water treatment and distribution, sewerage collection and treatment and effluent reuse.

WBW remains a proactive member of the water industry, contributing to research and innovation, improvements in service delivery, and partnership services with other water utilities.

WBW is governed by an Executive Management Team, and Non-Executive Advisory Committee that consists of external members and Councillors and is appointed under s264 of the *Local Government Regulation 2012*. The organisation continues to adopt best-practice standards in service and performance delivery that support its operations and their compliance with the broad regulatory environment in which it operates. WBW hold third party accreditations in Quality (ISO 9001) and Food Safety (ISO 22001).

WBW's Scientific Services Laboratory is accredited by the National Association of Testing (NATA) to standard ISO17025. The Laboratory continues to provide an extensive range of testing services for internal and external customers under the business name WaterOne Laboratory Services.

WBW's Engineering unit provides services and support to internal and external customers in the form of strategic planning, development services, design of pump stations and treatment plants, network modelling, delivery of capital development projects and operational technical support.

Annual Performance Plan

The WBW Annual Performance Plan 2019/20 was resolved by Council at its Special Meeting No. 3 held on Monday 24 June 2019.

The Annual Performance Plan (the Plan) was established in accordance with the requirements of section 175 (2) of the *Local Government Regulation 2012*. The Plan outlines the nature and extent of WBW's operations, its vision and objectives, and the financial and non-financial performance targets that guided its operations in the 2019/20 year.

No changes were made to the Performance Plan during 2019/20.

Local directions

There were no local government directions issued to WBW during 2019/20.

OBJECTIVES

Vision

Our vision is to be a customer-focused Business Unit of Council delivering sustainable water, sewerage and waste services to build better communities for the Fraser Coast.

Business objectives



Lifestyle

A safe and vibrant community that promotes a preferred place to live.



Governance

An effective organisation providing excellent service delivery through strong leadership, democratic principles and effective management of people, assets and finances.



Built environment

Resilient regional infrastructure that will support and cater for future growth.



Natural environment

Minimise our environmental impact by preserving the unique natural environment the Fraser Coast has to offer.



Prosperity

A strong, diversified and resilient economy that supports growth and long term employment.

GOVERNANCE STRUCTURE & COMMITTEE



Cliff Searle Chairman

Cliff was admitted as a Member of the Association of Hydraulic Services Consultants Australia (Qld) Inc. (AHSCA) in 1993 and in 2015 was awarded a life membership.

In 1985, Cliff was elected as an Alderman for the Hervey Bay City Council and re-elected in 1989. During his six-year period in Council, his major focus was water and sewerage.

Cliff operated his own hydraulic design business, Water Wise Design Pty Ltd up until January 2015 at which time he decided it was time to retire.

Cliff is an avid golfer and President of the Hervey Bay Golf Club and spends many days enjoying his favourite pastime.



Lance Stone

Lance is a graduate of the Australian Institute of Company Directors. He is Managing Director of a group of Community Based Organisations, private companies and social enterprises.

Lance is currently the:

- Treasurer - Maryborough Chamber of Commerce
- Deputy Chair - Wide Bay Water and Waste Services
- MD - Fraser Coast Training Employment Support Service Inc. (TESS) RTO # 1826
- MD - Maisie Kaufmann Learning Centre Inc. RTO #5205
- MD - Coral Sea Training RTO #32221
- MD - Fraser Coast Palliative Care and Active Plus Life-Style Options
- MD - BAYS Inc.

Lance's other community interests include; family, sport, youth mental health, life-long learning, homelessness, social justice and social inclusion.



David Lee

Representing Division 9, Councillor David Lee has over thirty years' experience in the health sector including the armed forces and fifteen years as a Chief Executive Officer. David's background and training in commerce, governance and law has well equipped him in representing Division 9, which includes a high representation of business premises, tourism hotspots, short-term accommodation and suburban dwellings. Division 9 in Hervey Bay takes in Scarness and sections of Torquay, Pialba and Kawungan including Seafront Oval, Scarness and Torquay Esplanade parklands, Apex Park and beach areas.

Along with his membership on the Wide Bay Water and Waste Services Advisory Committee, David is a Director in the Not for Profit Sector and an Independent member of the Fraser Coast Regional Council Audit Committee.



Paul Truscott

Paul is the Councillor representing Division 3 which stretches from the Bruce Highway in the west to the Mary River in the south and Saltwater Creek in the north. Division 3 holds some iconic local landmarks including the Maryborough Airport, the Original Maryborough Site, ANZAC Park (Ululah) and the Maryborough Hospital.

Paul is a fifth-generation local to Maryborough and has years of multi-level government experience in addition to working in and managing private business. Paul is incredibly passionate about Maryborough, the Fraser Coast and the opportunities available in the region.



Peter Borrows

Peter is Director of Kedron Consulting Pty Ltd and Independent Director of Murrumbidgee Irrigation Ltd (MI).

Peter is a member of MI Board's Infrastructure Committee and a member of the Remuneration and Nominations Committee. Peter is MI's alternate delegate for the National Irrigators' Council.

Peter's qualifications include; Graduate Diploma in Business Administration and Bachelor of Engineering. Peter is also a Fellow with Australian Institute of Company Directors and a Fellow with the Institute of Engineers.



Randal McLellan

Dr Randal McLellan holds a number of Board positions in various capacities and has a particular interest in efficient and effective corporate governance to help organisations achieve their objectives.

Dr McLellan served two terms as a Councillor for the Hervey Bay City Council from 1997 to 2004.

Dr McLellan is also a Graduate of the Australian Institute of Company Directors (GAICD). Dr McLellan also has a interest in coastal and marine issues and in his spare time enjoys travel, boating, camping and fishing.

GOVERNANCE STRUCTURE & COMMITTEE



Anne Maddern

Anne is a long-term resident of Maryborough and former local small business owner. Anne's many years working in the real estate industry as a property valuer has given her a broad understanding of accounting, economics, land law, building construction, surveying and town planning as well as skills in operating a business.

Anne also previously held the position of Member for Maryborough in the State Parliament. Her focus is on working collaboratively to build a better community.



Darren Everard

Darren Everard was elected to FCRC in April 2012 and is presently the Deputy Mayor FCRC. Darren has past business experience in retail and has had international business experience in the areas of retail, training, marketing and business development in key Australian export markets.

Darren holds a Masters of Professional Studies (USQ) and is also the President of the Hervey Bay Surf Life Saving Club. Darren has been a member of the Wide Bay Water and Waste Services Advisory Committee since May 2018; he also sits on the Planning and Development and Economy Round Tables.

Committee meetings

| Member attendance at Committee meetings | |
|---|---|
| Cliff Searle | 8 |
| Lance Stone | 8 |
| Peter Borrows | 8 |
| Randal McLellan | 8 |
| Anne Maddern | 6 |
| Darren Everard | 6 |
| Paul Truscott* | 2 |
| David Lee* | 2 |

| Committee meeting dates 01/07/2019 – 30/06/2020 |
|--|
| 06 August 2019 |
| 17 September 2019 |
| 22 October 2019 |
| 26 November 2019 |
| 04 February 2020 |
| 10 March 2020 |
| 08 May 2020 |
| 19 June 2020 |

Crs Truscott and Lee replaced Crs Maddern and Everard on 29 April 2020.

EXECUTIVE TEAM



Mark Vanner
Director

Mark was appointed to the position of Director in January 2019 to provide leadership, strategic direction and management of Council's water, wastewater and waste functions.

Commencing his professional career in fields of biotechnology and medical device manufacturing, Mark joined Council in 2006 in the area of catchment and bulk water management. Mark has been a member of the Executive Team since 2012 where he led the compliance and regulation function to support the water business in the area of bulk water operations, drinking water quality, dam safety, environmental compliance, work health and safety, scientific services and quality management. Additionally, in 2016 he led the Waste Operations, providing planning and management of Fraser Coast's resource recovery and waste management services.

Mark holds a Bachelor Degree in Aquatic Resource Management, Master of Environmental Management, Graduate Certificate in Professional Legal Studies and is currently undertaking his Master of Business Administration.

Mark is a Graduate of the Australian Institute of Company of Directors (GAICD) and is the current Director of Football Queensland Wide Bay.



Darren Smith
Executive Manager Network
Operations and Maintenance

Darren joined Council in 2006 in the position of Operations Manager and was appointed to the role of Executive Manager of Network Operations and Maintenance in May 2019. He leads multidisciplinary teams responsible for the safe and efficient delivery of water and sewerage services to connected properties within the Fraser Coast community and ensures sustainable maintenance management practices for all operational assets. In 2018 he successfully completed a Diploma in Leadership and Management from AIM.

Darren has gained 34 years engineering experience after commencing his career with BHP as a mechanical engineering trainee in 1986 where he was dual indentured to obtain his Fitting and Turning Trade Certificate and an Associate Diploma of Mechanical Engineering. During his employment with BHP and then Linde Gas, he predominantly held positions in asset maintenance management with responsibilities for heavy engineering steel and gas sites including large industrial wastewater treatment plants. This diverse career path has provided Darren with a very broad and in-depth level of skills, knowledge and he now has 17 years' experience in the Australian water industry.

EXECUTIVE TEAM



Cameron Ansell
Executive Manager Process Operations

With 18 years' experience in the water industry across the agricultural and Local Government sectors, Cameron as Executive Manager of Process Operations, leads a team operating Council's water and sewerage treatment plants, recycled water scheme's and the WaterOne Laboratory.

Cameron gained 15 years of considerable operational experience in delivering safe drinking water supplies and sewage treatment services on behalf of various communities. He holds an Associate Degree in Engineering (Environmental) and is currently completing a Bachelor of Engineering (Environmental), both through the University of Southern Queensland.



Trevor Dean
Executive Manager Engineering and Technical Services

Trevor has worked for Council since 1995 and has held management roles since 2005. Trevor leads the Engineering and Technical Services team that predominately works in the planning and project delivery aspects of the water business; he has had experience in Asset Management Systems, Process Engineering, Electrical Engineering and Environmental aspects having managed teams responsible for these functions.

He was awarded an Associate Degree in Civil Engineering in 2001 and a Bachelor of Engineering (Civil) in 2006, both from the University of Southern Queensland. He is both a Registered Professional Engineer Queensland (RPEQ) and a Registered Professional Engineer (RPEng). In addition, he is a board member of the Institute of Public Works Engineers Queensland (IPWEAQ), member of the Queensland Water Directorate Technical Reference Group, member of the WBBROC Urban Water Technical Committee and a PRINCE2 Practitioner.

As Executive Manager of Engineering and Technical Service, Trevor is responsible for managing an interdisciplinary team that facilitate WBW's interaction with private developers, undertake short and long term planning, deliver infrastructure projects and provide guidance on environmental licencing and compliance matters.



Graham Cole
Business Services Manager

Graham has been with Council since 2001 except for a two-year break in 2012-2013 when he was the Water and Sewer Coordinator at North Burnett Regional Council. He has gained a broad depth of water industry experience across various positions at WBW including Technical Officer Operations, Continuous Improvement Officer, Training and Research Coordinator, Quality, Data and Risk Coordinator and Acting Executive Manager Regulation and Waste Services.

Graham holds a Bachelor of Social Science Degree from Deakin University and a Master of Philosophy (MPhil) from Griffith University. He was also seconded to the National Water Commission in 2010-2011 for a research study into time-of-use tariffs subsequently published in a National Waterlines Report.

Graham has also had research papers published in various international water industry publications including the Urban Water Journal and Water, Science and Technology.



Umur Natus-Yildiz
Executive Manager Waste Services

Umur leads the Fraser Coast Waste Services team, overseeing the implementation and continuous improvement of Council's Waste Strategy 2019-2029. The team manages and operates Council's Maryborough Landfill and the Nikenbah Waste Transfer Stations as well as associated operational contracts to service waste bins, transport waste, operate reuse and recycling facilities and to process green waste.

Previously, Umur led the Brisbane City Council's Resource Recovery Innovation Alliance and managed the Waste Contracts Renewal Project with \$3 billion worth of waste services contracts. Along with his high-performance team, Umur received the 2017 Lord Mayor's Award of Excellence in the category 'Value for Money'.

Prior to joining local government Umur held advisory roles at Queensland Treasury Corporation and the Local Government Association of Queensland. From 1995 to 2018 Umur was also consultant and project manager to over 100 waste management projects in 19 countries.

Umur holds a Civil Engineering Master of Science (Honours) from Darmstadt University of Technology and a Master of Business Administration from Deakin University.

PERFORMANCE SUMMARY

Key Financial Performance

2019/20 Annual Financial Performance Indicators and Targets

| Indicator | Frequency | Unit | Target | 19/20 Budget | June 19/20 | Explanation | Calculation |
|--|-----------|-------|---------|--------------|------------|--|---|
| Operating Surplus Ratio | Annual | % | >20% | 22.7% | 24.6% | Indicates the extent to which revenues (utility charges, fees and charges etc.) raised cover operational expenses (employee, materials and services, depreciation and loan interest payments) which is then available for capital funding or other purposes. It represents % of profit each \$ of revenue generates. | Net Result (excluding Capital Items) divided by Total Operating Revenue (excluding Capital Items) |
| Dividend Ratio | Annual | % | >20% | 20.7% | 18.7% | The dividend payout ratio is the amount of dividends paid to owners (FCRC) relative to the amount of total net income of the entity. The amount that is not paid out in dividends is held to fund growth. The amount that is kept is called retained earnings. | Dividend / Net Operating Profit After Tax |
| Debt Servicing Ratio (I&R / Revenue) | Annual | % | <30% | 13.9% | 13.9% | The debt service coverage ratio, also known as "debt coverage ratio", is the ratio of cash available to debt servicing for loan interest and principal payments. It is used as a measurement of an entity's ability to produce enough cash to cover its debt repayments. It is the % of revenue used to repay debt. | Interest and Redemption Payments / Revenue |
| Interest Cover (EBITDA / Interest Expense) | Annual | Times | >8 | 13.4 | 13.7 | Times interest coverage ratio is a measure of an entities ability to honor its debt payments. It may be calculated as either EBIT or EBITDA divided by the total interest payable. | EBITDA (earnings before interest, tax, depreciation and amortisation) / Interest Expense |
| Total Distribution to FCRC | Annual | \$m | \$11.35 | | | | |
| - Dividends | | | | 2,000,000 | 2,000,000 | Paid to owner (FCRC) from after tax profits | Refer "Dividend Ratio" above |
| - Tax | | | | 8,500,000 | 9,000,281 | Paid to owner (FCRC) | In accordance with LGTER regime legislation |
| - Competitive Neutrality | | | | 849,882 | 935,452 | In accordance with the Competitive Neutrality principles contained in <i>Local Govt. Act 2009</i> and <i>Local Govt. Regulation 2012</i> | Based on calculated five year average debt margin on QTC borrowing rate |

Key Non-Financial Performance

2019/20 Annual Non-Financial Performance Indicators and Targets

| Hervey Bay and Maryborough | Unit | Target | Actual |
|--|--------------|--------|-----------------|
| Water | | | |
| Continuity and reliability of water supply | | | |
| Time for restoration of service within five hours – percentage of unplanned incidents | % | 95% | 100% |
| Minimum water pressure at the property boundary for 99% of connected properties (on enquiry or complaint) | kPa | 200 | >200 |
| Minimum flow at the property boundary for 90% of connected properties (on enquiry or complaint) | L/min | >20 | >20 |
| System water loss | ILI | 1.5 | 1.19 |
| Water quality | | | |
| Water at the point of delivery will meet National Health and Medical Research Council Health Guidelines for Australian Drinking Water | % | 100% | 99.4% #1 |
| Water quality at point of delivery (physical and chemical parameters) will meet National Health and Medical Research Council Aesthetic Drinking Water Guidelines | % | >95% | 99.8% |
| New service connections – water | | | |
| Installation of all 20mm and 25mm diameter service connections within maximum 20 working days | % | 95% | 88% #2 |
| Service connections greater than 25mm diameter: | | | |
| (a) Design and notification of construction price (average time from completed application) | Working days | <10 | 3.9 |
| (b) Construction time (average time from payment of fees) subject to building and development regulations being met | Working days | <20 | 7.5 |
| Sewerage | | | |
| Effective transport of waste effluent | | | |
| Total sewage overflows per 100km main | Number | <10 | 0.7 |
| Sewage overflows on to customer property per 1,000 connections | Number | <5 | 0.3 |
| Sewer odour complaints per 1,000 connections | Number | <10 | 1.1 |
| Effluent complies to Environmental Licence | % | 100% | 99.6% #3 |
| Sewerage reuse on land for 90% of the year | % | 100% | 100% |
| New service connections – sewer | | | |
| Completion of new sewer connections: | | | |
| (a) Design and notification of construction price (average time from completed application) | Working days | <10 | 3.85 |
| (b) Construction time (average time from payment of fees) subject to building and development regulations being met | Working days | <20 | 10 |
| Queensland Government – Reportable indicators | | | |
| QG 4.5 Total water main breaks per 100km of water main | Number | <20 | 7.9 |
| QG 4.6 Total sewerage main breaks and chokes per 100km sewerage main | Number | <60 | 9.4 |
| QG 4.7 Incidence of unplanned interruptions to supply per 1000 connected properties | Number | <100 | 26.4 |
| QG 4.8 Average response time for incidents causing an interruption to supply | Minutes | <60 | 44 |
| QG 4.9 Average response time for incidents causing an interruption to sewerage collection | Minutes | <60 | 30 |
| QG 4.10 Drinking water quality complaints per 1000 connected properties | Number | <5 | 0.9 |
| QG 4.11 Total water and sewerage complaints per 1000 connected properties | Number | <40 | 14.4 |

#1 Forty-six (46) parameter exceedances for THMS.

#2 Delays due to wet weather events and from third parties (i.e. estate development).

#3 Total of 20 exceedances (Aubinville had one pH, one Suspended Solids, and one E.coli exceedance. Pulgul had one pH, two Conductivity, and one DO exceedance. Eli had two pH and six Conductivity exceedances. Torbanlea had two pH exceedances. Howard had three pH exceedances.)

OPERATIONAL SUMMARY

Water



1,138.82 km
total water mains



39,527
connected water



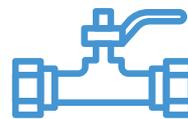
11.2 km
of new distribution
network water
mains construction



504
new services

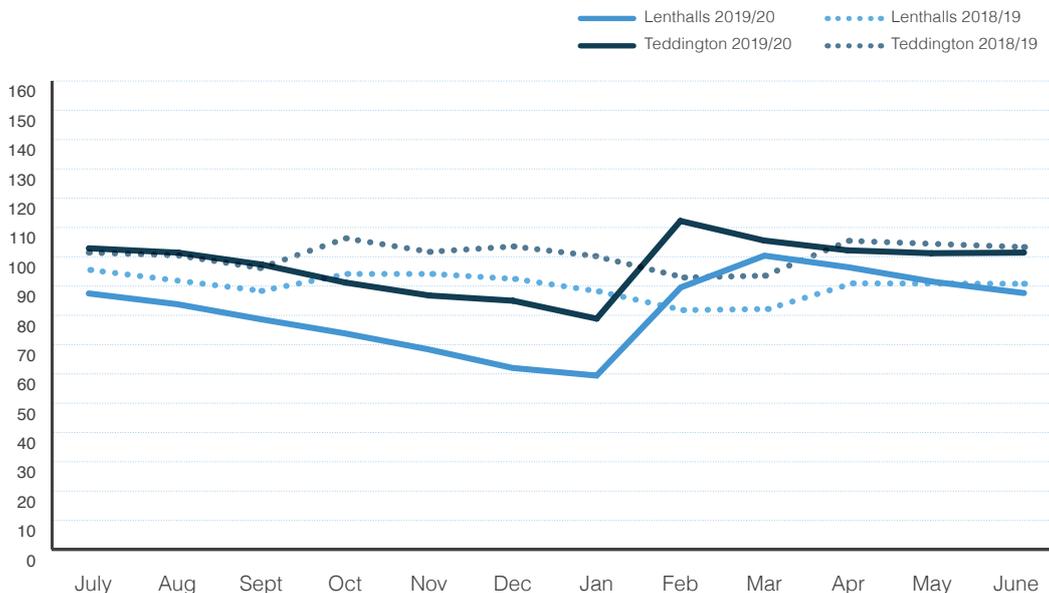


9881 ML
potable water
treated and delivered
to customers



4696
water meters

Reservoir Levels





 Teddington Water Treatment Plant

OPERATIONAL SUMMARY

Sewerage



788.6 KM
total sewerage
mains



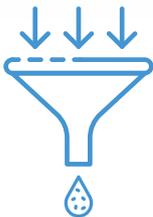
5764.9 ML
sewerage collected
from customers
across FCRC



5.5 km
gravity sewer
mains relined



32,583
connected sewage
services



5.3 km
new gravity collection
sewers constructed
by developers



593
new properties
connected to sewer



60 km
sewer network
cleaned and
CCTV inspected

 Eli Waters Sewerage Infrastructure Upgrade 2020



OPERATIONAL SUMMARY

Engineering



\$21.4M
capital investment
into the Fraser
Coast's water
and sewerage
infrastructure



**Major growth
projects**
SPS 35 Hervey
Bay pump
upgrade project



**Major renewal
projects**

Walker Street
(Neptune to
Amity) water main
replacement,
Maryborough

Unity Street,
Maryborough

Lennox Street water
main replacement,
Maryborough

Charles Street,
Torquay Road, King
Street, Scrub Hill
Road water main
replacements,
Hervey Bay

Works for
Queensland
sewer relining,
Maryborough CBD

Water Treatment
Plant rectification
to access systems,
Southern

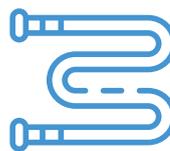


**Major
improvement
projects**

SPS1 Maryborough
flood proofing

SPS 4 & 5 upgrade
projects, Hervey Bay

Nikenbah STP access
road to Membrane
Bioreactor Tank



Major projects

Alice Street design
and construct water
main replacement,
Maryborough

Ghost Hill 2
reservoir inlet works
modification and
roof replacement



Urraween Reservoir Relining Project

OPERATIONAL SUMMARY

Environment



Compliance

No outstanding matters from eight compliance inspections.



Community education

A total of 8,996 community members educated on the importance of waste minimisation and water conservation, in which 2,646 were direct participants and 6,350 were indirect participants.

Note: To meet public health directions relating to the COVID pandemic, all education programs were suspended as at March 2020.



Art competition

The second annual Waste to Art Competition was hosted.

Note: To meet public health directions relating to the COVID pandemic, all education programs were suspended as at March 2020.



 Education Centre at the Material Reuse Facility



 Waste to Art Competition 2019



67

Statutory Environmental Reports prepared and submitted within statutory timeframes to the Department of Environment and Science.



12

Statutory Environmental Reports prepared and submitted within statutory timeframes to the Department of Natural Resources, Mines and Energy.



 Maryborough Landfill

OPERATIONAL SUMMARY

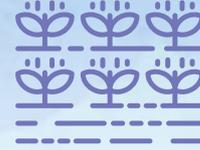
Reuse



100% achieved combined reuse percentage on the Fraser Coast of 100% of Average Dry Weather Flow received at the regions STPs.



Effluent reuse continues to support the local economy with third party customers reusing 59% of the total volume reused in the financial year.



4787m³ biosolids were beneficially reused and applied to WBW Plantations and approved Third Party Land.



 Nikenbah Sewerage Treatment Plant



Third Party Usage

made up the largest proportion of effluent reuse over the reporting period at 59% of total reuse volume. Third party usage was managed under an allocation roster during extreme dry conditions between December and February to ensure continuity of supply.



 Aubinville Sewerage Treatment Plant

OPERATIONAL SUMMARY

Quality



ISO 9001
Quality Management
Certification



**Improvement
initiative
implemented**

**Quality Awareness
program
implemented**



ISO 22000
Food Safety
Management
Certification

**HACCP Refresher
training completed
by the Drinking
Water Quality
Management Team**



ISO 17025
Laboratory
Management
Certification



 Hebblewhite Hardwood Plantation and effluent storage



water today  water tomorrow

29-31 Ellengowan St
Urangan, Hervey Bay Qld 4655

 1300 79 49 29

 07 4197 4455

 <http://www.frasercoast.qld.gov.au/wide-bay-water>