WIDE BAY water

A Business Unit of Fraser Coast Regional Council

ANNUAL OPERATIONS REPORT

A LOOK BACK

2022/2023

Pulgul Creek

CONTENTS

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 2022/23 reporting year, including an assessment of our performance against the financial and non-financial targets defined in the WBW Annual Performance Plan 2022/23.

About us

Wide Bay Water is the registered service provider for the Fraser Coast, providing water and sewerage services in Hervey Bay, Maryborough and surrounding communities.

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, sewage 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 22000).

WBW's Scientific Services Laboratory is accredited by the National Association of Testing Authority (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 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 2022/23 was resolved by Council at its Special Meeting No. 3 held on Tuesday 14 June 2022.

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 2022/23 year.

No changes were made to the Performance Plan during 2022/23.

Local directions

There were no local government directions issued to WBW during 2022/23.

OBJECTIVES

Vision

Wide Bay Water is a customer-focused commercialised business unit of Council delivering sustainable water, sewerage and waste services to build better communities.

Lake Lenthall

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 spends many days enjoying his favorite pastime.

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 equipped him well 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, Fraser Coast Regional Council's Audit and Risk Committee, David is a Director in the Not-for-Profit Sector.

Darren Everard

Councillor Darren Everard has been a member of the Fraser Coast Regional Council representing the residents of Division 7 since 2012. During Darren's time on Council, he has been Deputy Mayor for four years, served on various committees, including a second term as a member of the Wide Bay Water and Waste Advisory Committee.

Before being elected to the Fraser Coast Regional Council Darren was the owner of a successful local business that was his platform that allowed him to develop a varied skill set, that includes business development, management, training and marketing that Darren has used both locally and internationally.

Darren holds a Master of Professional Studies (USQ), Member of the Australian Institute of Company Directors and is also the President of the Hervey Bay Surf Life Saving Club and Vice President of the Surf Life Saving Wide Bay Capricorn.

Peter Borrows

Peter is Director of Kedron Consulting Pty Ltd, Independent Director Hughenden Irrigation Project Company Pty Ltd, and a member of the Wide Bay Water and Waste Services Advisory Committee.

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

Member attendance at Committee meetings	
Cliff Searle	9
Peter Borrows	9
Randal McLellan	8
Darren Everard	9
David Lee	7

Committee meeting dates 01/07/22 – 30/06/23
19 August 2022
16 September 2022
21 October 2022
18 November 2022
17 February 2023
24 March 20223
21 April 2023
18 May 2023
23 June 2023

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.

Mark holds a Degree in Aquatic Resource Management, Master of Environmental Management, Master of Business Administration, Graduate Certificate in Professional Legal Studies, and is a Graduate of the Australian Institute of Company Directors (GAICD).

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 37 years engineering experience after commencing his career with BHP as a mechanical engineering trainee in 1986 where he was duel 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 19 years' experience in the Australian water industry.

EXECUTIVE TEAM

Cameron Ansell
EXECUTIVE MANAGER PROCESS OPERATIONS

With 20 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 sewage treatment plants, recycled water scheme's and the WaterOne Laboratory.

Cameron gained 20 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 Deputy Chair of Queensland Water Directorate Special Priorities Group, 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.

Megan Gibbs
BUSINESS SERVICES MANAGER

Megan joined Fraser Coast Regional Council in June 2020 and was appointed to the role of Business Services Manager in January 2021. Megan holds Bachelor Degrees in Commerce and Behavioural Science from Griffith University. Megan is also a Certified Practicing Accountant (CPA).

Prior to joining Fraser Coast Regional Council, Megan gained 15 years of experience in financial management in the commodities sector.

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

2022/23 Annual Financial Performance Indicators and Targets

Indicator	Frequency	Unit	Target	June 22/23	Explanation	Calculation
Operating Surplus Ratio	Annual	%	>20%	25.4%	Indicates the extent to which revenues (utility charges, fees & charges etc.) raised cover operational expenses (employee, materials & services, depreciation & 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%	41.7%	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%	14.0%	The debt service coverage ratio, also known as "debt coverage ratio", is the ratio of cash available to debt servicing for loan interest & 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 & Redemption Payments / Revenue
Interest Cover (EBITDA/interest expense)	Annual	Times	>8	31.1	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 & amortisation) / Interest Expense
Total Distribution to FCRC	Annual	$m	$14.72	17.1		
- Dividends			5,200,000	5,200,000	Paid to Owner (FCRC) from after tax profits	Refer "Dividend Ratio" above
- Tax			9,000,000	11,256,765	Paid to Owner (FCRC)	In accordance with LGTER regime legislation
- Competitive Neutrality			517,050	677,821	In accordance with the Competitive Neutrality principles contained in Local Govt. Act 2009 & Local Govt. Regulation 2012	Based on calculated 5 year ave. debt margin on QTC borrowing rate

Key Non-Financial Performance

2022/23 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%	**92%** #1
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	**.91**
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%** #2
Water quality at point of delivery (physical and chemical parameters) will meet National Health and Medical Research Council Aesthetic Drinking Water Guidelines (not including Chlorine, taste or odour)	%	>95%	**100%**
New service connections — water			
Installation of all 20mm and 25mm diameter service connections within maximum 20 working days	%	95%	**88%** #3
Service connections greater than 25mm diameter:			
a. Design and notification of construction price (average time from completed application)	Working days	<10	**4**
b. Construction time (average time from payment of fees) subject to building and development regulations being met	Working days	<20	**19**
Sewerage			
Effective transport of waste effluent			
Total sewage overflows per 100km main	Number	<10	**0.12**
Sewage overflows on to customer property per 1,000 connections	Number	<5	**0.37**
Sewer odour complaints per 1,000 connections	Number	<10	**1.9**
Effluent complies to Environmental Licence	%	100%	**99.9%** #4
Effluent reuse as percentage of Average Dry weather flow	%	90%	**97%**
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
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	**7.82**
QG 4.6 Total sewerage main breaks and chokes per 100km sewerage main	Number	<60	**3.83**
QG 4.7 Incidence of unplanned interruptions to supply per 1000 connected properties	Number	<100	**28.77**
QG 4.8 Average response time for incidents causing an interruption to supply	Minutes	<60	**31**
QG 4.9 Average response time for incidents causing an interruption to sewage collection	Minutes	<60	**25**
QG 4.10 Drinking water quality complaints per 1000 connected properties	Number	<5	**1.52**
QG 4.11 Total water and sewerage complaints per 1000 connected properties	Number	<40	**13.82**

#1 Access difficulties to multiple main breaks in various locations (middle of roadways, under driveways, under paved areas, deep run mains).
#2 Due to 34 THM exceedances (Hervey Bay Scheme) generally during warmer months.
#3 Due to site access difficulties, staff availability to handle volume of new connections.
#4 Exceedance (suspended solids) Pulgul STP.

OPERATIONAL SUMMARY

Water

1,167 km
total water mains

41,876
connected water

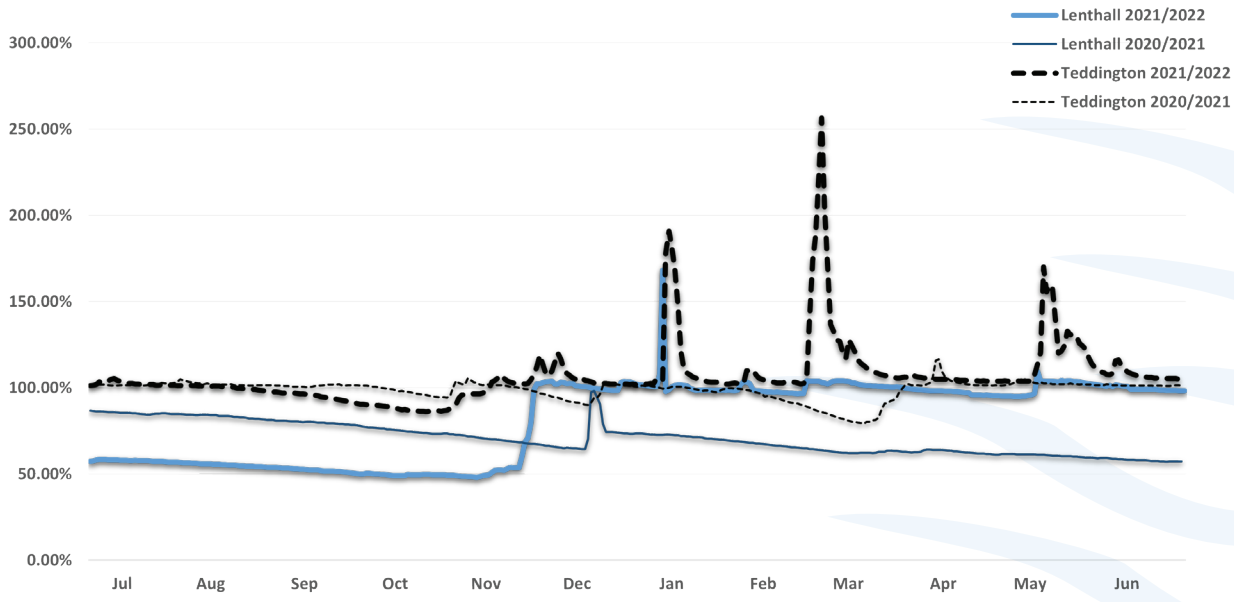
13 km
of new distribution network water mains constructed

593
new services

8432 ML
potable water treated and delivered to customers

5,935
water meters installed

Reservoir Levels



Water testing at Teddington Water Treatment Plant

OPERATIONAL SUMMARY

Sewer

819 km
total sewerage mains

6,698 ML
sewage collected and treated

4.8 km
gravity sewer mains relined

35,402
connected sewage services

8.5 km
new gravity collection sewers constructed by developers

30.24 km
sewer network cleaned and CCTV inspected

Toogoom Effluent Reuse Expansion

OPERATIONAL SUMMARY

Engineering

$16.4M

capital investment into the Fraser Coast's water and sewerage infrastructure

Major growth projects

- Major capacity increase of Pulgul STP, Hervey Bay

Major renewal projects

- Sewer Relining Program
- Hythe Street rising main replacement
- Residential meter replacements, Hervey Bay and Maryborough

Major improvement projects

- New network disinfection stations at Toogoom, Torbanlea, Lower Mountain Road, and River Heads
- Teddington WTP Sludge Dewatering Facility
- Toogoom Effluent Reuse Expansion

Major projects

- Aubinville STP refurbishment and inlet works replacement, Maryborough
- Urraween Pump Station
- Howard Sewage Scheme Pumping Station and Treatment Facility

Aubinville Sewage Treatment Plant

Hythe Street rising main replacement

OPERATIONAL SUMMARY

Environment

Wide Bay Water continue to work closely with the environmental regulator at the Department of Environment and Science (DES), developing a strong working relationship.

Subsequently, the DES have not requested a compliance audit of any Wide Bay Water environmentally relevant activities, and close-out times for low to medium risk non-compliances have been very low (<5 days).

A single high risk environmental incident was experienced in August following a chemical spill at the Urraween Reservoir, which triggered an Environmental Protection Order (EPO). All conditions of the EPO have since been addressed and various projects are now underway to improve environmental compliance for chemical storage and dosing facilities across Wide Bay Water.

Lenthals Dam

Teddington Weir

Resource Operation Licenses

Wide Bay Water collaborated with and made a formal submission to the Department of Regional Development, Manufacturing and Water for the development of a fit for purpose replacement to the Mary Basin Water Plan.

4

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

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Statutory Environmental Reports prepared and submitted within statutory timeframes to the Department of Regional Development, Manufacturing and Water.

Pulgul Sewage Treatment Plant

OPERATIONAL SUMMARY

Reuse

97% Achieved

combined reuse percentage on the Fraser Coast of 97% of Average Dry Weather Flow received at the regions STPs.

Effluent reuse

5332ML Effluent Reuse treated effluent recycled for use on agriculture, sports fields, golf courses and industry.

6083m^3

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

Hebblewhite Hardwood Plantation

Third Party Usage

Comprised 47% of overall usage.

Hebblewhite Hardwood Plantation

OPERATIONAL SUMMARY

ISO 9001

Quality
Management
Certification

ISO 22000

Food Safety
Management
Certification

ISO 17025

Laboratory
Management
Certification

Lake Lenthall

WIDE BAY water

water today water tomorrow

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