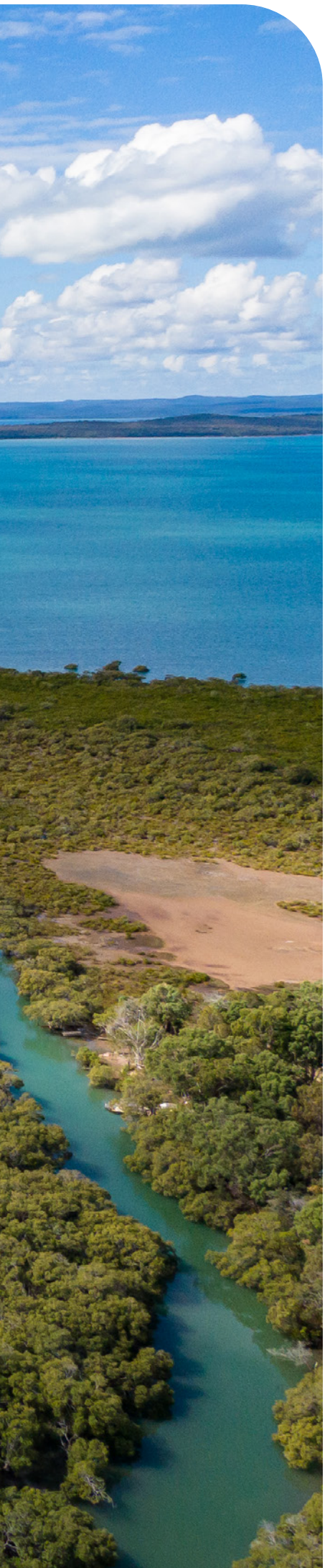
WIDE BAY water

A Business Unit of Fraser Coast Regional Council

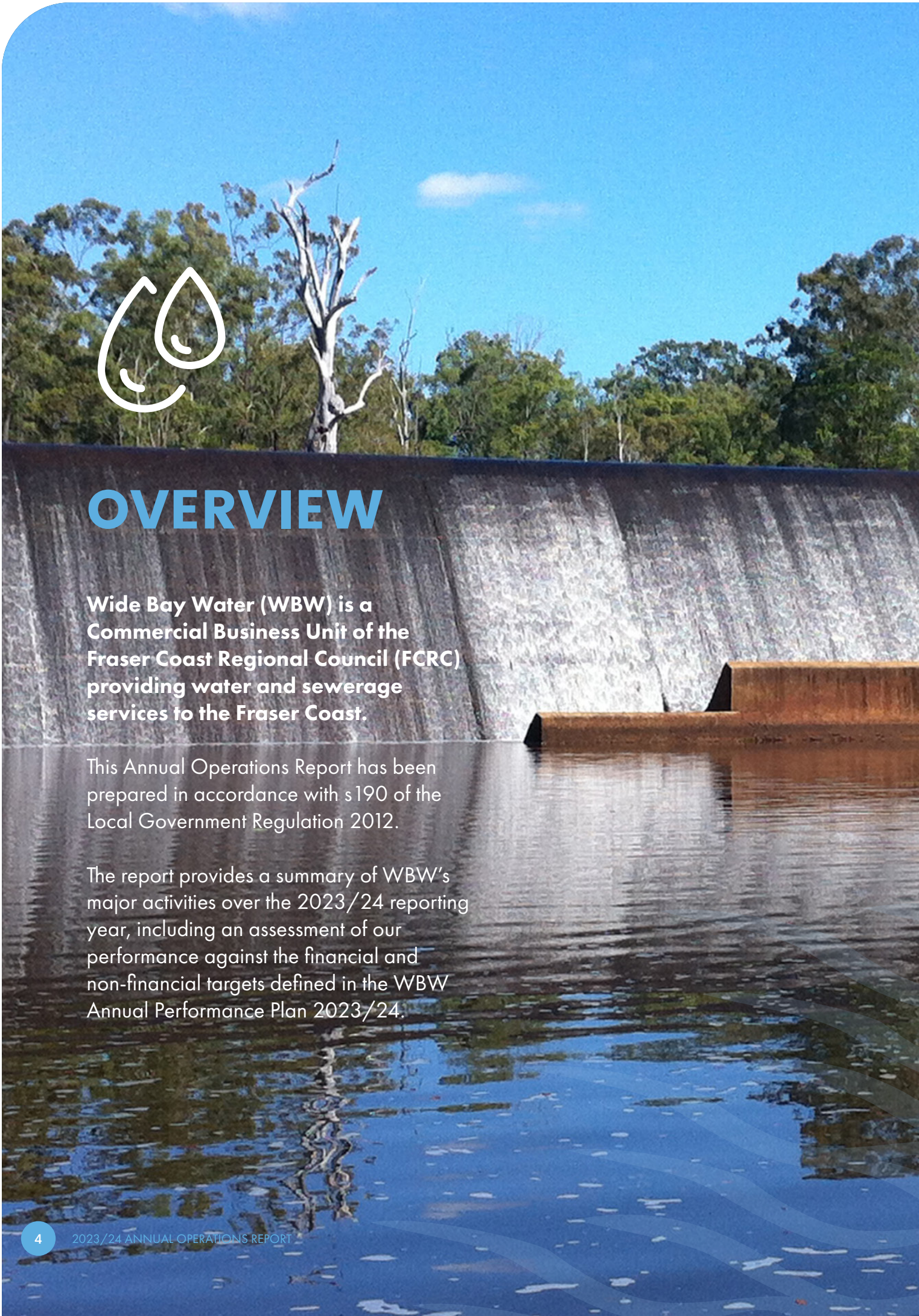
2023/24 ANNUAL OPERATIONS REPORT

A LOOK BACK

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 2023/24 reporting year, including an assessment of our performance against the financial and non-financial targets defined in the WBW Annual Performance Plan 2023/24.

About us

Fraser Coast Regional Council is the registered service provider for the provision of water and sewage 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 ISO 17025. 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 2023/24 was resolved by Council at its Special Meeting No. 1 held on Wednesday 28 June 2023.

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 2023/24 year.

No changes were made to the Performance Plan during 2023/24.

Local directions

There were no local government directions issued to WBW during 2023/24.

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

Focus Area 1

Connected - Inclusive Communities and Spaces

To embrace the Fraser Coast way of life and create connected communities through our places, spaces and people.

Focus Area 2

Resilient and Environmentally Responsible Region

To shape a heathy future for the Fraser Coast region and create a destination for future generations to come.

Focus Area 3

Focused Service Delivery

To provide positive customer experiences and deliver services and infrastructure to meet the unique needs of our growing community.

Focus Area 4

Focused Organisation and Leadership

To be a leader in local government, instilling confidence in the community we serve and the stakeholders we partner with.

Focus Area 5

Engaged and Agile Workforce

To attract, engage and retain the best people, empowering our capable workforce and volunteers to serve and support our community now and into the future.

GOVERNANCE STRUCTURE & COMMITTEE

Member attendance at Committee meetings	
Peter Borrows	9
Janice Wilson	9
Adrian Morey*	7
David Lee	3
Zane O'Keefe**	5
Michelle Byrne***	2

* Appointed at Council's Ordinary meeting on 27 September 2023.
** Appointed at Council's Ordinary meeting on 27 September 2023.
*** Appointed at Council's Ordinary meeting 24 April 2024.

Committee meeting dates 01/07/23 – 30/06/24
7 September 2023
22 September 2023
20 October 2023
24 November 2023
16 February 2024
22 March 2024
19 April 2024
17 May 2024
21 June 2024

Aubinville Sewage Treatment Plant

PERFORMANCE SUMMARY

Key Financial Performance

2023/24 Annual Financial Performance Indicators and Targets

Indicator	Frequency	Unit	Target	June 23/24	Explanation	Calculation
Operating Surplus Ratio	Annual	%	20%	29.7%	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%	29.1%	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%	9.4%	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	61.9	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	$16.41	19.5		
- Dividends			5,200,000	5,200,000	Paid to Owner (FCRC) from after tax profits	Refer "Dividend Ratio" above
- Tax			10,703,167	13,583,175	Paid to Owner (FCRC)	In accordance with LGTER regime legislation
- Competitive Neutrality			517,050	716,398	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

2023/24 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%	**90.48%** #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	**0.73**
Water quality			
Water at the point of delivery will meet National Health and Medical Research Council Health Guidelines for Australian Drinking Water	%	100%	**98.15%** #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%	**99.82%**
New service connections — water			
Installation of all 20mm and 25mm diameter service connections within maximum 20 working days	%	95%	**98.35%**
Service connections greater than 25mm diameter:			
a. Design and notification of construction price (average time from completed application)	Working days	<10	**4.25**
b. Construction time (average time from payment of fees) subject to building and development regulations being met	Working days	<20	**11**
Sewerage			
Effective transport of waste effluent			
Total sewage overflows per 100km main	Number	<10	**0.37**
Sewage overflows on to customer property per 1,000 connections	Number	<5	**0.63**
Sewer odour complaints per 1,000 connections	Number	<10	**1.25**
Effluent complies to Environmental Licence	%	100%	**99.82%** #3
Effluent reuse as percentage of Average Dry weather flow	%	90%	**85%** #4
New service connections – sewer			
Completion of new sewer connections:			
a. Design and notification of construction price (average time from completed application)	Working days	<10	3.13
b. Construction time (average time from payment of fees) subject to building and development regulations being met	Working days	<20	10.67
Queensland Government – Reportable indicators			
QG 4.5 Total water main breaks per 100km of water main	Number	<20	**8.61**
QG 4.6 Total sewerage main breaks and chokes per 100km sewerage main	Number	<60	**4.63**
QG 4.7 Incidence of unplanned interruptions to supply per 1000 connected properties	Number	<100	**18.10**
QG 4.8 Average response time for incidents causing an interruption to supply	Minutes	<60	**33.5**
QG 4.9 Average response time for incidents causing an interruption to sewage collection	Minutes	<60	**30.39**
QG 4.10 Drinking water quality complaints per 1000 connected properties	Number	<5	**1.98**
QG 4.11 Total water and sewerage complaints per 1000 connected properties	Number	<40	**15.48**

#1 Calculation has been amended, broken mains which are repaired without service interruption are no longer included, which has dropped the percentage below the target. Target will be reviewed in future years. #2 Outcome due to THM exceedance caused by raw water quality with high concentrates of organic carbon which is being minimised through careful optimisation of water treatment processes, network chlorination and reservoir aeration. #3 Due to 1 exceedance for Suspended Solids at Toogoom STP. #4 Due to widespread rainfall and the subsequent reduction in demand for effluent reuse.

OPERATIONAL SUMMARY

Water

1,186 km
total water mains

42,799
connected water

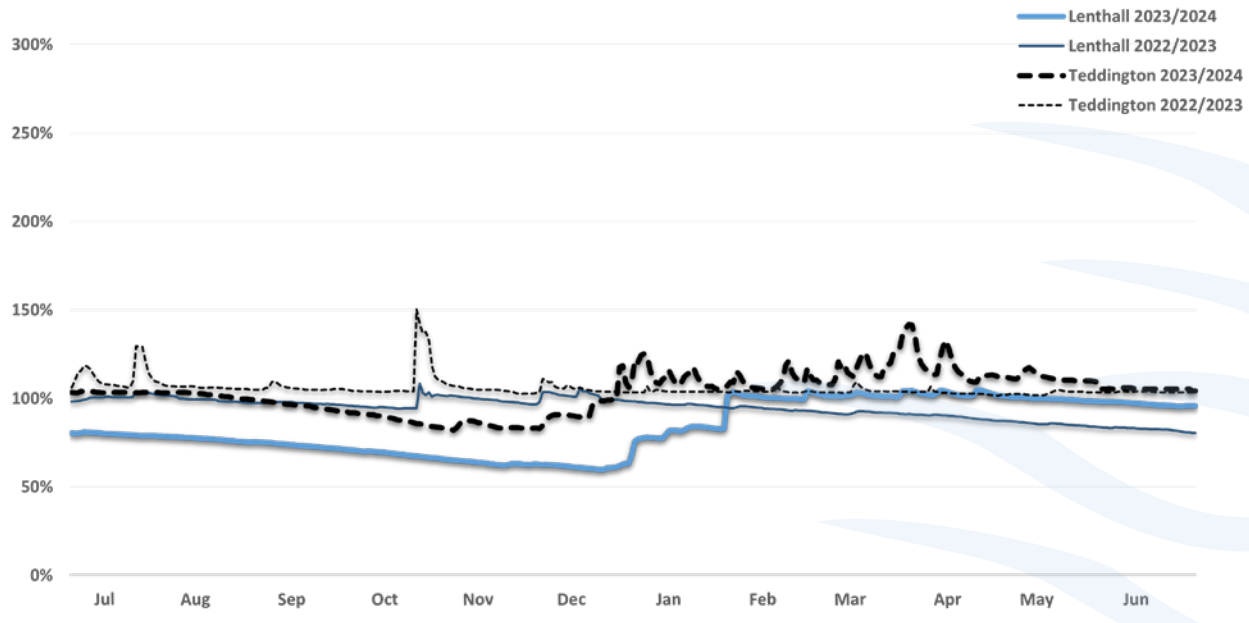
18 km
of new distribution network water mains constructed

678
new services

8,738 ML
potable water treated and delivered to customers

3,280
water meters replaced

Reservoir Levels



OPERATIONAL SUMMARY

Sewer

839 km
total sewerage mains

7,001 ML
sewage collected and treated

2.5 km
gravity sewer mains relined

36,288
connected sewage services

14.45 km
new gravity collection sewers constructed by developers

24.19 km
sewer network cleaned and CCTV inspected

Aubinville Sewage Treatment Plant

OPERATIONAL SUMMARY

Engineering

$19M

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

- Teddington WTP Sludge Dewatering Facility
- Toogoom Effluent Reuse Expansion
- Burgowan WTP Sludge Dewatering Facility

Major projects

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

Teddington Water Treatment Plant Dewatering

OPERATIONAL SUMMARY

Environment

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

During the 2023/24 financial year the DESI conducted one proactive audit of a Wide Bay Water facility for compliance with conditions of its Environmental Authority.

Close-out timeframes for notifiable incidents have remained low and only a single statutory enforcement notice has been received, being a formal warning for missed sampling at the Aubinville Sewage Treatment Plant.

Lenthals Dam

Teddington Weir

Resource Operation Licenses

The Queensland Government adopted the new Water Plan (Mary Basin) 2024. The Water Plan area incorporates two water supply schemes operated by Wide Bay Water and preparations are currently underway to update the associated Resource Operations Licence's and Operations Manual's. Furthermore, the new Water Plan grants Wide Bay Water with an additional 3,080 ML of High Priority water allocation in the Wide Bay Water Supply Scheme and has held 6,000 ML of strategic reserve for Wide Bay Water in the Lower Mary and Teddington Weir Water Supply Scheme's.

2

Statutory Environmental Report prepared and submitted within statutory time frames to the Department of Environment, Innovation and Science.

10

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

1

Statutory Environmental Report prepared and submitted within statutory timeframes to the Department of Climate Change, Energy, the Environment and Water.

Pulgul Sewage Treatment Plant

OPERATIONAL SUMMARY

Reuse

85% Achieved

combined reuse percentage on the Fraser Coast of 85% of Average Dry Weather Flow received at the regions STPs.

Effluent reuse

4088ML Effluent Reuse treated effluent recycled for use on agriculture, sports fields, golf courses and industry.

3952m^3

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

Hebblewhite Hardwood Plantation

Third Party Usage

Comprised 44% of overall usage.

Hebblewhite Hardwood Plantation

OPERATIONAL SUMMARY

ISO 9001

Quality
Management
Certification

ISO 22000

Food Safety
Management
Certification

ISO 17025

Laboratory
Management
Certification

WIDE BAY water

water today water tomorrow

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