


WIDE BAY  
**water**



A Business Unit of  Fraser Coast  
REGIONAL COUNCIL

water today / water tomorrow


2024/25

# Annual Performance Plan

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A dynamic splash of water in shades of blue and white, with numerous bubbles and droplets, creating a sense of movement and freshness. The water appears to be falling or splashing from the top right towards the bottom left.

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# Welcome

## ABOUT US

Wide Bay Water is a customer-focused Commercialised Business Unit (CBU) of Council delivering sustainable water and sewerage services to build better communities on the Fraser Coast.

As a CBU, Wide Bay Water operates in accordance with the principles of commercialisation, as detailed in the *Local Government Act 2009*.

Wide Bay Water is governed by an Advisory Committee appointed by Council, and Executive Team reporting to the Fraser Coast Regional Council Chief Executive Officer.

This Annual Performance Plan has been prepared in accordance with s175 of the *Local Government Regulation 2012* and presents the business objectives and targets that will guide Wide Bay Water's performance over the 2024/25 financial year.

The primary functions of Wide Bay Water are to:

- Treat and distribute drinking water.
- Manage sewage collection, transport and treatment.

- Provide effluent reuse to third party customers.
- Manage agricultural activities including plantations for the beneficial reuse of effluent.
- Manage treatment by-products.
- Laboratory testing for internal and external customers.
- Manage customer inquiries, service requests and complaints.
- Trade waste.
- Recoverable works services.
- Purchase raw water.
- Sale of raw water to customers.

## PURPOSE

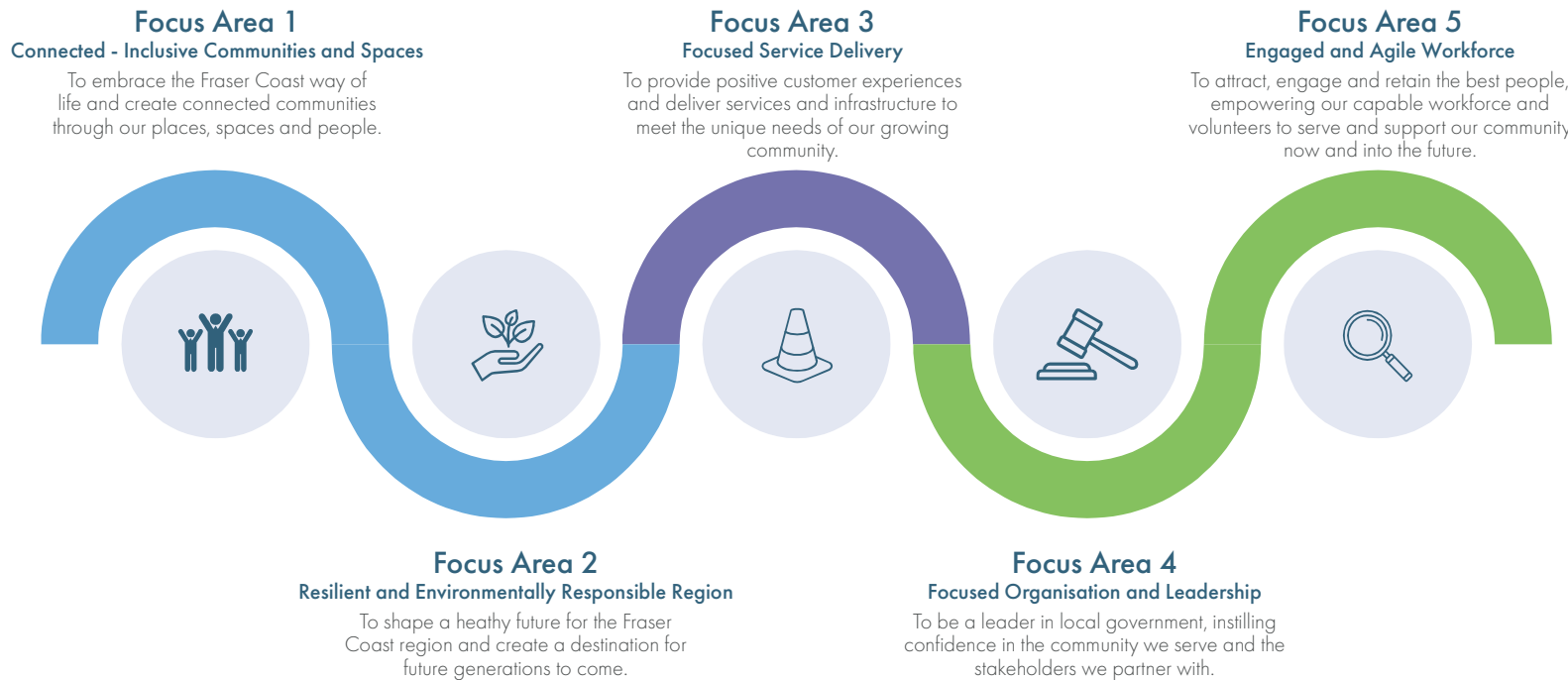
*Wide Bay Water's purpose is to be an efficient customer-focussed business developing and delivering sustainable water services for the benefit of the Fraser Coast community.*



# Business Objectives

In 2024/25 Wide Bay Water is focused on contributing toward the achievement of Council's Corporate Plan 2023/2028 Focus Areas and Objectives.

To do this we aim to meet the financial and non-financial performance targets, as detailed within this Annual Performance Plan, as well as deliver the Corporate initiatives assigned to Wide Bay Water within Council's Operational Plan 2024/25.



# Values

The TRAITS acronym represents the values we consider to be integral to the way we interact as a business, the way we go about our work, and the expectations on how we will serve our community.



## TRAITS

Trust  
**Respect**  
Accountability  
Initiative  
**Teamwork**  
Service

# Nature and scope of the significant business activity

The nature and scope of the water and sewerage services provided by Wide Bay Water includes:

## WATER SUPPLY SERVICE



Water Storages and Catchments - Three Dams (Lenthall Dam & Cassava 1 & 2) and Four Weirs (Burrum Weir 1 & 2, Teddington, Tallegalla)



Four Water Treatment Plants;



17 Reservoirs Sites;



>1140km of Water mains;



21 Pump Stations;



Reticulated Supply Network;



>42,300 Properties Connected to Reticulated Water Services.

## SEWERAGE SERVICE



>820km of Sewerage Mains (Gravity and Rising);



123 Pump Stations;



Eight Sewage Treatment Plants;



>74km of Effluent Mains;



Seven Effluent Reuse Distribution Scheme Sewerage Services - Nikenbah/Eli, Pulgul, Maryborough, Torbanlea, Howard, Toogoom, Burrum Heads. The Effluent Reuse Scheme Including Eight Harwood Tree Plantations and External Customers.



>35,000 Properties Connected to Reticulated Sewerage Service

# Customer Experience

Customer focus will be reflected not only in the achievement of our service standards and customer charter, but in the application of our values in every customer interaction.

Section 115 of the *Water Supply (Safety & Reliability) Act 2008* requires water service providers to prepare a Customer Service Charter for its water and sewerage services. It also requires the service provider to clearly state the level of service to be provided to customers, the process for service connection, billing, metering, accounting, customer consulting, complaints and dispute resolution.

The Customer Service Standard can be accessed at [www.frasercoast.qld.gov.au/wide-bay-water-reporting](http://www.frasercoast.qld.gov.au/wide-bay-water-reporting)

The Customer Service Charter is prepared in accordance with Regulator Guidelines. It is reviewed every five years in consultation with our Customers.

For 2024/25 Wide Bay Water aims to provide a customer experience consistent with its Customer Service Charter and the Non-financial Performance Indicators defined in this Annual Performance Plan.



# Financial and Non-Financial Performance Targets

TABLE 1. FINANCIAL PERFORMANCE

INDICATOR	FREQUENCY	UNIT	TARGET	EXPLANATION	CALCULATION
Operating Surplus Ratio	Annual	%	20%	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	%	100	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 Profit After Tax
Debt Servicing Ratio (I&R / revenue)	Annual	%	<30%	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	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
<b>Total Distribution to FCRC</b>	<b>Annual</b>	<b>\$</b>	<b>\$44,302,080</b>		
- Dividends			<b>\$30,604,008</b>	Paid to Owner (FCRC) from after tax profits	Refer "Dividend Ratio" above
- Tax			<b>\$13,116,004</b>	Paid to Owner (FCRC)	In accordance with LGTER regime legislation
- Competitive Neutrality			<b>\$582,068</b>	In accordance with the Competitive Neutrality principles contained in <i>Local Government Act 2009</i> & <i>Local Government Regulation 2012</i>	Based on calculated 5 year ave. debt margin on QTC borrowing rate

## TABLE 2. NON-FINANCIAL PERFORMANCE

NON-FINANCIAL PERFORMANCE INDICATORS		
Hervey Bay & Maryborough	Unit	Target
<b>Water</b>		
<b>Continuity and reliability of water supply</b>		
Restoration of service within 5 hours ~ % of repairs <5 hours calculated from all unplanned main breaks	%	95%
Minimum water pressure at the property boundary for 99% of connected properties (on enquiry or complaint)	kPa	200
Minimum flow at the property boundary for 90% of connected properties (on enquiry or complaint)	L/min	>20
System water loss	ILI	1.5
<b>Water quality</b>		
Water at the point of delivery will meet National Health and Medical Research Council Health Guidelines for Australian Drinking Water	%	100%
Water quality (physical and chemical parameters) at the point of delivery will meet National Health and Medical Research Council Aesthetic Drinking Water Guidelines (not including chlorine, taste or odour)	%	>95%
<b>New service connections - water</b>		
Installation of all 20mm and 25mm diameter property connections within maximum 20 working days	%	90%
Service connections greater than 25mm diameter		
(a) Design & notification of construction price (average time from completed application)	Working Days	10
(b) Construction time (average time from payment of fees) subject to building and development regulations being met	Working Days	20

## TABLE 2. NON-FINANCIAL PERFORMANCE

NON-FINANCIAL PERFORMANCE INDICATORS		
Sewerage	Unit	Target
Effective transport of waste		
Total sewage overflows per 100km main	Number Per Annum	<10
Sewage overflows on to customer property per 1,000 connections	Number Per Annum	<5
Sewer odour complaints per 1,000 connections	Number Per Annum	<10
Effluent complies to Environmental Licence	%	100%
Effluent reuse as percentage of Average Dry Weather Flow	%	90%
New service connections- sewer		
Completion of new sewer connections.		
(a) Design & notification of construction price (average time from completed application).	Working Days	10
(b) Construction time (average time from payment of fees) subject to building and development regulations being met.	Working Days	20
Queensland Government – Reportable Indicators		
QG 4.5 - Total water main breaks per 100km of water main	Number Per Annum	<20
QG 4.6 - Total sewerage main breaks and chokes per 100km sewerage main	Number Per Annum	<60
QG 4.7 - Incidence of unplanned water service interruptions to supply per 1000 connected properties	Number Per Annum	<100
QG 4.8 - Average response time for incidents causing an interruption to water supply	Minutes	<60
QG 4.9 - Average response time for incidents causing an interruption to sewerage collection	Minutes	<60
QG 4.10 - Drinking water quality complaints per 1000 connected properties	Number Per Annum	<5
QG 4.11 - Total water and sewerage complaints per 1000 connected properties	Number Per Annum	<40



# Community Service Obligations

A Community Service Obligation is as an obligation the local government imposes on a business entity that is not in the commercial interest of the entity to do.

Wide Bay Water provides a number of community service obligations to the Fraser Coast community, from utility charge

concessions to development incentives and discounts, and the Fraser Coast Regional Council compensates Wide Bay Water for the cost of providing these community service obligations.

Community Service Obligations are reviewed on an annual basis as part of the development of the annual budget and in 2024/25 are forecast to include:

COMMUNITY SERVICE OBLIGATION	ESTIMATED ANNUAL COST	REFERENCE
Utility charge concession/discount – community group	\$659,159	Community Group Concession Policy
Utility charge concession - other	\$10,000	Water Charge Relief Policy

# Proposed Major Investments

## MAJOR INVESTMENTS PLANNED FOR THE 2024/25 FINANCIAL YEAR INCLUDE:


### WATER SUPPLY


Water Pump Stations **\$5.1M** 

Water Reservoirs **\$2.2M** 

Water Mains - Non-trunk **\$4.6M** 


Water Mains - Trunk **\$2.4M** 

Water Treatment **\$8.2M** 

Water Collection **\$0.4M** 

### SEWERAGE

Sewerage Pump Stations **\$0.1M** 

Sewerage Collection - Trunk **\$1.0M** 

Sewerage Collection - Non-trunk **\$1.3M** 

Sewerage Treatment **\$4.4M** 

### EFFLUENT REUSE

Effluent Reuse **\$0.4M** 

# Capital structure, treatment of surpluses and borrowings

The Wide Bay Water capital structure and the treatment of surpluses is detailed in the Capital Structure and Distribution Council Policy which was resolved by Council on 23 August 2023.

This Policy can be access on the Fraser Coast Regional Council website: [bit.ly/wbw-csdc-policy](https://bit.ly/wbw-csdc-policy)

Wide Bay Water will provide to Council a surplus made up of dividend, income tax, competitive neutrality adjustments and finance costs including interest.

The dividend is paid from Wide Bay Water to Council each year in line with the Capital Structure and Distributions Policy. It is currently set at 100% of net profit after tax. WBW will endeavor to provide the maximum dividend to Council each year. In setting the dividend the organisation will consider the overall effect of returning the profit through to council.

This will include evaluating Wide Bay Water's ability to achieve funding capital renewals in the current and future budget years.

## OUTSTANDING AND PROPOSED BORROWINGS

Loan balance as at 30th April 2024	\$14,342,510
Loans to be taken out before 30th June 2024	\$17,000,000
Projected borrowings for 2024/25	\$17,000,000



# Delegated Authority

An important aspect of Wide Bay Water's operating environment is the allocation of roles and responsibilities in Water and Sewerage service delivery between Wide Bay Water and Fraser Coast Regional Council.

Council is ultimately accountable for water and sewerage service delivery to the Fraser Coast. Wide Bay Water is responsible for operational performance against established service standards and targets.

Delegation that grants autonomy to a CBU to perform commercial activities involve a range of permissions and responsibilities. These include:

1. Financial Authority - FCRC grants authority to WBW to manage the units finance independently within the defined parameters of the budget set by Council.
2. Decision-Making Authority - WBW proposes the units long-term plans to the Council for approval.
3. Resource Allocation - WBW has the authority to allocate resources to support its commercial objectives within the budget parameters defined by Council.
4. Risk Management - WBW maintains strategic and operational risk registers. These registers are maintained in line with the Council's risk management procedures.
5. Compliance Authority - WBW has the authority to comply with relevant laws, regulations and industry standards. A delegated authorities registers is maintained by Council including delegations to officers of Wide Bay Water.
6. Performance metrics - WBW have operating and budget metrics set by the Council. These metrics are monitored monthly, quarterly or annually.
7. 8. Reporting requirements - WBW are required to report on a monthly, yearly and ad hoc bases to the Water and Waste Services Advisory Committee, the Executive Leadership Team and the Council.

## WIDE BAY WATER ADVISORY ROLE TO FRASER COAST REGIONAL COUNCIL

It is important that Wide Bay Water does not determine its own environmental, technical and customer service standards while also being responsible for determining the least cost options to achieve these standards.

Despite this, there are several areas where Wide Bay Water would advise Council on the appropriateness of standards or targets:

- Risk to the community – health and service levels.
- Ultimate costs to the community – impact on Wide Bay Water’s costs to provide different levels of water and sewerage standards and/or services as measured by differing revenue requirements and average prices to be levied on customers.
- Sustainability impacts – examine the likely impact of standards on environmental and asset performance over the longer term.

- It is the responsibility of Wide Bay Water to achieve the targets in the delivery of water and sewerage services through actively choosing the least cost of supply to deliver these services.

Fraser Coast Regional Council sets Quality and Reliability Standards for Wide Bay Water. Accordingly, Council resolve the non-financial performance indicators for water and sewerage services as detailed in this performance plan.

As a business unit of Council, Wide Bay Water’s delegated authorities are established in accordance with Chapter 7 Part 5 of the *Local Government Act 2009*.

To permit Wide Bay Water to operate autonomously and in accordance with its legislative framework, the Chief Executive Officer has delegated powers to Officers in accordance with s259 of the Act.

Delegated powers are recorded in Council’s delegation register and include powers under:

- » ***Local Government Act 2009***
- » ***Environmental Protection Act 1994***
- » ***Water Supply (Safety and Reliability) Act 2008***
- » ***Water Act 2000***
- » ***Water Fluoridation Act 2008***
- » ***Planning Act 2016***.

The Wide Bay Water and Waste Advisory Committee has no delegated authority or power of the Fraser Coast Regional Council.



# Reporting Framework

Wide Bay Water's reporting framework can be divided into those corporate reporting functions required to meet the key principles of commercialisation as defined in the Local Government Regulation, along with the broad range of regulatory reports required of a water and sewerage service provider.

## Corporate reporting requirements include:

- Executive Leadership Team reports.
- Advisory Committee meeting reports including; Director Performance Report, Financial reports, Operational and Capital performance summaries, Safety and Environmental Performance, and Officer Reports.
- Wide Bay Water Annual Operations Report.
- Council Reports

## OUR REGULATORY REPORTING REQUIREMENTS INCLUDE:

### WATER SERVICES

1. Drinking Water Quality Management Plan Annual Report
2. Annual Performance Report – KPI reports
3. Australian Bureau of Statistics reports
4. Bureau of Meteorology water utility reports
5. National Performance Report
6. Petroleum and Gas Annual Report

### ENVIRONMENTAL

1. Annual Reports and licence returns
2. National Pollutant Inventory
3. Environmental Authority Pump Station Annual Report

### BULK WATER & DAMS

1. Resource Operations Licence Quarterly/Annual report

### DAM SAFETY

1. Emergency Action Plan Annual Review
2. Condition Schedule Annual Review (Data book, Operations Manual, Standard Operating Procedures)





PO Box 1943, Hervey Bay Qld 4655  
AUSTRALIA

☎ 1300 79 49 29

☎ 07 4197 4455 (Fax)

✉ [enquiry@frasercoast.qld.gov.au](mailto:enquiry@frasercoast.qld.gov.au)

💻 [www.frasercoast.qld.gov.au/wide-bay-water](http://www.frasercoast.qld.gov.au/wide-bay-water)

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