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ANNUAL PERFORMANCE PLAN 2023–24

Gold Coast Water.

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1. Purpose

1.1 Introduction

Gold Coast Water provides customers with water and sewerage services in the Gold Coast region and operates as a Commercial Business Unit (CBU) within the Water and Waste Directorate in accordance with the *Local Government Regulation 2012* (the *Regulation*) and Council Resolution number G11.1031.026.

Gold Coast Water conducts business by adhering to the key principles of commercialisation, namely having:

- clarity of objectives
- management autonomy and authority (governance)
- accountability for performance
- competitive neutrality

1.2 Our commitment

- our vision is to ensure best-practice management of the City's natural resources for a sustainable future
- our aim is to align our goals with the United Nations Sustainable Development Framework providing a plan of action for a prosperous, harmonious and healthy society over the long term
- our mission is to protect the health and safety of ourselves, our community and our environment

1.3 Business objectives

- we ensure zero harm – we ensure the health and safety of ourselves, our environment and our community
- we strive for satisfied customers – we provide value for money, innovative, customer focused services
- we manage finances responsibly – we balance lifecycle costs and service prices to sustain our City
- we provide reliable services – we plan, build, operate, maintain and renew assets prudently and efficiently
- we succeed through skilled people – we engage, develop and empower our people to continuously improve our business

2. Significant business activity

2.1 Nature of activities

In accordance with the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009*, the primary functions of Gold Coast Water are to:

- purchase and distribute water
- provide water, recycled water and sewerage services to customers
- charge customers for relevant services
- manage customer enquiries, service requests and complaints
- perform functions relating to trade waste and seepage water as a sewerage service provider
- perform planning and development assessment functions under the *Planning Act 2016*
- anything else likely to complement or enhance a function mentioned above – specifically, analytical laboratory services directly to external customers

2.2 Scope of activities

2.2.1 Service areas

The City's designated water supply and sewerage services cover customer properties within the City's boundary, and includes:

- drinking water supply – developed properties within both the urban areas and the park living domains of the city
- sewerage services – the sewer area covers developed properties within the urban areas and the park living domains of the city and includes trade waste and domestic sewage collection
- recycled water supply – businesses including schools and some Community Title Schemes and City parks located within proximity of the recycled water pipeline
- non-drinking water – specially plumbed homes and businesses in some areas in the northern suburbs of the city

Standard service areas for water supply and sewerage services are specified in Appendix A of the [Water and Sewerage Connections Policy](#). Connection to water, sewerage or recycled water supply networks is undertaken in accordance with the Water and Sewer Connections Policy procedure and the [Water and Sewerage Customer Service Standards and Charter](#) (Charter).

2.3 Water and Sewerage Services

The City provides the following water and sewerage services:

- Drinking water distribution
- Sewage collection and treatment
- Non-drinking (recycled) water distribution and treatment
- Commercial trade waste
- Commercial bulk (liquid) waste
- Scientific (laboratory) services

2.4 Water and Sewerage Facilities

The City operates and maintains the following water and sewerage facilities:

- Four sewage treatment plants
- 535 sewerage pump stations
- 52 drinking water pump stations
- 58 drinking and non-drinking water reservoirs

3. Financial and non-financial performance targets

Financial performance targets are included within the [City of Gold Coast Annual Plan, City Budget Chapter, Appendix 1](#) outlines the business performance indicators and targets which Gold Coast Water will monitor during the 2023-24 financial year.

Each indicator is monitored monthly and reported to Council annually. The yearly results are reported via the City of Gold Coast [Annual Report](#).

4. Community service obligations

Section 24 of the *Regulation* defines a Community Service Obligation (CSO) as “an obligation the local Government imposes on a business entity to do something that is not in the commercial interests of the business entity to do”.

A CSO is treated as an expense for the activity of an amount equivalent to the cost of carrying out the obligation less any revenue arising from carrying out the activity.

Gold Coast Water has one endorsed CSO for the 2023-24 financial year as outlined below.

Table 1: Community service obligations

Activity	CSO description	Amount
Catchment Management	This activity protects community health within recreational waters by monitoring the state of the City's waterways and primary contact recreation areas	\$1,957,602

5. Water and sewerage services capital structure and community returns

Gold Coast Water has been declared a monopoly business activity under the *Queensland Competition Authority Regulation 2007* and is subject to periodic oversight by the Queensland Competition Authority (QCA), at the direction of the relevant Minister.

As a CBU, Gold Coast Water is guided by the City's [Water and Sewerage Services Capital Structure and Community Returns Policy](#). The objectives of this policy are to:

- enable 'ring fenced' accountability for financial management of the business in line with regulatory requirements
- set the financial parameters, including the capital structure and cost of capital within which Gold Coast Water operates as a commercial business
- provide an appropriate rate of return to the community for investments
- assist in providing long term financial sustainability to Gold Coast Water and Council by specifying the framework for returns to the community

All retained surpluses and special dividend payments are also in accordance with this policy.

To satisfy requirements under the National Competition Policy, Gold Coast Water provides additional payments to Council in the form of tax equivalents and interest margin, to address any concerns of competitive neutrality.

6. Proposed major investments

Gold Coast Water has procurement authority that operates under the Strategic Contracting Procedures of the *Regulation*, chapter 6, part 2.

For further detail on principles regarding procurement activities, see the [Procurement Policy and Contract Manual](#).

A full list of water and sewerage strategic contracting activities can be found in the [City Contracting Plan](#) on the City of Gold Coast website.

The following table summarises major investments proposed for 2023-24.

Table 2: Proposed major investments

Project description	2023-24 base estimate expenses
<p>Merrimac Sewage Treatment Plant Upgrade Works</p> <p>GROWTH: Upgrade to the Stages 1-3 Works to accommodate for an additional 24500 'equivalent population' growth in the Merrimac Catchment area as identified through the Local Government Infrastructure Plan (LGIP) process.</p> <p>IMPROVEMENT, COMPLIANCE & RENEWAL: Upgrade of dewatering system. Installation of a Break Tank to optimise operational reliability. Also, an enabler for safely increasing dewatering capacity in the near future.</p> <p>RENEWAL: Renewal of the underground air mains that supply aeration to bioreactor.</p>	\$28,500,000
<p>Coombabah Sewage Treatment Plant: Pre-Treatment Facility Renewal</p> <p>RENEWALS: Refurbishment of Coombabah sewage treatment plant pre-treatment facility to replace aging and poor performing components which have reached the end of their useful life.</p>	\$15,000,000
<p>Stapylton Sewerage Network Upgrade</p> <p>GROWTH: Construction of infrastructure identified in the Stapylton sewerage catchment servicing strategy to direct sewerage north, including major refurbishment of sewerage pump station BE35 and associated rising mains.</p>	\$6,500,000
<p>Elanora Sewage Treatment Plant Upgrade Works</p> <p>RENEWAL: Provision of increased capacity (Circa 20,000 'equivalent population') is required to enable the existing bioreactors to be taken offline for refurbishment, which is required due to the condition and age of the structures.</p> <p>GROWTH: Circa 25,000 'equivalent population' (EP) capacity increase is required to enable Elanora sewage treatment plant to treat catchment population increases to the next 20-year planning cycle.</p> <p>COMPLIANCE: A primary and secondary treatment plant bypass is required in line with the current Department of Environment and Science licence (A58265920) to enable the plant to best manage wet weather flows received</p>	\$5,401,590
<p>Pimpama Sewage Treatment Plant Interim Upgrade</p> <p>GROWTH: Interim works required ahead of the full Stage 2 upgrade to provide increased capacity of the Ultra Filtration Feed (UF) pump station and the Recycled Water (RW) pump station to match the capacity of the existing sewage treatment plant.</p>	\$1,225,577

7. Outstanding and proposed borrowings

The projected debt structure for 2023-24 is provided below:

Table 3: Projected debt structure

Loan type	Opening balance 1 July 2023	Principal repayment	Closing balance 30 June 2024
Water and Sewerage Community Loans (Internal)	\$1,137,000,000	Nil	\$1,137,000,000
Water and Sewerage Loans (External)	\$28,328,790	\$6,426,314	\$21,902,476

There are no new proposed external borrowings for 2023-24.

The loan program planned for 2023-24 financial year is to be adopted as part of Council's formal budget process. The City will manage the external borrowing arrangements through Queensland Treasury Corporation (QTC) as well as budgets for interest and redemption at an individual account level for Gold Coast Water.

8. Customer service standards and charter

Council's Water and Sewerage Customer Service Standards and Charter (Charter) informs customers of the service they can expect to receive from Gold Coast Water and the obligations of customers in relation to their use of the water and sewerage systems.

Key commitments within the Charter for Gold Coast Water include:

- provide water and sewerage services on a continual basis unless an interruption is required for emergency repairs or planned maintenance of the system
- supply quality drinking water free from harmful organisms, colour, taste or odour in accordance with the National Health and Medical Research Council (NHMRC) Australian Drinking Water Guidelines (2011)
- minimise overflows from the sewage collection system and lagoons and ensure affected areas are cleaned up and disinfected as soon as possible
- acknowledge a complaint within ten business days

Customer Service standards are measured via a range of business performance indicators outlined in [Appendix 1](#).

For further information please refer to the [Water and Sewerage Customer Service Standards and Charter](#).

9. Delegated authorities

Gold Coast Water's delegated authorities are in accordance with the *Local Government Act 2009 (s.257)* and the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009*.

Delegated authorities for specific staff are set out in Council's Register of Delegations, held by Legal Services within City Operations.

Delegations are given to the Director Water and Waste from the Chief Executive Officer to exercise autonomy in Water and Waste's commercial activities and are noted in [Appendix 2](#) (Delegated authorities).

10. Reporting framework

Water and Sewerage Service performance is reported via a number of mechanisms as outlined in the following reporting framework.

Figure 1: Gold Coast Water reporting framework

State and Federal legislation	External reporting
<p>Environmental Protection Act 1994 and Regulations 2019 (QLD)</p> <p>Local Government Act 2009 and Regulations 2012 (QLD)</p> <p>South-East Queensland (Distribution and Retail Restructuring) Act 2009 and Regulations 2010 (QLD)</p> <p>Water Act 2000 and Regulations 2016 (Cth)</p> <p>Water Supply (Safety and Reliability) Act 2008</p> <p>and Regulations 2021 (QLD)</p> <p>Petroleum and Gas (Production and Safety) Act 2004 and Regulations 2018 (QLD)</p> <p>Energy and Water Ombudsman Act 2006 and Regulations 2022 (QLD)</p> <p>Electrical Safety Act 2002 and Regulations 2013 (QLD)</p> <p>Plumbing and Drainage Act 2018 and Regulations 2019 (QLD)</p> <p>Public Health Act 2005 and Regulations 2018 (QLD)</p>	<ul style="list-style-type: none"> • Annual drinking water quality report • Australian Bureau of Statistics • Water and Sewerage Services Annual Regulatory Performance Report • Environmental annual report and licence returns (ERA) • National performance report for urban water utilities • Petroleum and gas safety report • National water account • Queensland urban potable water and sewerage benchmarking report • Recycled water reports
City policies, plans and frameworks	City performance reporting
<ul style="list-style-type: none"> • City Budget • City Operational Plan • City Plan • Corporate policies • City strategies • Customer Service Charter and Standards • Council Plan 2022-2027 • Long term financial forecast • Management plans • Total asset management plans • City Contracting Plan 	<ul style="list-style-type: none"> • Annual Report • Water and Waste business scorecards • Financial performance reports • Water, Waste and Energy Committee reports • City Operational Plan Progress Report • Water Supplied Report

11. Appendices

11.1 Appendix 1: Business performance indicators

Table 4: Business performance indicators

Business performance indicators	Target
We ensure zero harm	
Water quality complaints (number per 1000 properties)	<3
Compliance with water quality guidelines (%)	100%
Number of reportable environmental incidents to the regulator (count)	<5
Total net greenhouse gas emissions (tonnes of CO2 equivalent per 1000 properties)	<250
We strive for satisfied customers	
Total water and sewerage complaints to include water quality, water service and sewerage service (number per 1000 properties)	<5
Percentage of priority one response time is achieved for water incidents (% of priority one jobs responded to within two hours)	100%
Percentage of priority one response time is achieved for sewerage incidents (% of priority one jobs responded to within two hours)	100%
Customer satisfaction (%)	>87%
We deliver reliable services	
Percentage of water recycled (%)	>12%
Total sewerage main breaks and chokes (number per 100km of main)	8
Total water main breaks (number per 100km of main)	12
Average duration of unplanned interruption – water (minutes)	<120 mins
Incidence of unplanned interruptions – water (number per 1000 properties)	<80
We manage finances responsibly	
EBIT interest cover (times)	1.5 to 3
Operating surplus ratio (%)	0% to 10%
Return on assets (%)	6.40%

11.2 Appendix 2: Delegated authorities

DE00376	To appoint local government employees.
DE01407	To decide information as confidential to the Council and classify it in accordance with the ICT Security Policy, to accept information under conditions of confidentiality and to disclose information that is confidential.
DE01553	To exercise the functions and powers of Council in respect of: a) giving an infrastructure charges notice for an infrastructure charge or giving a notice requiring land; and b) entering into an infrastructure agreement; and c) entering into an agreement with respect to the timing for the payment of a charge, the payment of a charge by instalments, the supply of a development infrastructure item or alternative arrangements for the paying of infrastructure charges; and d) giving a negotiated decision notice for an infrastructure charges notice.
DE01640	CONTRACT - SPONSORSHIP, DONATION, GRANT - To enter into, vary or discharge approved funding agreement contracts such as sponsorship, donations, cultural development grants and contributions to events, where the total value of the contract including any variation thereto does not exceed the sum of \$100,000. This authority is limited to situations where Council has provided for the expenditure in its approved budget.
DE01643	CONTRACT - LOCAL DISASTER, GENUINE EMERGENCY OR HARDSHIP - To make, amend, administer or discharge a contract, where the total value of the contract (the contractual action) including any variation thereto does not exceed the sum of \$250,000, subject to: a) the contractual action is taken because of genuine emergency or hardship. b) this sub-delegation is limited to Directors and any officer acting in the capacity as the Local Disaster Coordinator or Deputy Local Disaster Coordinator.
DE01757	LEGAL PROCEEDINGS - To decide if proceedings (prosecution) should be commenced by Council or to sign all documents and do all things necessary to cause proceedings to be commenced in Council's name for the enforcement of any and all legislation or Council Local Law administered by Council except for Town Planning and Building matters; and Be authorised in accord with section 240 of the <i>Local Government Act 2009</i> with regard to any legal proceeding or matter for or against Council to: a) give instructions and act as authorised agent for Council and b) sign all documents for the local government; and to amend and settle proceedings already commenced.
DE01870	To exercise each and every power and function of Council in respect of the <i>Water Act 2000</i> .
DE01871	To exercise each and every power and function of Council as a service provider in respect of the <i>Water Supply (Safety and Reliability) Act 2008</i> .
DE01872	To exercise power as administering authority (for the <i>Water Act 2000</i> , <i>Water Supply (Safety and Reliability) Act 2008</i> and <i>Transport Operations (Road Use Management) Act 1995</i>), to approve (or refuse where the conditions in this section have not been complied with) an application for payment of a fine by instalment.
DE01873	To exercise power as administering authority (for the <i>Water Act 2000</i> , <i>Water Supply (Safety and Reliability) Act 2008</i> and <i>Transport Operations (Road Use Management) Act 1995</i>), to submit particulars required for registration of approval of instalment payments with the State Penalties Enforcement Registry.
DE01874	To exercise power as administering authority (for the <i>Water Act 2000</i> , <i>Water Supply (Safety and Reliability) Act 2008</i> and <i>Transport Operations (Road Use Management) Act 1995</i>), to withdraw an infringement notice.
DE01875	To exercise power as administering authority (for the <i>Water Act 2000</i> , <i>Water Supply (Safety and Reliability) Act 2008</i> and <i>Transport Operations (Road Use Management) Act 1995</i>), to give the State Penalties Enforcement Registry a default certificate for registration in respect of any recipient of an infringement notice who has not taken action within the time period provided by the infringement notice.
DE01876	To exercise power as administering authority (for the <i>Water Act 2000</i> , <i>Water Supply (Safety and Reliability) Act 2008</i> and <i>Transport Operations (Road Use Management) Act 1995</i>), to: a) commence proceedings against an applicant for an offence; or

	b) accept payment of the fine in full; or c) issue a fresh infringement notice where the registrar has cancelled an enforcement notice and referred the matter back to Council.
DE01877	To exercise power to approve forms for use as infringement notices (for the <i>Water Act 2000</i> , <i>Water Supply (Safety and Reliability) Act 2008</i> and <i>Transport Operations (Road Use Management) Act 1995</i>).
DE01879	To exercise the powers and functions of the Gold Coast City Council in respect of the <i>Environmental Protection Act 1994</i> .
DE01913	To do anything necessary or convenient for performing the responsibilities of Council under the <i>Local Government Act 2009</i> encompassing the power to enter into contracts for: 1) the supply of Recycled Water in compliance with the terms of Permits issued pursuant to the <i>Environmental Protection Act 1994</i> and 2) the supply of potable water in compliance with Regulator direction pursuant to the <i>Water Supply (Safety and Reliability) Act 2008</i> .
DE01933	To spend money on advertising to provide information or education that is in the public interest and consistent with the City of Gold Coast's Advertising Expenditure Policy.
DE01937	To decide the return, reduction or refund of security (bond and/or bank guarantee) pursuant to section 11 of the Gold Coast Planning Scheme Policy 11 - Land Development Guidelines.
DE01938	To authorise the call up or release of a contract security guarantee.
DE02012	To determine requests for relief from water consumption and/or volumetric charges for water used in a genuine fire emergency pursuant to Council's "Water Usage for Genuine Fire Emergencies Policy".
DE02014	To approve or reject a written request from a body corporate to establish a billing arrangement and to sign the appropriate Body Corporate Water Charges Agreement pursuant to Council's water sub-metering and billing arrangements for Community Titles Schemes Policy.
DE02042	1) To authorise an employee or agent of Council to act as a local government worker. <i>Local Government Act 2009 s.138(4)</i> and 2) To give each local government worker an identity card. <i>Local Government Act 2009 s.138A(1)</i> .
DE02043	To execute documents pertaining to those areas of responsibility that falls within the Water and Waste Directorate, on behalf of Council.
DE02048	To appoint persons as authorised persons in accordance with section 202 of <i>Local Government Act 2009</i> .
DE02089	To take disciplinary action against a local government employee.
DE02108	To (a) Apply to the administering authority for an environmental authority to carry out environmentally relevant activities on behalf of the City of Gold Coast pursuant to section 116 of the <i>Environmental Protection Act 1994</i> and to apply to the administering authority for an amendment of such environmental authority pursuant to section 224 of the <i>Environmental Protection Act 1994</i> and (b) Do all things necessary to administer environmental authorities issued by the administering authority.
DE02216	To decide the charge for a service or facility, other than a service or facility for which a cost recovery fee may be fixed.
DE02246	To write-off or waive rate debt where the debt remains unpaid and there is a legitimate basis for deciding the outstanding amount is not legally or practically recoverable including circumstances where a debtor is under an administrator, insolvent, bankrupt or deregistered.
DE02314	To make and vary commercial charges pursuant to section 262(3)(c) of the <i>Local Government Act 2009</i> , with no restriction upon the Chief Executive Officer's power to sub-delegate under section 259 of the <i>Local Government Act 2009</i> .
DE02330	Where satisfied on reasonable grounds that an employee will be subject to disciplinary action, to suspend, with pay, that employee from duty.
DE02331	Before taking disciplinary action, to give the employee: a) notice of the following: (i) the disciplinary action to be taken; (ii) the grounds on which the disciplinary action is taken; (iii) the particulars of conduct claimed to support the grounds; and b) a reasonable opportunity to respond to the information contained in the notice.

DE02334	As a service provider, to appoint an authorised person pursuant to section 45 of the <i>Water Supply (Safety and Reliability) Act 2008</i> .
DE02352	To authorise refunds from trust accounts for the purpose of bonding standpipes, water meter tests and Cliq Keys (secured key access to Water and Waste infrastructure), holding bonds to cover waste-bin replacement costs.
DE02396	To approve sole/single source decisions providing such activity does not exceed the sum of \$250,000.
DE02403	To consult with workers who are, or are likely to be, directly affected by a matter relating to work health or safety.
DE02417	To give the industrial registrar written notice of the dispute under the <i>Work Health and Safety Act 2011 s.102B</i> .
DE02418	To appeal a decision of the Commission given under Part 5, Division 7A. <i>Work Health and Safety Act 2011 s.106</i> .
DE02422	To apply to the Commission to revoke a Work Health and Safety entry permit.
DE02426	To appeal a decision of the Commission given under section 142A of the <i>Work Health and Safety Act 2011</i> .
DE02427	To apply to the regulator for the return of a seized thing under section 180 of the <i>Work Health and Safety Act 2011</i> .
DE02428	To demand that the regulator allow the CEO to inspect a seized thing and if the seized thing is a document to make copies of it. <i>Work Health and Safety Act 2011 s.181</i> .
DE02430	To make a written undertaking (a Work Health and Safety undertaking) in connection with a matter relating to a contravention or alleged contravention of the <i>Work Health and Safety Act 2011</i> .
DE02437	As a person conducting a business or undertaking at a workplace, to prepare, maintain and implement an emergency plan.
DE02448	As a person with management or control of an item of plant stated in schedule 5, part 2, to apply to the regulator for the registration of that item of plant. <i>Work Health and Safety Regulation 2011 s.265</i>
DE02452	As a person conducting a business or undertaking, to obtain the current safety data sheet for a hazardous chemical used at a workplace.
DE02453	As a person conducting a business or undertaking, to prepare and maintain a register of hazardous chemical used at a workplace.
DE02455	To ensure that all asbestos or asbestos contaminated material at a workplace is identified by a competent person.
DE02456	To ensure that the presence and location of all asbestos or asbestos contaminated material at a workplace is clearly indicated and if practicable labelled.
DE02457	To prepare, maintain and review an asbestos register for each workplace.
DE02458	To prepare, maintain and review an asbestos management plan for each workplace.
DE02459	As an eligible person in relation to a reviewable decision set out in section 676 of the <i>Work Health and Safety Regulation 2011</i> , to apply to the regulator for an internal review of a decision.
DE02460	As an eligible person in relation to a reviewable decision under sections 89(5), 118(5), 256(5), 269(5) or 497(5) of the <i>Work Health and Safety Regulation 2011</i> to apply to the regulator for an internal review of the decision.
DE02569	To make, amend, administer or discharge the contractual arrangement with GCI Solutions (an incorporated Joint Venture between Ventia Utility Services Pty Ltd and Downer Utilities Australia Pty Ltd) in respect of Significant Contract LG314/1210/21/015 Asset Lifecycle Delivery Services. and authorise the expenditure where Council has allowed for the expenditure in its approved budget.
DE02590	To make, amend and administer or discharge contractual arrangements pertain to those areas of responsibility that fall within the Water and Waste Directorate, where Council has allowed for the expenditure the contractual arrangements gives rise to in it's approved budget.