

GLADSTONE AREA WATER BOARD

Annual Report

2022-23



About this report

This annual report provides details of Gladstone Area Water Board (GAWB)'s achievements for 2022-23, including the progress we have made towards accomplishing our strategic objectives, and the extent to which we have met or exceeded our financial and non-financial performance key performance indicators.

It aims to meet the needs of a variety of stakeholders, including the Minister for Regional Development and Manufacturing and Minister for Water (Minister), Queensland Parliament, other Government agencies, customers and community members, by providing relevant information about our activities, which aim to deliver safe and reliable water services to enhance the liveability of our region.

This annual report complies with the following Queensland legislation and Government guidelines:

- *Water Act 2000*
- *Financial Accountability Act 2009*
- *Financial and Performance Management Standard 2019*
- Annual Report Requirements for Queensland Government Agencies.

An electronic copy of the annual report is available on our website: www.gawb.qld.gov.au/publications.

GAWB appreciates feedback from readers of the annual report. Please contact our Manager Corporate Secretary and Reporting on (07) 4976 3000 or email gawb@gawb.qld.gov.au.

GAWB is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, please contact us and we will arrange an interpreter to effectively communicate the report to you.



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ACKNOWLEDGEMENT OF COUNTRY

The Gladstone Area Water Board proudly acknowledges the traditional owners of the land on which we work: the Byellee, Gooreng Gooreng, Gurang and Taribelang Bunda people (Gladstone Region), the Darumbal people (Rockhampton region) and Yuggera people (South Brisbane Region). We pay our respects to Elders past and present and recognise the ongoing connection of Aboriginal and Torres Strait Islander peoples to the land and water on which we rely.

Letter of compliance

24 August 2023

The Honourable Glenn Butcher MP
Minister for Regional Development and Manufacturing and Minister for Water
PO Box 15216
CITY EAST QLD 4002

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2022-2023 and financial statements for Gladstone Area Water Board.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*,
- the detailed requirements set out in the *Annual Report Requirements for Queensland Government Agencies*, and
- the *Water Act 2000*.

A checklist outlining the annual reporting requirements is provided at page 79.

Yours sincerely



Adrienne Ward
Chair

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About us

Gladstone Area Water Board (GAWB) is a statutory authority, delivering high priority bulk water to customers in Central Queensland 24 hours a day, 7 days a week.

Our history

GAWB was established in 1973 as a Project Board under the *State and Regional Planning and Development, Public Works Organisation and Environmental Control Act 1971-73* (Qld). On 1 October 2000, GAWB commenced operations as a Category 1 Water Authority under the *Water Act 2000* (Qld) (Water Act) and on 1 July 2008, GAWB became a registered service provider under the *Water Supply (Safety and Reliability) Act 2008* (Qld). Significantly in 2023, GAWB celebrated 50 years of operation. A number of events are planned throughout the year to commemorate this milestone and recognise our many achievements and considerable contributions made by GAWB to the Gladstone community. 2022-23 also saw the commencement of the largest change in our history with the approval of the Fitzroy to Gladstone Pipeline (FGP) and the appointment of GAWB as the entity responsible for the construction, ownership, operation and maintenance of the pipeline.

Our purpose and responsibilities

GAWB owns and operates Awoonga Dam on the Boyne River, along with a network of delivery pipelines, water treatment plants and other bulk water infrastructure required to service our customer base. We play an important role in the region and contribute to the economic growth and prosperity of the State by providing one of the essential inputs, water, to a number of large multi-billion dollar industries that are located in Gladstone.

Our core responsibilities are:

- **Supply bulk water services:** to provide both raw (high reliability 24/7 continuous flow) and treated water to industries located in Central Queensland and to the Gladstone Regional Council.

- **Water treatment:** to collect, treat and distribute drinking water in accordance with the Australian Drinking Water Guidelines set by the National Health and Medical Research Guidelines.
- **Catchment management:** to manage the impact of land and public use activities around the lake as they have the potential to impact public health and water quality.
- **Fish stocking and monitoring:** to breed and release barramundi, mangrove jack and sea mullet fingerlings into Lake Awoonga, in accordance with our regulatory obligations.

In addition to our core responsibilities, as a regional employer, we also strive to enhance the liveability of the region through the provision of recreational facilities and by supporting a variety of community events during the year.

Snapshot of our assets

We have more than \$1.3 billion of assets (replacement value) (excluding Fitzroy to Gladstone Pipeline), including:

- Awoonga Dam and associated infrastructure
- Recreational facilities, including a bush camp and rail trail located on the shore of Lake Awoonga
- Hatchery facility (known as Aquaculture Gladstone)
- 229km of water pipelines comprised of:
 - 95km of raw water pipelines
 - 134km of treated water pipelines
- 12 pump stations
- 16 water reservoirs comprised of:
 - 11 treated water reservoirs
 - 5 raw water reservoirs
- Two water treatment plants.

About us

Our regulatory environment

GAWB's bulk water prices are typically reviewed every 5 years by the Queensland Competition Authority (QCA) as we are a declared monopoly business pursuant to the *Queensland Competition Authority Act 1997* (Qld). GAWB's prices were set on 1 July 2020, following conclusion of the QCA's price monitoring investigation that was undertaken during 2019-20.

Our vision

Together delivering safe and reliable water services to enhance the liveability of our region.

Our mission

We are a leading water provider that supports our customers, community and people. We provide an essential service that promotes economic development and enhances the lifestyle of regional Queensland.

Our values



ONE TEAM

We Work Together.
Always.



ENGAGE

We All Contribute.
Openly.



SAFETY & WELLBEING

We Look After
Ourselves. And Each
Other.



ACCOUNTABLE

We Deliver. You and I.

A message from the Chair

On behalf of the Board of Directors (Board), I am pleased to present the Annual Report for Gladstone Area Water Board (GAWB) for 2022-23, our 50th year of operations.

As we reflect on this important moment in GAWB's history, there is much to be proud of. Guided by our core values, which have been refined by our employees over the last 50 years, we have made exceptional progress against our commitments to our customers, community and the Queensland Government.

Our 2020-2025 Strategic Plan was updated during 2022-23 both to recognise the achievement of some significant milestones and to include new objectives.

Objective 1: Safe, resilient and reliable water supply

Notably, 2022-23 saw the Queensland Government's announcement to construct the Fitzroy to Gladstone Pipeline (FGP). Importantly, the construction of this \$983 million, 117km pipeline will improve water security for current customers and provide emergency drought response in the Gladstone region. The approval of the FGP, combined with several key developments outlined in this report, allowed GAWB to lift the Low Supply Alert that had been in place since April 2021, on Wednesday 28 June 2023.

Objective 2: High customer and community satisfaction

In January 2023, we launched the 'our water story, is your water story' campaign, a 12-month program of activities that brings together our employees, community, customers and key stakeholders to recognise 50 years of GAWB operations. The program aims to raise awareness of not only GAWB but the history of water supply in the Gladstone region. Water has, and will continue to play, an essential role in the growth and evolution of the region. Through this program we hope everyone can celebrate their connection to one of life's most essential resources – water.

This year also saw the completion of several projects identified in the 5-year Lake Awoonga Recreational Strategy such as the opening of the Four Mile Scrub to Boynedale Bush Camp Rail Trail and the construction of the Trevor Burgess boat ramp at Boynedale Bush Camp. These investments in Lake Awoonga will increase visitation, promote economic development and enhance the lifestyle of regional Queensland.

Objective 3: Skilled and responsive workforce

We are at a pivotal point in our culture journey, with the successful launch of the Step-Up leadership program in August 2022. This program is designed to aid our leaders to elevate their leadership capability and aid the retention of a skilled and capable local workforce. Our first cohort of leaders are halfway through their leadership development journey.

Objective 4: Operational sustainability

Our commitment to reducing carbon emissions and responding to climate change risk is captured in our Climate

Change Framework. Over the last 12 months our primary focus in this space has primarily comprised actions to include energy efficiency options in our capital planning processes, undertaking climate change impact vulnerability assessments of our assets and development of educational campaigns aimed at increasing community awareness on water security. These actions all contribute to our overall goal to reduce CO2 emissions by 30 per cent by 2030.

Financial performance

GAWB has reported a Net Profit After Tax of \$12.44 million this year, enabling us to return a significant dividend and tax payments totalling \$71.55 million to Queensland Government, which will ultimately benefit our community.

Acknowledgements

Finally, as a Gladstone resident living and working in this community, I was honoured to be appointed Chair in March 2023. I would like to acknowledge outgoing Chair Maxine Brushe for her efforts in guiding the Board throughout her four-year term.

On behalf of the Board, I extend a warm welcome to new Director Suzanne Burow and acknowledge my colleagues on the Board for their stewardship over the past 12 months. I extend my thanks to outgoing Director Aurelia Noran who also departed the Board in March 2023 following a successful term.

I am pleased to join GAWB at a time of such exciting growth and look forward to supporting the team through the challenges and opportunities that will arise over the next 12 months.

On behalf of the Board, I would like to thank the Chief Executive, Executive Leadership Team and employees for their commitment to delivering safe and reliable water services to our region. This organisation is a small yet determined force and what they have achieved this year is remarkable.

We would also like to acknowledge our responsible Minister, the Hon. Glenn Butcher MP, Minister for Regional Development and Manufacturing and Minister for Water and his department for their ongoing support and engagement throughout the year.



Adrienne Ward
Chair

A message from the CEO

In 2022-23, the launch of our 50th Anniversary program saw us reflect on the past while also preparing for the future. Throughout the year, our people worked safely and diligently to deliver safe and reliable water services that enhance the liveability of our region. Our team made excellent progress against our strategic objectives, some of which are highlighted below.

Aquaculture Gladstone

We recognised a major milestone in November 2022 with the successful commissioning and operational opening of our multi-species fish hatchery, Aquaculture Gladstone. Valued at more than \$12 million, the facility's successful commissioning signals a return to regular fingerling production and restocking activities at Lake Awoonga. 867,000 Barramundi fingerlings were released into Lake Awoonga during March 2023, exceeding the original regulatory production target of 500,000. With the establishment of Aquaculture Gladstone, our goal is to lead the development and growth of Central Queensland's growing aquaculture industry.

Enhancing our safety management systems

Our safety improvement journey continues, with the successful transition of our existing Health and Safety Management System from AS4801 to ISO45001 (International Standard for Occupational Health and Safety Management System). This transition represents a significant achievement for GAWB and will improve our ability to keep people safe at work.

GAWB also participated in an industry wide Health and Safety and People and Productivity Benchmarking Project conducted by the Water Services Association of Australia.

Our core value of safety and wellbeing guides everything we do at GAWB, and we're committed to creating workplace that supports the health and wellbeing of all employees.

Capital works program

Our capital works program was impacted by ongoing supply chain and resourcing issues in 2022-23.

Despite these challenges, several significant capital projects were completed or progressed during the year. This included the following:

- Fitzroy to Gladstone Pipeline – Construction Activities (2022-23 spend of \$121.9 million).
- Gladstone Water Treatment Plant Filter's 1-12 Replacement (2022-23 spend of \$1.935 million) with a total project cost of \$4.3 million.

- Supervisory Control and Data Acquisition Telemetry Network Review completion with a total project cost of \$1.265 million.

Implementation of our revised Project Management Framework continued throughout the year.

50 years of operation

One of our most exciting initiatives in 2022-23 was the launch of our 50th Anniversary program. The 12-month program of events encourages employees, customers, community and key stakeholders to celebrate their water story and learn more about Gladstone's water story in the process.

Our focus for 2023-24

The next three years will be transformative for GAWB as we write a new chapter in Central Queensland's water supply history and progress construction of the Fitzroy to Gladstone Pipeline, which is scheduled to be operational in the first quarter of 2026, weather and other conditions permitting. We will also continue to support the Queensland Government as it develops the emerging hydrogen and renewables industry.

We have an extensive pipeline of infrastructure and enterprise projects ahead that will advance water security, improve bulk water delivery and streamline business efficiency to ensure we fulfill the needs and expectations of our current and prospective customers and stakeholders.

On behalf of GAWB and its management, I would like to thank our employees, customers and key stakeholders for their ongoing support and engagement throughout the year.



Darren Barlow
Chief Executive Officer

Our performance

Key performance measures

Key Performance Measure	Target	Actual	Achieved / Not achieved
Financial			
Earnings Before Interest & Tax (EBIT)	\$20.14	\$22M	✓
Return on Assets (ROA)	2.44%	2.51%	✓
Actual operating expenditure versus Budget	<100%	86%	✓
EBIT Interest cover	3.43	5.24	✓
Funds Flow Interest cover	4.74	4.85	✓
Funds Flow to Total Debt cover ¹	7.69	4.54%	✗
Balance Sheet gearing (capital structure)	35.01	44.34%	✓
Cash cover (months) ²	19.24	6.65	✗
Capital expenditure ³	\$22.3M	\$150.85M	✓
QTC Covenant EBITDA Interest Coverage ≥ 3	6.80	10.05	✓
QTC Covenant Debt / EBITDA $< 8.25^1$	6.27	7.77	✗
Non-Financial			
System Water Losses:			
- Raw water network	<4%	3.39%	✓
- Potable water network	<2%	1.86%	✓
Compliance with Drinking Water Quality Management Plan	100%	100%	✓
Lost Time Injuries (Workers) ⁴	≤ 2	1	✓
Notifiable safety incidents or events	≤ 2	Nil	✓
Compliance with Dam Safety Conditions (DSC) issued by the Regulator	100%	100%	✓
Environmental compliance breaches	Nil	Nil	✓
Staff retention rate ⁵	>80%	77.61	✗
Compliance with emergency preparedness	100%	100%	✓

1 Due to unbudgeted borrowing for Fitzroy to Gladstone Pipeline (FGP).

2 Due to unbudgeted dividend of \$37.2M

3 Includes Fitzroy to Gladstone Pipeline Delivery Management Proponent and Construction Proponent Projects.

4 LTI due to employee sustaining wasp bites.

5 Staff retention rate is attributable to a number of factors including retirement, personal circumstance and a competitive labour market. GAWB has implemented a revised Remuneration and Benefits Framework effective from 1 July 2023 to provide competitive employment conditions.

Our performance

Key business improvement initiatives

Advancement of the Water Security Strategy

GAWB worked closely with the Department of Regional Development, Manufacturing and Water (DRDMW) continuing actions to outwork the significant activities for the construction of the Fitzroy to Gladstone Pipeline (FGP).

GAWB was appointed by the Queensland Government in August 2021 to deliver pre-construction activities for the pipeline, which included undertaking procurement activities, addressing land access arrangements and determining long lead time items to ensure construction readiness for the pipeline.

In 2022-23, GAWB identified the preferred contractor, McConnell Dowell BMD Constructions Joint Venture (MBJV).

The Queensland Government announced the project had approval to proceed to construction in February 2023.

McConnell Dowell BMD Constructions Joint Venture has commenced design activities and engaged with Gladstone and Rockhampton based businesses on tendering for Fitzroy to Gladstone Pipeline work packages. In parallel, MBJV and GAWB commenced the process of advising land holders of upcoming construction activities.

Importantly, GAWB has progressed discussions with the Traditional Owner groups of Rockhampton and Gladstone with respect to an Indigenous Land Use Agreement. Discussions will continue through 2023-24.

A significant project milestone occurred in June 2023 with the delivery of the first pipe to the laydown area in Rockhampton.

GAWB is working with Department of Regional Development, Manufacturing and Water through a Project Advisory Group to ensure the Government is informed on construction progress.

The Fitzroy to Gladstone Pipeline is scheduled to be operational in the first quarter of 2026, weather and other conditions permitting.

In addition to the Fitzroy to Gladstone Pipeline, GAWB continues to investigate additional options for advancement of water. To this end, the Department of Regional Development, Manufacturing and Water commenced a detailed business case for the preferred long-term bulk water supply source to meet forecast water requirements of the hydrogen industry in Gladstone post 2023. GAWB will seek to provide support to the Department on a range of project related matters.

STATUS – Achieved.

Implementation of revised project management framework

GAWB is working through a program of activities to enhance the Project Management Framework with the purpose of:

- Ensuring continuous improvement in the way we manage and control our capital investments.
- Improving investment selection, prioritisation, delivery and change management.
- Maturing the way GAWB manages quality and control of project information.

The implementation of GAWB's revised project management framework (PMF) has now commenced with all significant current and future projects being incorporated into the project management framework governance process.

It is envisaged that the project management framework will be fully implemented across all business units by December 2023.

Status – Partially achieved.

Implementation of the Lake Awoonga Recreational Strategy

Following the disruption of the construction program in 2021-22 due to COVID-19 supply chain issues and challenging market conditions, implementation of the Lake Awoonga Recreational Strategy provides GAWB with a chance to refocus its commitment on the delivery and execution of the key activities identified within the Master Plan.

Stage 1 program activities of the Lake Awoonga Recreational Strategy completed included:

- Construction of the new Trevor Burgess boat ramp, access track and hardstand area at Boynedale;
- Construction of the Four Mile Scrub to Boynedale Bush Camp Walking Trail;
- Dam foreshore erosion protection initiatives including installation of sandstone blocks at Coomal Bay; and
- Installation of new interpretative place name and conditions of entry signage as well as walking trail marker signage at both Lake Awoonga Recreational Area and Boynedale Bush Camp.

The new facilities at Boynedale Bush Camp and the Walking Trail are scheduled to be open to the public on 21 July 2023 following formal opening ceremonies to be undertaken by the Minister. GAWB's application with Marine Safety Queensland (MSQ) to introduce a new marine zone at Riverston Bay for the purpose of creating a non-motorised watercraft area has been reviewed with final decision pending.

Progress on the remaining Stage 1 program continues at the Lake Awoonga Recreation Area with activities focussed on enhancing commercial operator involvement and utilisation of the area for hosting community events. Engagement is ongoing with commercial operators, community and non-profit groups as well as food vendors with GAWB focussed on establishing Lake Awoonga as a regional destination which will provide a significant contribution to the regional economy.

Lake Awoonga Recreational Strategy Stage 2 and 3 future program activities are currently in the market seeking tender responses, with construction expected to commence in 2023-24.

Status – Partially achieved.

Implementation of our Leadership Development Program

GAWB's Step-Up Leadership Development Program is well and truly underway. Our program is intended to be implemented in four distinctly different stages:

Stage 1 – Creating the Vision (Completed)

Stage 2 – Leadership Mindset and Leadership Skillset (Underway)

Stage 3 – Collective Capability

Stage 4 - InterACT

We are currently midway through the delivery of Stage 2, delivering four (4) of the seven (7) modules intended for this component of the program. A minor scheduling adjustment was made to carry over the delivery of one (1) module to the 2023-24 period, in the interest of creating time for our participants to embed the learnings of the program.

In the interest of securing a return on this investment, the remaining three (3) modules will be delivered following completion of a mid-cycle review where continuous improvements have been identified and incorporated into the schedule.

Status – Partially achieved.

Advancement of Climate Change Strategy

GAWB is committed to reducing greenhouse gas (GHG) emissions. The development of a number of key documents, including the Climate Change Strategy, has crystallised our intent in this area.

During 2022-23 GAWB progressed the initiatives identified in the Climate Change Strategy Action Plan. These initiatives included the review of potential adaptive measures in the assessment of asset vulnerability to climate change and mitigation measures that require the consideration of energy efficiency options at key stages in the project management framework.

Specialist resources with subject matter expertise have been successfully recruited to support this key undertaking which is expected to have a significant positive impact in the advancement of work in this area during 2023-24.

Status – Partially achieved.

Our strategic objectives

GAWB's 2020 - 2025 Strategic Plan was updated during 2022-23 both to recognise the achievement of some significant milestones including new objectives which have been progressed with the approval of the Fitzroy to Gladstone Pipeline, and the potential growth area of emerging industries including Hydrogen. The refreshed 2024-2028 Strategic Plan outlines our strategic objectives and key strategies which will guide our activities over the medium term. It will enable us to ensure our continued ability to deliver high priority water to our customers, attract and retain employees who support our values, and continue to provide benefit to our local community through enhanced recreational facilities and tourism opportunities. These objectives will also assist GAWB in positioning for future growth and provide the ability to support the Queensland Government in future activities.

Our areas of focus

STRATEGIC OBJECTIVE: Safe, resilient and reliable water supply

Key strategies:

- Develop short to medium term future water demand scenarios to ensure we continue to meet our customers' (both existing and potential) future consumption needs.
- Maintain effective catchment management to ensure good raw water quality.
- Effective asset management to optimise value and performance, with reliable water treatment and distribution.
- Continuously deliver water that meets quality standards.
- Promote water efficiency among our customers and community.
- Investigate alternative water supply options to develop greater flexibility and resilience.
- Maintain dam safety requirements.

STRATEGIC OBJECTIVE: High customer and community satisfaction

Key strategies:

- Ensure customer satisfaction through the quality and reliability of our services.
- Enhance understanding and response to customer needs and expectations.
- Active and purposeful engagement and collaboration with our stakeholders, including Traditional Owners.
- Enhance stakeholder recognition and regard based on active participation and contribution to our community.
- Continue to contribute to our local lifestyle by enhancing our recreational facilities.
- Maximise economic and social benefit in Central Queensland through our procurement, local recruitment preference and business practices.

STRATEGIC OBJECTIVE: Skilled and responsive workforce

Key strategies:

- Continuously improve our safety management system to ensure the welfare of our employees, contractors and visitors.
- Continue to foster a positive workplace culture consistent with our values.
- Continue to reward, retain and attract new talent, while valuing diversity and inclusion.
- Provide a comprehensive training and professional development program to build the skills we need now, and into the future.
- Identify further opportunities for local apprentices, trainees and internships.

STRATEGIC OBJECTIVE: Operational sustainability

Key strategies:

- Establish the format and cadence of the Fitzroy to Gladstone Pipeline (FGP) communications strategy and reporting process to provide regular updates on the construction process to stakeholders.
- Build the FGP network infrastructure to strengthen the resilience of our raw water network in the event of an emergency, network outage or break.
- Further quantify and respond to climate change impacts on our assets and operations.
- Investigate and implement renewable energy initiatives to reduce our carbon footprint.
- Reduce exposure to operational and strategic risks and pursue opportunities to enhance our performance.
- Sustain strong commercial performance through prudent and efficient use of resources.
- Enhance capital forecasting to guide future investment and build value.
- Ongoing application of technology, systems and other innovation to drive reliability and efficiency.

STRATEGIC OBJECTIVE: Water security

Key strategies:

- Advance the Water Security Strategy to improve medium to long term water security and drought resilience for existing and future customers in the Gladstone region.
- Further quantify and respond to potential climate change impacts on our assets and operations.
- Develop the range of water resource yields and demand scenarios (which reflect potential future variability) to assess network resilience to future extreme weather events and improve decision support.
- Actively participate and influence long term water security solutions.
- Regularly review our Drought Management Plan.

STRATEGIC OBJECTIVE: Growth

Key strategies:

- Assist industry and government partners in advancing the strategic benefits of Gladstone being the premier location for the Hydrogen industry in Queensland.
- Actively engage with Government for whole-of-government coordination to expand and augment our network to be capable of delivering water security and reliability to our existing customers and hydrogen customers in the Gladstone State Development Area.
- Promote the use of Common User Infrastructure funding models for network infrastructure's investment projects.

Strategic Objective

Safe, resilient and reliable water supply

Water availability

At full capacity, Lake Awoonga can hold 776,854ML. It is Queensland's fourth largest water storage. As at 30 June 2023, the capacity of Lake Awoonga was 59.6 per cent, or 463,133ML.

On 7 April 2021 a declaration and notice of Low Supply Alert was issued in accordance with our Drought Management Plan. The declaration of a Low Supply Alert indicates that the storage level at Lake Awoonga has reached a 60-month timeframe from failure. Whilst the Low Supply Alert does not impose any restriction on customers in terms of their water consumption, it is a significant step that signals to customers, and to the broader Gladstone community, that a change in behaviour is warranted to prevent the escalation into water restrictions.

Whilst inflows were recorded over the 2022-23 wet season, they did not result in a spill event.

Over this period, the following developments also occurred which impacted GAWB's assessment of the requirements necessary to lift the Low Supply Alert:

- The Fitzroy to Gladstone Pipeline was approved as a water security pipeline and is expected to be completed in the first quarter of 2026, weather and other conditions permitting. The approval and completion of the pipeline changes the total water supply amount for Gladstone within the 5 year/60 month window which is relevant criteria for a Low Supply Alert;
- GAWB developed a Queuing Guideline that sets out the framework to allot water as a scarce resource; and
- Completion of surveys to confirm Lake Awoonga's capacity.

In June 2023, given the above developments, GAWB re-ran the Drought Simulation Model. Based on this analysis, it was identified that the requirements to lift the Low Supply Alert had been met. GAWB lifted the Low Supply Alert on Wednesday 28 June 2023.

Inflows into Lake Awoonga over the past 10 years comprise as follows:

Reporting period	Sum of inflows received (ML)
July 2013 – June 2014	70,270
July 2014 – June 2015	256,002
July 2015 – June 2016	85,671
July 2016 – June 2017	244,927
July 2017 – June 2018	340,967
July 2018 – June 2019	8,523
July 2019 – June 2020	5,439
July 2020 – June 2021	5,305
July 2021 – June 2022	137,939*
July 2022 – June 2023	46,346**

*2021-22 inflow data was updated following validation by an external provider in late 2022.

** This figure subject to amendment following completion of the external validation process.

Water delivery – Update for 2022-23

During 2022-23, GAWB delivered 24,263 ML of raw water and 10,158 ML of treated water to customers. Raw water supplied to customers in 2022-23 was significantly lower than previous year, primarily due to reduced supply to power station customers due to operational outages.

Long-term security of supply

Water security is a fundamental issue for current and future potential customers as Awoonga Dam is currently the sole source of supply for the Gladstone region. In addition to progressing activities as the Delivery Management Proponent for pre-construction activities for the Fitzroy to Gladstone Pipeline Project, GAWB is also investigating other potential water supply options to improve water security.

Fitzroy to Gladstone Pipeline project

An investment decision was announced by the Queensland Government in February 2023 regarding the approval of the Fitzroy to Gladstone Pipeline (FGP). The Fitzroy to Gladstone Pipeline comprises of a 117km pipeline, a water treatment plant, reservoirs and pumping stations. The Fitzroy to Gladstone Pipeline has the potential to improve water security for current customers and provide emergency drought response in the Gladstone region, if Lake Awoonga fails to supply water.

The announcement of the approval for the Fitzroy to Gladstone Pipeline also included the appointment of GAWB as the Delivery Authority, Owner and Operator. Since this appointment, GAWB has undertaken the following activities:

- Design and Construct Contract and Operate and Maintain Contract executed by GAWB and McConnell Dowell BMD Constructions JV (MBJV).
- GAWB issued a notice to proceed to MBJV, signaling commencement of design, procurement and construction activities.
- Establish the Fitzroy to Gladstone Pipeline as a business unit within GAWB and complete resourcing of the team.
- Establish governance functions with the Department of Regional Development, Manufacturing and Water (DRDMW).
- Continue activities to finalise remaining easements, options and license agreements to secure tenure and access along the pipeline alignment.
- Commence engagement with Traditional Owners in the Gladstone and Rockhampton regions on cultural heritage and Indigenous Land Use Agreements (ILUA).
- Procurement of long lead time items, such as the pipeline, commenced. An Australian manufacturer, SteelMains, has rolled over 1000 lengths of pipe.
- First delivery of the pipeline to a laydown yard in Gracemere occurred in June 2023. This event was attended by the Minister for Regional Development and Manufacturing and Minister for Water, Glenn Butcher MP and the Member for Rockhampton, Barry O'Rourke. This event generated significant positive media regionally.

- Established a positive working relationship with MBJV to facilitate communication throughout the construction phase.

Meeting quality standards

Ensuring our customers and the community receive treated water in accordance with the National Health and Medical Research Council's Australian Drinking Water Guidelines (2011) is a fundamental priority for GAWB. During 2022-23 GAWB reported 100% compliance with our Drinking Water Quality Management Plan (DWQMP). During the year, we also undertook a review of our Drinking Water Quality Management Plan to improve its readability and application.

Catchment management

GAWB has continued to implement the activities captured within our Catchment Management Plan and 5 Year Catchment Management Action Plan to minimise the environmental impacts and water quality risk to the Lake Awoonga Catchment Area, whilst meeting our obligations under the *Biosecurity Act 2014* (Qld).

Strong partnerships underpin the plan and GAWB continues to strengthen our relationships with other government bodies including local and state governments, industry, and the community. GAWB through its affiliate membership with the Capricorn Pest Management Group (CPMG) has adopted a collaborative approach to pest and weed management with local industry to apply a strategic approach to assist in increasing awareness, capacity, collaboration, funding opportunities and education of pest and weed management. During 2022-23 GAWB has continued to serve in the role of Chair for this group, further enhancing our support for outcomes in this critical area.

In addition, GAWB were a key stakeholder in the delivery of several feral pig awareness workshops to landholders across local government areas including Gladstone Regional Council, Rockhampton Regional Council, Banana Shire Council and Central Highlands Regional Council.

In 2023-24 GAWB will be developing a new Catchment Management Plan in preparation for the next Queensland Competition Authority Price Monitoring Investigation period.

Asset management

As the owner and operator of critical infrastructure but also having regard to the obligation to demonstrate prudence and efficiency to the Queensland Competition Authority, our approach to asset management focuses on strategic asset management whilst planning to optimise performance and minimise the cost of ownership throughout the lifecycle of an asset. Our asset management system underwent external certification in April 2022 which confirmed our ongoing ISO 55001:2014 accreditation and GAWB continues to ensure that our asset management practices are in line with these requirements.

Dam safety activities

GAWB's commitment to dam safety is evidenced by the implementation of a comprehensive dam safety management program in accordance with the *Water Supply (Safety and Reliability) Act 2008* and Dam Safety Conditions Schedule for Awoonga Dam (2022) issued by the Department of Regional Development, Manufacturing and Water (DRDMW), the Queensland Dam Safety Regulator.

GAWB also maintains an Emergency Action Plan for Awoonga Dam in accordance with *Water Supply (Safety and Reliability) Act 2008*. The Emergency Action Plan is reviewed on an annual basis and renewed every 5 years.

The following guidelines are also used in the implementation of the dam safety management program:

- Queensland Dam Safety Management Guidelines (2020).
- Queensland Guidelines for Failure Impact Assessment of Water Dams (2018).
- Queensland Guidelines on Safety Assessments for Referable Dams (2021).
- Queensland Emergency Action Plan for Referable Dam Guideline (2021).
- Australian National Committee on Large Dams (ANCOLD) Guidelines on Dam Safety Management (2003).

During 2022-23 GAWB completed a comprehensive review and renewal of the Emergency Action Plan for Awoonga Dam. An Emergency Action plan cannot be approved for more than 5 years and must be comprehensively reviewed and resubmitted for approval with any changes. This is to ensure the Emergency Action Plan remains up to date with the most relevant information and that relevant authorities are aware of any changes.

GAWB continues to undertake routine inspections and surveillance of the dam as part of our ongoing dam safety management program. This also includes an annual engineering inspection by a third-party consultant which has been completed for 2023.

GAWB has also commenced planning activities to upgrade Awoonga Dam. This will be a multi-year project to ensure compliance with the regulatory requirements for the dam. The upgrade is required due to changes in the likelihood for extreme weather events to occur and for the possibility for larger floods than previously estimated.

Aquaculture Gladstone

In March 2022 GAWB established Aquaculture Gladstone (AG) a new business unit responsible for the management of the hatchery, Lake Awoonga fishery restocking activities and future commercialisation.

In the first 12 months of operation, the hatchery team completed its first major batch run of Southeast Coast Strain Barramundi producing 1,032,000 fingerlings confirming GAWB's commitment to restocking fingerlings and meeting our regulatory obligation annually as defined in General Fisheries Permits.

The 2022-23 regulatory production target of 500,000 fingerlings was exceeded, with 867,000 Southeast Coast Strain Barramundi being released into Lake Awoonga for the 2022-23 restocking period. Surplus fingerling production enabled Aquaculture Gladstone to fulfill its first major commercial order (133,000 fingerlings) to long term customer Lake Monduran Restocking Group.

Strategic Objective

High customer and community satisfaction

Customer engagement

In line with GAWB's commitment to transition to a customer centric culture, we have continued to actively engage with our customers throughout 2022-23. The intention of these interactions is to build on GAWB's current understanding of customer preferences and lead to the delivery of services that reflect current and future customer requirements.

As part of this engagement process, GAWB provided major customers with the opportunity to attend a presentation which provided an update on a number of key issues including GAWB's progress on the delivery of significant capital projects over the 2022-23 period and its performance against capital expenditure expectations set during the 2020-2025 Queensland Competition Authority's price monitoring review. These meetings also provided customers with the opportunity to raise with GAWB any technical or commercial issues. This annual customer update is a significant part of GAWB's strategy to provide continual engagement opportunities with our customers.

Community engagement

In 2022-23, our community engagement activities focused on the initial implementation of GAWB's 50th Anniversary 12-month program which encompasses both community and employee engagement initiatives.

The 50th Anniversary program seeks to recognise the significant milestone by leveraging pre-existing community partnerships and through the development of standalone projects.

Some of the projects already completed or underway include:

- Expanding on GAWB's existing partnership with the Boyne Tannum Hook Up to launch the event's first ever Fishing Education marquee.
- Working alongside local historians and the Gladstone Regional Art Gallery to gather content for GAWB's corporate history project called 'Then & Now'.

- Engaging a local indigenous artist to complete a public art project that will be installed on an exterior wall at the Goondoon Street office building in Gladstone.
- Successfully launching the Lake Awoonga Scavenger Hunt, which encourages the local community to visit the Lake Awoonga recreation areas.

During the year we continued our commitment to support our local community by investing more than \$65,000 through our Community Investment program. This included supporting events such as the:

- Gladstone Regional Council Community Musical;
- Boyne Tannum Hook Up;
- The 2023 Mayor's Charity Ball;
- Lake Awoonga Adventure Race;
- Martin Hanson Memorial Art Awards;
- EcoFest;
- Luminous; and
- the Port to Park Fun Run.

Continuing to support these community events, cements GAWB's position as a valued corporate citizen within the Gladstone region and provides great opportunities to connect with the community on a multitude of levels.

GAWB conducted the 2022 Community Perception and Awareness Survey at the beginning of December 2022. Completed every three years by an independent facilitator, the survey is a 'health check' of GAWB's reputation within the Gladstone region. The survey seeks to evaluate general awareness of GAWB within the community, where stakeholders source their information and what kind of information they are seeking. Overall, the survey results indicate GAWB's program of work is positively influencing awareness of GAWB throughout the region.

Stakeholder engagement

GAWB's Stakeholder Engagement Strategy, including external stakeholder mapping, assists GAWB in managing the important relationships with all stakeholders. As our external stakeholders play a key role in strategic decision-making at GAWB, we seek to promote transparency and enhance our relationships by proactively engaging with our stakeholders.

To that end, our external stakeholder engagement activities include:

- Stakeholder identification and mapping, with records maintained within our stakeholder management software (Microsoft Dynamics).
- A standard business practice of ensuring Stakeholder Engagement and Communication Plans are prepared to support our significant capital programs.
- Hosting forums, including our Community Consultation Forum and Agistee Forum, as well as information sessions or workshops on topical matters.
- Active participation in discussions with relevant Ministerial and Department staff to ensure the Minister for Regional Development and Manufacturing and Minister for Water is across our planned external activities.

Additionally, 2022-23 saw the enhancement of the GAWB Media Plan, a quarterly process which aims to identify initiatives and projects that positively position GAWB with its external stakeholders. The plan also identifies media opportunities that can be used collaboratively by GAWB and the Queensland Government.

In 2022-23, the Minister of Regional Development, Manufacturing and Minister for Water was involved in:

- The formal opening of Aquaculture Gladstone in November 2022;
- The release of the facility's first fingerlings in March 2023; and
- The formal opening of the Four Mile Scrub to Boynedale Bush Camp Rail Trail in June 2023.

In addition, efforts to embed sound stakeholder engagement practice into GAWB's Project Management Framework also continue.

Residential Landowners

In 2022-23, we continued our efforts to improve stakeholder interactions with residential landowners neighbouring our operational assets and capital projects. With the completion of the Pikes Crossing Emergency Muster Point (PCEMP) facility, emphasis was placed on building open and transparent relationships with Pikes Crossing residents, a community located downstream of Lake Awoonga.

In August 2022, GAWB facilitated a process to appoint two community representatives to the Pikes Crossing Emergency Muster Point Management Committee which is facilitated by GAWB. The community representatives are Pikes Crossing residents who are responsible for managing the Pikes Crossing Emergency Muster Point facility when it is opened during a significant weather event. GAWB facilitated emergency management training with the representatives as part of their appointment.

Following the successful appointment of the community management representatives, GAWB hosted an engagement session with Pikes Crossing residents on 25 August 2022 to test emergency communications responsiveness. GAWB also commenced early community engagement activities regarding the Awoonga Dam Spillway Project during 2022-23.

Community Consultation Forum

The Community Consultation Forum (CCF) is an important community engagement mechanism for GAWB. The Community Consultation Forum helps ensure we are meeting our social and economic obligations to the people of Gladstone whilst continuing to advance these important stakeholder relationships.

Our Community Consultation Forum activities for the 2022-23 period included:

- A tour of GAWB assets conducted on 9 September 2022.
- Hosting our Community Consultation Forum members at the formal opening of Aquaculture Gladstone on 18 November 2022.

- Undertaking a Community Consultation Forum Meeting on 11 May 2023.

Agistee engagement

The annual Agistee Engagement Forum was held at the Calliope Community Function Centre in November 2022. With new Agistees in attendance, the forum was the perfect engagement opportunity to provide updates on several significant capital projects including:

- The Lake Awoonga Recreation Strategy;
- Fitzroy to Gladstone Pipeline;
- Pikes Crossing Emergency Muster Point; and
- Aquaculture Gladstone's new multi-species hatchery facility.

GAWB also introduced the Agistees to the Caring for Our Community – Pest and Weed Awareness Program and provided an update on the Feral Pig Landholder Workshops which were held in the area during 2022-23.

Engagement with Traditional Owners

During 2022-23 GAWB continued to engage with our Traditional Owners on a variety of projects and issues. The region's Traditional Owners (Bilgai, Gurang, Gooreng Gooreng and Taribelang) provided input on components of the Lake Awoonga Recreation Strategy with the Elders Council participating in a site visit to the Lake Awoonga Recreation Areas. The Elder's Council will now contribute to a Traditional Owners signage project underway at Lake Awoonga.

As part of the 50th Anniversary work program, GAWB commissioned an indigenous artist to complete a public art project, which will be located at the Goondoon Street office. The art piece, titled Water Connections, illustrates the essential role water, and Lake Awoonga specifically, plays in connecting our communities and nourishing our environment.

As part of the Fitzroy to Gladstone Pipeline, GAWB is also completing cultural heritage management actions and commencing discussions on an Indigenous Land Use Agreement with First Nation Bilgai, Gurang, Gooreng Gooreng, and Taribelang Aboriginal Corporation and the Darumbal People Aboriginal Corporation.

Management have attended a cultural immersion with the Darumbal People and the Traditional Use of Marine Resources Agreement Day celebrations.

Recreational facilities

Throughout 2022-23 GAWB continued with the progression of the Lake Awoonga Recreation Strategy, which aims to further enhance the liveability of the region by providing additional opportunities for the community to enjoy our recreational facilities, both on and around the lake.

One of GAWB's objectives is to generate interest and excitement in, and engage response to, recreational opportunities for businesses, event organisers, not-for-profit organisations, and food vendors at Lake Awoonga. The added benefit of positioning and creating awareness of Lake Awoonga as a desirable tourism event hosting destination through a communication process, will be a boost to the regional economy. Highlights from Stage 1 program initiatives included:

Construction Projects

A number of significant construction projects have been completed which provide substantial enhancement to the usability of a number of sites within the recreation area.

Trevor Burgess Boat Ramp, Access Track and Hardstand Area

The boat ramp construction, built to the Transport and Main Roads public boat ramp standard provides enhanced usability for the public utilising the Boynedale Bush Camp facility. The access track and hardstand area were constructed to the height of the 42m full supply level of Lake Awoonga, allowing for full and safe access to the newly constructed boat ramp when Lake Awoonga reaches the 40m capacity. The facility is expected to be opened to the public following a formal ceremony by the Minister for Regional Development and Manufacturing, Minister for Water and Member for Gladstone, Glenn Butcher, on 21 July 2023.

Four Mile Scrub to Boynedale Bush Camp Rail Trail

A 3.5-kilometre stretch of previously decommissioned rail corridor from Four Mile Scrub to Boynedale Bush Camp including additional 2.5km of side access trails was completed. A feature of the trail is the approximately 1100m of walking trail through the regional endangered ecosystem known as Four Mile Scrub. This initiative will form part of the popular 270-kilometre-long Boyne Burnett Inland Rail Trail network. The Minister for Regional Development and Manufacturing and Minister for Water and Member for Gladstone, Glenn Butcher, formally opened the rail trail as part of a launch event held on 30 June 2023.

Erosion Protection Activities

Lake Awoonga Foreshore

Installation of a network of approximately 750 tonnes of large sandstone blocks on the Lake Awoonga foreshore area between the existing Kalinda building and Coomal Bay recreation area. The sandstone block work provides an aesthetically appealing erosion barrier protection of the lake foreshore area.

Construction of a rock lined storm water outlet drain extending from the existing waterfall next to the Kalinda building, down to the edge of the lake was completed to provide additional erosion protection resulting from heavy rainfall events.

Community Enhancement Initiatives

- Installation of interpretative signage strategically placed across the different recreation areas that exist within Lake Awoonga and Boynedale Bush Camp to provide an enhanced visitor experience and highlight some of the area's natural features, GAWB's network infrastructure and flora and fauna species that frequent the areas.
- Installation of marker signage along the existing walking trail from Lookout 2 to Ironbark Gully to assist public navigation.
- Installation of new Conditions of Entry signage to the Lake Awoonga and Boynedale Bush Camp area that provides the public with a graphical and detailed representation of the 'Things to do' and 'Things to remember' when visiting our recreation spaces. New placename signage has also been installed which

clearly identifies our unique recreation areas.

- Extensive road restoration works were completed on the Awoonga Dam road network in 2022/23, after a number of weather events had led to deterioration of road surfaces in the area. Works included repatriation of existing infrastructure, erosion protection works and installation of new culverts. The main sealed road (including Boat ramp) was redesigned from existing chip seal to 30mm asphalt, significantly improving road surface for general traffic and an extensive line marking upgrade followed, to improve road user visibility and general public safety. All construction works were completed safely, in a timely manner, utilising local contractors.

A number of operating expenditure activities are currently in progress including working with Marine Safety Queensland (MSQ) for the introduction and enforcement of a designated Marine Zone which excludes the public use of motorised watercraft in the Riverston Bay area. The purpose of creating this marine zone is to balance the amenity experience and safety of different user groups. This proposal will consolidate this area as the first choice for families and users who wish to use the water for general recreation. The location of the proposed marine zone is considered the most appropriate due to the location of the existing facilities to provide safe and functional access for non-motorised watercraft activities.

Lake Awoonga Recreation Strategy Stage 2 and 3 future program activities include;

- Construction of a loading pontoon at the Main Public Boat Ramp.
- Installation of swimming pontoons for Riverston Bay and Ironbark Gully.
- Construction of a waterfall playground at Ironbark Gully.
- Expansion of the Riverston Bay Recreation Area.
- Main boat ramp trailer parking upgrade.
- Utilisation of earthworks material from stockpile area for the expansion activities.

Additionally there are four key significant tasks are currently being undertaken include:

- A commercial Operators Study for recreational areas at Lake Awoonga;
- Establishment of a Working Group to develop events at Lake Awoonga;
- Calling for Expressions of Interest from community/ non-profit groups for activities to be conducted at Lake Awoonga; and
- Develop Expressions of Interest for food vendors for Lake Awoonga Recreation Area.

The Stage 2 and 3 future program activities are currently in the market seeking tender responses, with construction expected to commence in 2023-24.

Aquaculture Gladstone

In November 2022 Aquaculture Gladstone successfully hosted GAWB employee and Ministerial opening events for operations of the new hatchery facility. As part of Aquaculture Gladstone's ongoing commitment to the community, works are in progress for the public opening of the interpretive reception area scheduled for later in 2023.

The reception area will be used for the provision of information for the general public, primary and secondary school students and recreational anglers. This facility will provide another drawcard for attracting visitors as well as enhancing the overall user experience of Lake Awoonga.

Strategic Objective

Skilled and responsive workforce

Health, safety and wellbeing

The safety and wellbeing of our employees and contractors is a central focus for GAWB. We seek to foster an environment that minimises the risk of harm to any individual, both physically and psychologically. Regrettably during 2022-23 we had one lost time injury. The incident was investigated so that opportunities could be identified to improve our processes and controls and prevent a similar event occurring again.

Enhancing our safety management system

Throughout the year we continued our program of activities to enhance our safety management system. This included the development of a Health and Safety Management System Manual and audit of our existing Health and Safety Management System to transition from AS4801 to ISO45001 (International Standard for Occupational Health and Safety Management System).

Other significant activities included:

- Participation in a Health and Safety and People and Productivity Benchmarking Project conducted by the Water Services Association of Australia.
- Undertaking an Indoor Air Quality Assessment.
- Conducting an Asbestos Survey as it relates to GAWB assets.
- Conducting a Psychosocial Risk Assessment.

Supporting mental health and wellbeing

GAWB recognises the importance of promoting a mentally healthy workplace and throughout 2022-23 we continued our Healthy Minds initiative. The aim of Healthy Minds is to provide resources, undertake activities and offer training opportunities to our employees to educate and assist with managing their mental health and wellbeing.

Activities undertaken during the year included:

- Conducting Psychosocial Workshops.
- Continuing our weekly Take 10 @ 10 activities.
- Hosting R U Ok Day? events held across our work sites.
- Participating in Queensland Mental Health Awareness Week.
- Coordination of a blood drive to support blood donations.

Additionally, and as part of our business as usual activities, GAWB promotes workforce connectivity in conjunction with providing a focus on employee health and safety by:

- Undertaking themed and topical employee communication events on a quarterly basis;
- Maintaining a robust Environmental Health and Safety (EHS) Committee;
- Implementing a Health, Wellbeing and Resilience Module as part of our Step Up Leadership Development Program;
- Featuring health and wellbeing benefits in our improved employee Total Rewards Package; and
- Promoting employee wellness through our Weekly Update employee communication platform.

Notifiable safety incidents

No Notifiable Incidents were recorded for 2022-23.








People and Culture

The focal people and culture activities contributing to a high performance orientation throughout 2022-23 were:

- A review and implementation of a revised Remuneration and Benefits Strategy to respond to competitive employment market challenges and as a means of attracting and retaining an appropriately skilled and aligned workforce to GAWB’s core values.
- The continuation of our Step-Up Leadership Development Program to further embed our expectations of our leaders, according to GAWB’s Capability Framework.
- Progressing our Health and Safety Improvement Plan

with a genuine regard to providing a safe workplace and cultivating the health, safety and wellness of our people. This included (but is not limited to):

- Successful transition of GAWB Safety Management System from AS4801 to ISO45001; and
- Undertaking a series of psychosocial hazard identification workshops with our workforce to ensure the development and execution of risk management and mitigation strategies.
- Launching our 50th Anniversary celebrations – a campaign spanning over a twelve month period, anticipating a return on investment evident through both internal and external metrics:

Internal	External
 <p>Our people understand the vision, values, and purpose of GAWB</p>	 <p>Our community knows more about GAWB and everything we do – greater awareness</p>
 <p>Our people should be able to tell the GAWB 50-year story</p>	 <p>Our community shares and engages with our 50th birthday campaign</p>
 <p>More staff should feel “proud to work at GAWB”</p>	 <p>We increase our coverage and positive sentiment of GAWB in the media</p>
 <p>Increase the collaboration and involvement in events and happenings</p>	 <p>Our reputation as a quality, high performance-based organisation is improved</p>

A common thread throughout our people and culture activities for 2022-23 was “Elevate and Evolve”. This theme will continue in 2023-24, as GAWB progresses the Fitzroy to Gladstone Pipeline for construction, as the builder, owner, operator, and manager of the pipeline. GAWB will also continue as a key delivery partner with the Queensland Government to ensure that both the water supply and infrastructure within Central Queensland will best meet the needs of the community, industry and emerging industry.

Employee and industrial relations framework

GAWB’s workforce comprise of the following employment categories:

- Permanent – full-time or part-time;
- Specified contract end;
- Apprentice / trainee; and
- Third party labour – labour hire or contractor.

Our workforce management practices operate in compliance with the National Employment Standards and our work arrangements incorporate flexible practices such as working from home and variable starting and finishing times. Other employment benefits include the provision for rostered days off, accrued days off, purchase or cash out of annual leave, study leave and paid parental leave.

On an annual basis (July) we undertake a Better Off Overall Test (BOOT) to ensure our workforce employment conditions do not fall below minimum standards.

Workforce profile

As at 30 June 2023 our workforce profile was as follows:

- 92 employees (91.68 FTE)
- Gender ratio: 63 per cent male / 37 per cent female
- Gender ratio in leadership roles: 61 per cent male / 39 per cent female
- 95.7 per cent full-time/ 4.3per cent part-time
- 77.6 per cent staff retention (22.4 per cent permanent separation rate)
- 32.79% per cent annualised turnover
- 4.97 years average workforce tenure

- 47.49 years average age profile.

The preceding workforce profile figures exclude the labour that has been sourced for the Fitzroy to Gladstone Pipeline.

Whilst GAWB’s Staff Retention Rate is 2.4 per cent below the target of 80 per cent, the figure is consistent with current employment market trends. During 2022-23 a review of GAWB’s Total Reward’s Package was undertaken to address attraction and retention challenges that GAWB are facing in a tightening and highly competitive employment market.

Workforce planning and performance

Each year the GAWB Executive undertakes two succession management planning workshops. This activity provides GAWB with a scan of our internal establishment and workforce, where critical roles are identified and a succession strategy developed for activation in the instance a critical role is vacated.

Additionally, the performance and potential capacity of our leader cohort is critiqued and an action plan is then developed and outworked, in the interest of building leader capabilities and enhancing GAWB’s performance output.

GAWB also recognises the importance of diversity and inclusion to attract and retain a skilled and responsive workforce. Accordingly, GAWB has a Diversity and Inclusion Policy that sets out our approach to diversity matters, in the interest of building a workforce that is rich in varied thoughts and ideas and fosters a workplace culture that values and promotes diversity, flexibility, and inclusion.

GAWB demonstrates its commitment to diversity and inclusion through various means, such as:

- Fostering an environment of mutual learning, respect, dignity, openness to other cultures and an appreciation of difference and other perspectives.
- Where possible, attract and retain a workforce composition that reflects a diversity of backgrounds, knowledge, experience, and abilities.
- Providing flexible work arrangements that includes the provision of hybrid work agreements.

- Cultivating a welcoming environment that celebrates special events significant to our employees (e.g. International Women’s Day, NAIDOC Week, etc).
- Including a “Welcome to Country and Acknowledgement of Country”:
 - at all formal events
 - on key external documentation.

Aquaculture Gladstone

Aquaculture Gladstone has established aquaculture specific training and development opportunities (work experience, traineeships) to foster future resource security in a rapidly growing market. This journey has seen five work experience placements in consultation with local secondary schools and the development of a structured aquaculture traineeship program scheduled to commence in late 2023.

Strategic Objective

Operational sustainability

Our response to climate change

The effects of climate change pose a material risk to water sector infrastructure, employees and the services we provide to our customers and to the Gladstone region. GAWB is committed to reducing carbon emissions and responding to climate change risk and has developed a Climate Change Framework which includes a Climate Change Policy, a Climate Change Strategy and a Climate Change Strategy Action Plan. These documents articulate our commitment to voluntarily reduce our CO² emissions by a minimum of 3,900 tonnes CO² by 2030, which is a 30 per cent reduction from 2020 levels and details the activities that we will undertake to achieve that reduction.

Our Climate Change Strategy Action Plan includes actions focused on limiting the extent of climate change (mitigation activities) as well as adapting our operational activities to a range of possible future climates that may occur (adaptation activities).

Our activities during the year included:

- Updating the Project Management Framework to require the consideration of energy efficiency options.
- Conducted a vulnerability assessment to identify which assets and/or locations are more susceptible to the impacts of climate change.
- Educational campaigns aimed at increasing community awareness on water security.
- Agistees of GAWB land being required to demonstrate effective land management activities.

Protecting our environment

Long-term environmental sustainability is fundamental to the way in which we conduct our operations. Our small but dedicated environmental team are passionate about developing, implementing, maintaining and continuously improving our environment management system that is certified to ISO14001.

Our activities during the year included:

- Undertaking an extensive water quality monitoring program.
- Undertaking an aquatic ecological monitoring program.
- Bank slumping and erosion monitoring.
- Operation and maintenance of stream flow gauging stations, water level meters, flow meters, rain gauges and a weather station.
- Conducting environmental impact assessments.
- Conducting ongoing biosecurity activities.
- The use of enhanced technology (unmanned aerial vehicles) to monitor our catchment.

We did not report any environmental compliance breaches during 2022-23.

Externally certified management systems

International Organisation for Standardisation (ISO) certification establishes credibility and trust with consumers, stakeholders and other business partners, ensuring standardisation and quality assurance of products and services. GAWB holds external certification for the following management systems:

- Asset management system (ISO55001)
- Environmental management system (ISO14001)
- Safety management system (AS4801).

In April 2023, a surveillance audit was undertaken on GAWB's environmental and assets management systems by an external certification body. The outcome of the re-certification audit confirmed that GAWB continues to maintain and continually improve its management systems to achieve its corporate and operational objectives, meeting all elements of ISO requirements.

At this time GAWB also sought to transition its Safety Management System from AS4801 to certification to ISO 45001. Whilst a major non-conformance was identified during this audit, it was able to be corrected immediately which enabled certification to ISO 45001 to be achieved.

Technology

Technology is a key component in the way that we sustainably deliver on our business and operational objectives. During 2022-23 the technology team continued to facilitate and execute the implementation of strategic technology initiatives, in accordance with our ICT Strategic Plan. These included:

- Improved separation across computer networks.
- Improved cyber resilience in both Business and Operational Technology Systems.
- Upgrading of our TechnologyOne (cloud hosted Enterprise Resource Planning (ERP)) to version 2022B.

Completion of a wi-fi project at each of our managed assets as an enabler to improved workforce mobility.

Capital works program

During 2022-23 GAWB invested a total of \$150.8 million against a budget of \$22.3 million. The large variance is due to the acceleration of the Fitzroy to Gladstone Pipeline, pertaining to GAWB's appointment as the Delivery Management Proponent for pre-construction and construction activities.

GAWB seeks to maximise economic and social benefit in Central Queensland through our procurement, local recruitment preference and business practices. In 2022-23 GAWB (excluding Fitzroy to Gladstone Pipeline expenditure) contributed a significant portion of our overall spend within the Gladstone regions' economy including:

- 65% of our capital works expenditure (excluding salaries).
- 48% of our overall spend (excluding salaries).
- 56% of our overall spend (including Gladstone-based salaries).

The Fitzroy to Gladstone Pipeline has specific targets in relation to a number of areas including local procurement and regional employment. Reporting on performance against these targets will be progressed during the upcoming financial year.

GAWB's commitment to spending local, incorporates assessment of quotes, tenders or proposals to include local economic benefit as opposed to solely best available price to ensure that the greatest possible economic value to the regional area is provided.

The capital investment achieved in 2022-23 is a strong achievement, considering the impact from a number of our capital projects experiencing ongoing supply chain issues associated with COVID-19. Internal resource constraints also impacted the business, including the capital projects team.

Despite these challenges, several significant capital projects were progressed or completed during the year. This included the following:

- Fitzroy to Gladstone Pipeline – Construction Proponent (2022-23 spend of \$121.9 million)
- Gladstone Water Treatment Plant Filter's 1-12 Replacement (2022-23 spend of \$1.935 million) with a total project cost of \$4.3 million.
- Supervisory Control and Data Acquisition Telemetry Network Review with a total project cost of \$1.265 million.

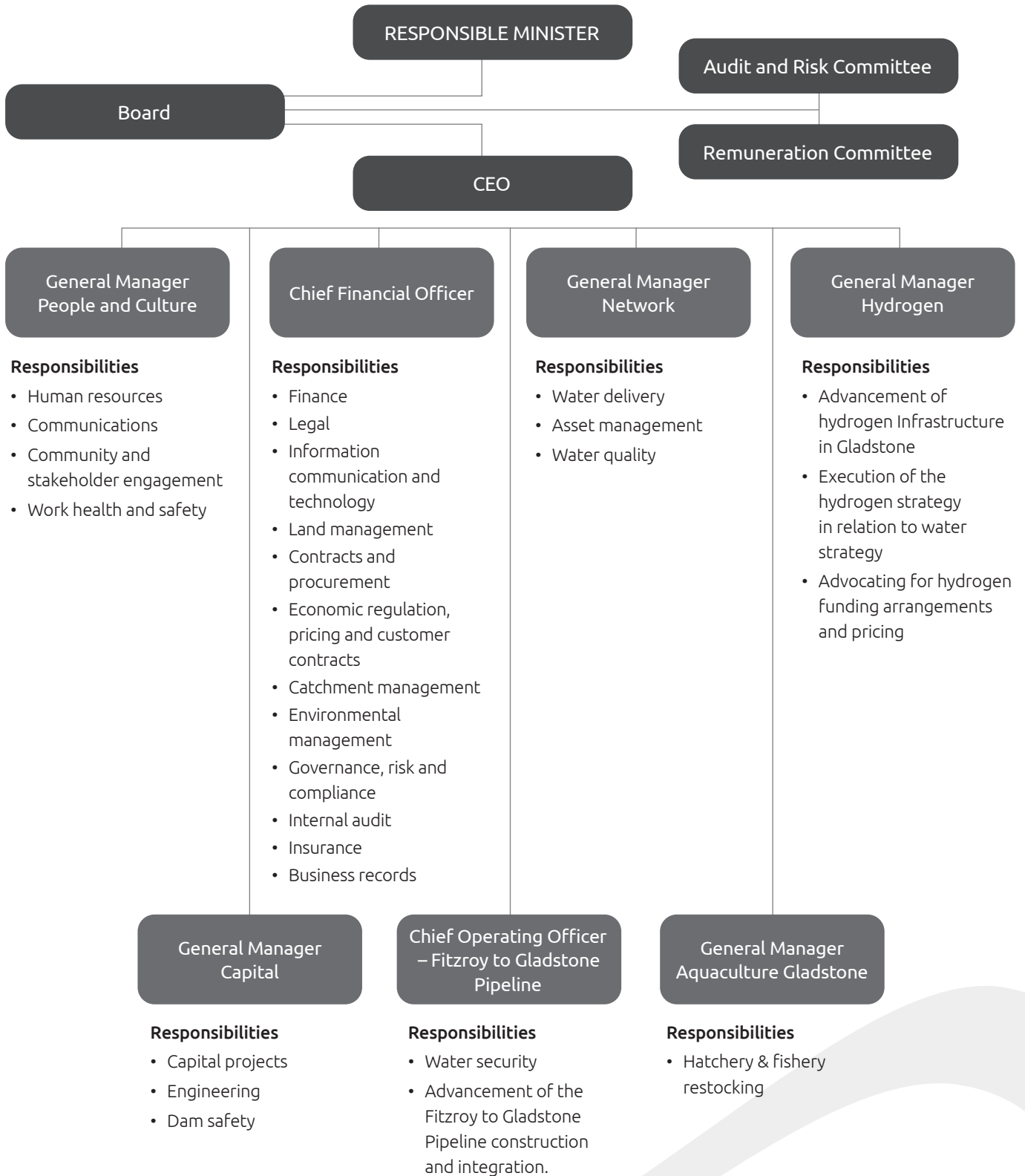
Aquaculture Gladstone

As part of Aquaculture Gladstone's commitment to sustainable aquaculture practice, future training programs will see tertiary partnerships and student placement allowing opportunities for teaching, research and development on site through trials of other species and process improvements.

Governance

Organisation structure

As at 30 June 2023, our organisation structure was as follows:



Executive Leadership Team

As at 30 June 2023, the Executive Leadership Team comprised:

Darren Barlow

BCom, MBA (Adv), FCPA, FAICD, Dip Fin Serv, MAIPIO, SA Fin

Chief Executive Officer

Darren joined GAWB as the Chief Executive Officer in March 2018. Darren has extensive leadership and executive experience, having held senior roles in commercial, financial, strategic and business transformation areas across the public and private sectors. Darren was previously the Chief Executive Officer of the Residential Tenancies Authority and has held a range of senior executive positions at Aurizon, Master Builders Association of Queensland and Ergon Energy.

Hugh Barbour

CPA, BBus (Acct), GAICD

Chief Operating Officer – Fitzroy-Gladstone Pipeline

Hugh has extensive experience in project development, financial management, contract management and negotiation in the mining and energy industries. Hugh has led multi-disciplinary teams in the performance review of significant assets and evaluation of acquisitions and asset improvements. Hugh is responsible for GAWB's continued operational sustainability as a reliable water provider through the development of the Fitzroy to Gladstone Pipeline project. Hugh previously held the position of Chief Financial Officer at GAWB since March 2016.

Catherine Byers

BBus (HR)

General Manager – People & Culture

Catherine joined GAWB in June 2018, bringing with her a proven track record and extensive experience in human resource management, industrial relations, and organisational development, applied across both the public sector and Government Owned Corporation environments. Catherine's pragmatic approach is complimentary to her twenty years of experience working at an operational and strategic level.

Angela Moody

BEcon, BA, MProfEcon, GradDipAppFin, GAICD

Chief Financial Officer

Angela has extensive experience in commercial analysis, economic regulation, strategy, stakeholder engagement, governance and institutional reform. Before joining GAWB, Angela was a consultant for 10 years advising private sector and Government clients on a range of issues relating to economic regulation, policy development and strategy development. Before being appointed to the role of Chief Financial Officer in May 2021, Angela was GAWB's Regulation and Planning Manager.

Petrus Botes

BEng (Mech)

General Manager - Capital

Petrus was appointed to the role in May 2023 and will commence with the organisation in early July 2023.

Ron Elliott

General Manager - Aquaculture Gladstone

Ron was appointed to the role of General Manager - Aquaculture Gladstone in April 2022. Before joining GAWB, Ron held senior project and management roles with a multinational contractor and major manufacturing industry in the Central Queensland region and has more than 30 years' experience in strategic maintenance and capital projects portfolios, fabrication and shutdowns across government, chemicals and explosives, mining, infrastructure and manufacturing sectors. Ron was previously GAWB's Special Projects Manager and successfully delivered several significant capital projects, including the new hatchery facility and the Pikes Crossing Emergency Muster Point.

Scott Wikman

BBus (HR & Mgmt)

General Manager – Network

Scott was appointed General Manager – Network in July 2022, following 25 years of service with Goulburn-Murray Water in Victoria. Scott is an experienced leader, holding senior asset and dam management positions for the last 15 years.

Rachel Miller

BE (Chem) (Hons), LLB (Hons)

General Manager – Hydrogen

Rachel joined GAWB as the General Manager - Hydrogen in January 2023. Rachel has over 15 years of experience managing the strategic planning, procurement and delivery of infrastructure and operational services for public sector clients. Rachel has had significant roles in projects across all stages of project delivery, including development of preliminary assessments and business cases, transaction management and contract administration. Rachel's project experience has been across a range of sectors including banking, health, education and utilities.

Board of Directors (Current)

Adrienne Ward –

Term commenced 9 March 2023

MAICD

Chair

Ms Ward was appointed to the Board as Chair in March 2023. Ms Ward has an extensive background in corporate and government strategy, working across senior level of Government and Business for more than 20 years.

Her current roles include Chair of Gladstone Airport Corporation; Non-Executive Director, RACQ Central Qld Helicopter Rescue Service; President, Gladstone Hockey Association; Member of The Public Transport Fares Advisory Panel, Qld; Member of The Australian Institute of Company Directors (AICD) Central Qld

Committee; Adjudicator, Telstra Best of Business Awards and Ambassador for the Women in Business Awards of Australia.

Ms Ward is a passionate advocate and contributor to both Gladstone and Queensland and along with her husband, owns a number of businesses in Gladstone.

Ms Ward is a former Telstra Businesswoman of the Year and was also awarded The Centenary Medal in 2003 for distinguished service and achievement in business and commerce.

Emeritus Professor Poh-Ling Tan

LLB (Hons), U. Malaya; LLB (1st Class Hons), QUT; PHD, ANU

Director

Emeritus Professor Tan was appointed a Director on 22 August 2019 and reappointed in December 2021 for a further two year term until 8 December 2023. She has previously served in several Ministerial appointments including the Murray-Darling Basin Authority's Advisory Committee for Social, Economic and Environmental Sciences. She has been serving for many years on Queensland's Water Referral Panel and has been reappointed to this role. Her current advisory roles include service on the Expert group for the Australian Water Partnership. Her research in water governance and policy has led to outcomes on national, state and local scales.

Peter Masters

Director

Mr Masters was appointed to the Board as a Director on 29 June 2021 for a term of three years. Mr Masters is currently the General Manager of the Gladstone Engineering Alliance. He is a well-known Gladstone Industry figure, having worked for both public and private organisations, in management and purchasing roles. Mr Masters has an extensive history working with and leading community-based not-for-profit organisations and sporting clubs. Mr Masters also holds a position as a Director of Gladstone Area Group Apprentices Limited and is also a member of the Audit and Risk Committee

Tina Zawila

CA, BBus(Acct), GradDipFinPlan, GAICD, FIML

Director

Mrs Zawila was appointed to the Board as a Director on 9 December 2021 for a term of three years. Mrs Zawila has been a member of the Audit and Risk Committee since her appointment and was appointed as Chair of the Committee in April 2023. She has over 35 years' experience in the finance industry as a Chartered Accountant, Financial Planner and Business Advisor. In her role as a Director of UHY Haines Norton CQ Pty Ltd, she provides accounting, taxation and business management services to her clients. Mrs Zawila is also a Non-Executive Director of the Central Queensland Hospital and Health Board and is the Chair of the Finance and Performance Committee; and is a Director of the Gladstone Airport Corporation and is the Chair of the Finance and Audit Committee and a member of the Nominations and Remuneration Committee. Mrs Zawila also holds various voluntary roles in not-for-profit organisations including Gladstone Area Group Apprentices Limited; Business, Industry and Tourism Skills Centre Advisory Committee and Clava Pty Ltd trading as Yaralla Sports Club.

Suzanne Burow –

Term commenced 9 March 2023

B.Eng(Civil), B.EnvMan, FIEAust, CPEng, NER, APEC Engineer, IntPE(Aus), RPEQ, MAICD

Director

Ms Burow was appointed to the Board as a Director in March 2023. Ms Burow has more than 25 years' experience working as a specialist engineer in the water sector, with a specific emphasis on hydrology and hydraulic modelling studies. Throughout her career, Ms Burow has contributed to regulatory processes and business case investigations related to water planning in Queensland. Ms Burow is a Chartered Engineering Fellow and Deputy Chair on the Board of Professional Engineers of Queensland.

Board of Directors – Former

On 9 March 2023 a new Chair (Adrienne Ward) and a new Director (Suzanne Burow) were appointed to the Board, replacing Chair Brushe and Director Noran.

Corporate governance

GAWB's corporate governance framework is designed to promote transparency, accountability and integrity in the way in which we operate. This is achieved through a comprehensive set of policies, procedures and standards which provide the Board, our Executive Leadership Team and employees with the clarity needed to exercise appropriate stewardship of the organisation and instil trust and confidence with our stakeholders.

GAWB's corporate governance framework aligns with the Queensland Government's Corporate Governance Guidelines for Government Owned Corporations (version 2) and has regard to the ASX Corporate Governance Principles and Recommendations (4th edition). Set out below is an overview of GAWB's approach to each of the eight principles contained in the Queensland Government's Corporate Governance Guidelines for Government Owned Corporations (version 2).

Principle 1 – Lay solid foundations for management and oversight

GAWB's Governance Charter, developed and approved by the Board, details the framework of rules, relationships, systems and processes by which authority within the organisation is exercised and controlled. The Governance Charter clearly defines the responsibilities and expectations of the Board, its Committees, the Chair, Directors and Management.

The Board, through its Authorities and Delegations Manual, has delegated the day-to-day management of the organisation to the Chief Executive Officer and other appropriately qualified employees.

A comprehensive induction process is in place for new directors, which includes detailed presentations on GAWB's operations, a tour of the network and a meeting with the Executive Leadership Team. A handbook containing a detailed suite of governance documents is also provided.

Prior to the commencement of the 2022-23 period, the Board approved the Key Performance Indicators (KPIs) of the Chief Executive Officer. Quarterly reporting to the Board ensued, ensuring appropriate management and oversight of organisational performance commitments and deliverables.

Principle 2 – Structure the Board to be effective and add value

GAWB's directors are appointed by the Governor-in-Council pursuant to section 600(1) of the Water Act. The terms of Chair, Maxine Brushe and Director Aurelia Noran expired on 22 August 2022 however in accordance with section 604(2) of the Water Act, the Directors continue to hold office on expiry of their term until such time as a successor is appointed. These terms officially ceased in March 2023 with the appointment of Chair, Adrienne Ward and Director Suzanne Burow effective 9 March 2023. All directors are independent, non-executive directors.

GAWB ensures directors are provided with appropriate professional development and training opportunities to enhance their skills and knowledge. This includes enrolling directors into the Australian Institute of Company Directors company directors course as required. In addition, directors can access, in appropriate circumstances, independent professional advice on matters concerning the Board at GAWB's expense.

Following the appointments of new Directors in 2023, a formal external evaluation process will be scoped with engagement and evaluation to be completed in 2023-24 in relation to the Board's performance. This evaluation process will also include evaluation of the Audit and Risk Committee and provide of recommendations for improvements as identified.

Details of the experience and term of office for each director is set out on page 77-78.

Board Sub-Committees

The Board has established the following sub-committees to assist with its governance and oversight responsibilities:

- Audit and Risk Committee.
- Fitzroy to Gladstone Pipeline Project Committee – dissolved in February 2023.
- Remuneration Committee – established in June 2023.

Audit and Risk Committee

The Audit and Risk Committee (Committee) assists the Board in fulfilling its governance oversight responsibilities for financial reporting, monitoring the adequacy of internal controls, the audit process, compliance, risk management and governance frameworks.

In 2022-23, the Committee met on four occasions. Its activities included:

- Review of GAWB's 2022-23 financial statements;
- Oversight of the internal control framework;
- Oversight of the internal audit function, including the review and recommendation of the proposed three year internal audit plan and completed internal audit reports together with monitoring management's implementation of internal audit recommendations; and
- Review of various governance documents including the:
 - Audit and Risk Committee Charter;
 - Internal Audit Charter;
 - Risk Appetite Statement; and
 - Risk Management Policy.

The Committee operates pursuant to a Board approved Charter, which is aligned with the Queensland Treasury Audit Committee Guidelines (issued July 2020) and is reviewed annually.

Fitzroy to Gladstone Pipeline Project Committee

The Fitzroy to Gladstone Pipeline Project Committee was constituted to assist the Board in fulfilling its governance and oversight responsibilities pertaining to the Fitzroy to Gladstone Pipeline Project. Given the approval of the project to move to construction of the pipeline, the Committee was dissolved in February 2023

and regular reporting added to the periodic Business as Usual reporting through to the Board in line with all other business units within GAWB.

During 2022-23 period the Committee met formally on 3 occasions. Its activities included:

- Approving the Extension of Project Timeframe and Budget.
- Approving the Early Contractor Involvement (ECI) Proponent.
- Approving the Project Executive Plan for the Fitzroy to Gladstone Pipeline construction phase.

The Fitzroy to Gladstone Pipeline Project Committee was dissolved in February 2023 following establishment of the Fitzroy to Gladstone Pipeline as a business unit within GAWB.

Remuneration Committee

The Remuneration Committee was established in June 2023.

The Committees charter outlines its responsibilities as:

- Reviewing the terms and conditions of employment along with compensation of the CEO.
- Determining any termination payments for the CEO.
- Monitoring and management of CEO declaration of interests and ensuring avoidance of any conflicts of interest.
- Ensuring that the remuneration and compensation of the CEO are decided fairly and transparently with no conflicts of interest.

The Committee's first meeting will be scheduled to be undertaken in 2023-24.

Details of the members of the Board Sub-Committees and their meeting attendance is set out on page 77.

Principle 3 – Instil a culture of acting lawfully, ethically and responsibly

GAWB actively promotes and reinforces a culture across the organisation of acting lawfully, ethically and responsibly. GAWB's Board approved values provide the guiding principles to the organisation as to what is expected from its Directors, Management and employees. The standards of behaviour that the Board expects is clearly articulated in its Code of Conduct.

GAWB provides clear guidance on the management of conflicts of interest through its Management of Director's Interests Policy and Conflicts of Interest Policy and Procedure. A Trading in Securities Policy is also in place to specify the obligations regarding trading in Financial Products of entities with which GAWB interacts.

GAWB has zero tolerance for fraud and corrupt conduct and is committed to establishing an integrity-based culture that discourages and protects the organisation from both internal and external fraud and corruption. GAWB has a comprehensive Fraud and Corrupt Conduct System which includes a Fraud and Corrupt Conduct Policy and Standard, a separate policy and procedure for dealing with complaints of alleged corrupt conduct involving the Chief Executive Officer, as well as a Public Interest Disclosure Policy and associated procedures. GAWB's policies and procedures relating to fraud control and prevention have been reviewed and approved by the Crime and Corruption Commission. In addition, an external whistleblower hotline is available, providing employees and the public the ability to seek assistance from an impartial third party with ethical dilemmas and report suspected fraud or corrupt conduct.

During 2022-23, in addition to organisational documentation being updated and implemented, a refreshed probity training session was finalised for all GAWB employees for roll out later in 2023.

Principle 4 – Safeguard the integrity of corporate reports

GAWB's Audit and Risk Committee assists the Board with its financial statement responsibilities by:

- Reviewing and providing advice to the Board on:
 - the appropriateness and disclosure of, or change in, significant accounting policies;
 - the treatment and disclosure of complex or unusual transactions;
 - the methodology and assumptions underpinning significant items including fair value and impairment assessments;
 - significant judgments made by management in preparing the financial statements including any significant estimates; and
 - the going concern assumptions.

- Satisfying itself that the financial statements are supported by appropriate written Management sign-off on the statements and on the adequacy of key internal controls.
- Reviewing the financial statements, including whether appropriate action has been taken in response to audit recommendations and adjustments to the adoption by the Board for signature.
- Reviewing the processes in place designed to ensure that financial information included in the annual report is consistent with the signed financial statements.
- Analysing GAWB's financial performance and financial position and seeking information from Management understand significant trends or variations from budget or forecasts.

The Audit and Risk Committee comprises of a minimum of three members appointed by the Board as well as an independent member to ensure the Committee has the depth of skills and financial expertise to fulfill its responsibilities.

Details of Committee members, meetings held and attendance at those meetings is set out on page 77.

Principle 5 – Make timely and balanced disclosures

As a Queensland Government statutory authority, GAWB aims to ensure that its Minister is kept informed of all major developments occurring within the organisation. We communicate information through a variety of formal documents including an annual Performance Plan, 5-year Corporate Plan, our Strategic Plan, Quarterly Reports and our Annual Report. We also provide Briefing Notes to the Minister and Departmental officers on any emerging issues and ensure a timely response to any request for information from the Minister's office or the Department of Regional Development, Manufacturing and Water.

GAWB recognises the importance of ensuring individuals have access to government information to promote transparency and accountability. We provide details about how a right to information application can be lodged with us on our website. We also maintain a publication scheme, providing open access to significant

corporate documents such as our Annual Reports and key policies. GAWB did not receive any requests under the Right to Information Act 2009 (Qld) during the reporting period.

Principle 6 – Respect the rights of stakeholders

The importance of building and maintaining strong relationships with our customers and the community is reflected as one of our strategic objectives – high customer and community satisfaction – in our 2024-2028 Strategic Plan.

GAWB seeks to follow the principles of the International Association of Participation's best practice Community Engagement Model and Participation Spectrum, with stakeholder engagement embedded into the revised Project Management Framework and areas of the business which interface with the public.

Stakeholder engagement is actively managed and tracked via an online platform (Microsoft Dynamics), with each Business Unit and Department responsible for inputting engagement data and managing their individual stakeholder engagement plans.

Business as Usual (BAU) activities and projects identified within the Operational Plan also seek to achieve the stated strategic objective – high customer and community satisfaction.

We respect the rights of our local Traditional Owners and have implemented a Cultural Heritage Policy to ensure we maintain and protect the Indigenous Cultural Heritage value of specific areas as well as objects that are significant to Indigenous cultural tradition.

Principle 7 – Recognise and manage risk

GAWB is committed to a structured approach to risk management to reduce exposure to operational and strategic risks and pursue opportunities to enhance our performance. This includes fostering a culture where risk management is recognised as the responsibility of every employee.

GAWB's enterprise risk management framework is based on ISO 31000:2018 *Risk Management Principles and Guidelines* and meets the requirements of section 23 of the *Financial and Performance Management Standard 2019*. The framework includes the following:

- Risk Appetite Statement.
- Risk Management Policy.
- Risk Management Standard.
- Risk Assessment Procedure.
- Risk Matrix.

During 2022-23, there was a continued focus on improving the maturity of the organisation in its approach to risk management. Quarterly meetings were held with the Executive Leadership Team to critically review GAWB's strategic risks, controls and future planned initiatives. The outputs from each meeting were then reported to the Audit and Risk Committee. Risk deep dives were also undertaken with the Audit and Risk Committee. This provided an opportunity for the Committee to participate in an in-depth review to better understand the specific risk as well as the mitigation and control measures in place to manage the risk. GAWB also continued the implementation of a new governance, risk and compliance software system leading to continual improvements in the organisation's risk maturity and enhancing reporting.

Principle 8 – Remunerate fairly and responsibly

Board members

The remuneration of GAWB's Board members is set by the Minister in accordance with the Remuneration Procedures for Part-time Chairs and Members of Queensland Government Bodies. This has been supplemented by a Director Remuneration Board Policy.

Employees (including senior executives)

GAWB has a Board approved Employee Remuneration and Rewards Policy which provides a fair and transparent framework for the remuneration of employees, including senior executives, and ensures compliance with relevant legislation and obligations. Within the 2022-23 period, the Board commissioned a broader review of GAWB's Remuneration Framework. This resulted in a revised Remuneration and Benefits Strategy that was approved by the Board to take effect from 1 July 2023.

Internal audit

GAWB's internal audit function is a key component of our corporate governance framework, providing independent assurance on the effectiveness of our risk management, control and governance processes. GAWB's internal audit function is outsourced. Internal audit reviews are independent and conducted with impartiality and integrity in accordance with relevant professional standards with recommendations considered by the Board and/or Executive Leadership Team for implementation across the business as appropriate.

External scrutiny

There were no independent reviews commissioned by the Government in relation to GAWB during 2022-23.

Information systems and record keeping

GAWB's governance documents and records are maintained according to the review schedule to ensure currency of the documents using the following standards:

The Document Control Standard:

- Assigns specific roles and responsibilities for documents (including ownership and approval).
- Establishes a document hierarchy.
- Establishes a document lifecycle.

The Records Management Standard:

- Assigns specific roles and responsibilities for records management.
- Outlines requirements for the creation, capture, management, retention and disposal of records.

These documents are all consistent with the principles of recordkeeping for Queensland Government agencies. Our Business Records Administrator and Risk and Compliance Manager have oversight of the organisation wide application of this Policy and Standards. GAWB is committed to the concept of continuous improvement and gives regard to best practice when reviewing documentation.

GAWB is also currently undertaking a document digitisation project aimed at minimising the quantity of paper records needing to be maintained, while ensuring that the State's records management requirements continue to be met. Our current information management arrangements have proven to be reliable with no serious breaches of information security reported during the year.

GAWB's records are maintained in accordance with the general retention and disposal schedule. To date no records have been destroyed or transferred to State Archives.

Human rights

GAWB received no human rights complaints in 2022-23. GAWB is committed to ensuring that all policies and procedures align with the requirements of the *Human Rights Act 2019* (Qld).

Public Sector Ethics Act 1994

Our Code of Conduct contains the principles and values we expect of our employees in the way they perform their work. Our principles are:

- Act with honesty and integrity.
- Abide with legislation and act professionally.
- Protect our reputation, assets and information.
- Do the right thing by our regional community.

Our Code of Conduct was last reviewed and updated during 2021-22. Our human resources policies and procedures are developed with regard to the Queensland Public service values of: Customers first; Ideas into action; Unleash potential; Be courageous; and Empower People and align with the expectations set out in our Code of Conduct and we ensure new employees are given training on the standards of behaviour expected.

Open data

Information in relation to expenditure on consultants and overseas travel is published online on the Queensland Government Open Data Portal (<https://data.qld.gov.au>).

Financial performance

GAWB's net profit after income tax equivalents for 2022–23 is \$12.44M, a \$2.45M favourable variance to budget. We received a total of \$76.21M in revenue, \$0.65M above budget. The favourable variance is due to higher than budgeted interest income.

Our operating costs were lower than budget. This is attributable to lower costs in the areas of employment, maintenance, administration, information systems, professional services and electricity.

Depreciation and amortisation increased significantly as a result of accelerating depreciation for filter assets at the Gladstone Water Treatment Plant.

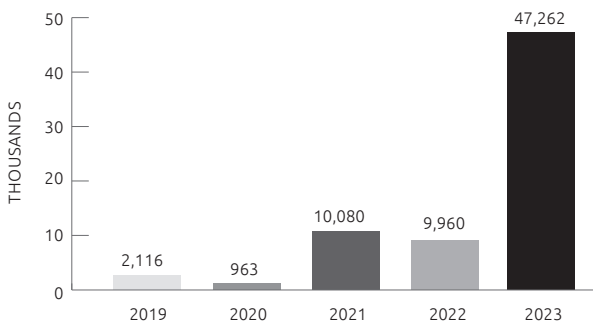
GAWB's net assets at 30 June 2023 amounted to \$428.48M, this value is below budget primarily due the payment of a \$37.29M interim dividend in June 2023.

GAWB's borrowings as at 30 June 2023 totalled \$356.47M with additional borrowings being used to fund the construction of the Fitzroy to Gladstone Pipeline.

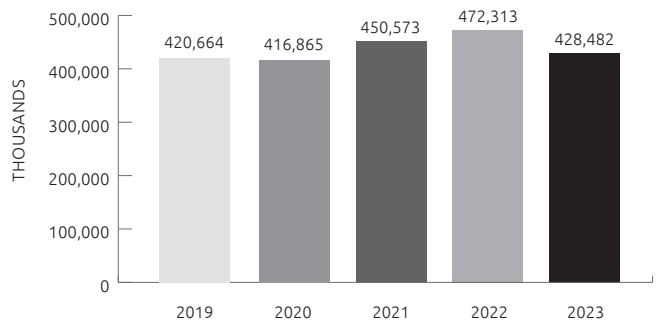
GAWB returned paid dividends of \$47.25M to the Queensland Government and propose a dividend payable of \$9.97M for 2022–23.

A comprehensive breakdown of our income, operating costs and financial position can be found in GAWB's Financial Statements.

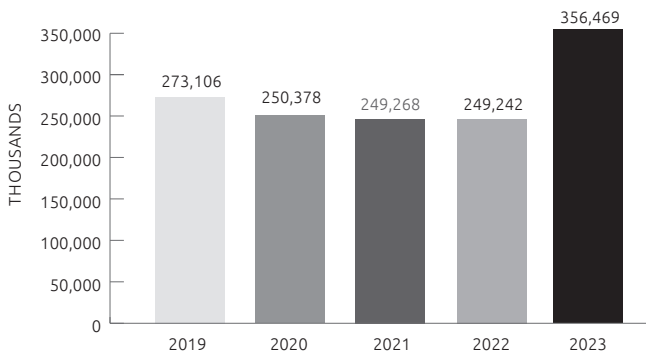
Dividends declared



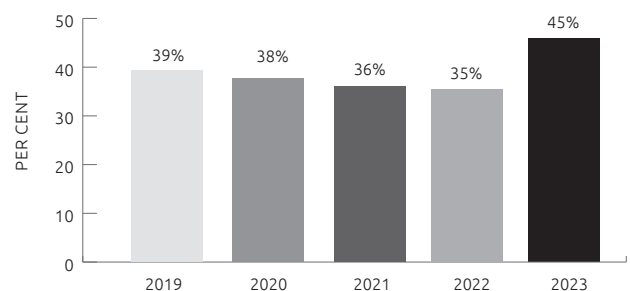
Total equity



Borrowings



Debt/equity ratio



Gladstone Area Water Board

Financial statements

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Statement of profit and loss and other comprehensive income

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023	2022
		\$'000	\$'000
Income			
Water revenue	4(a)	73,577	69,155
Other income	4(a)	2,629	1,292
Total income		76,206	70,447
Expenditure			
Employee expenses	4(b)	(13,705)	(11,995)
Operational expenses	4(b)	(17,745)	(16,236)
Finance costs	4(b)	(4,197)	(4,252)
Write off on non-current assets		(61)	(162)
Depreciation	9	(21,945)	(18,968)
Amortisation of right of use assets		(372)	(523)
Amortisation of intangible assets	10	(375)	(525)
Re/devaluation of non-current assets	9	(11)	331
Total expenditure		(58,411)	(52,330)
Profit before income tax		17,795	18,117
Income tax equivalents expense	5(a)	(5,354)	(5,437)
Profit for the year		12,441	12,680
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Revaluation of property, plant, and equipment	9	(12,872)	27,171
Income tax relating to components of other comprehensive income		3,862	(8,151)
Total other comprehensive income, net of income tax		(9,010)	19,020
Total comprehensive income for the year		3,431	31,700
Profit attributable to:			
Owners of Gladstone Area Water Board (GAWB)		12,441	12,680
Total comprehensive income for the year attributable to:			
Owners of GAWB		3,431	31,700

The accompanying notes form part of these financial statements.

Statement of financial position

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023	2022
		\$'000	\$'000
Current assets			
Cash and cash equivalents	6(a)	17,135	76,015
Trade and other receivables	7	10,568	9,213
Inventories		918	749
Total current assets		28,621	85,977
Non-current assets			
Trade and other receivables	7	24,947	25,801
Right-of-use assets	8	1,610	1,177
Property, plant, and equipment	9	841,773	720,847
Intangible assets	10	979	6,900
Biological assets		89	36
Total non-current assets		869,398	754,761
Total assets		898,019	840,738
Current liabilities			
Trade and other payables	11	22,844	6,127
Loans and borrowings	12	107,237	–
Lease liabilities	8	358	402
Provisions	13	11,863	11,674
Current tax liability	5(b)	571	17,358
Total current liabilities		142,873	35,561
Non-current liabilities			
Loans and borrowings	12	249,232	249,242
Trade and other payables	11	288	414
Lease liabilities	8	716	762
Provisions	13	592	586
Deferred tax liabilities	5(c)	75,836	81,860
Total non-current liabilities		326,664	332,864
Total liabilities		469,537	368,425
Net assets		428,482	472,313
Equity			
Contributed equity		64,647	64,647
Asset revaluation surplus		303,547	313,874
Retained earnings		60,288	93,792
Total equity		428,482	472,313

The accompanying notes form part of these financial statements.

Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2023

	Contributed equity	Asset revaluation surplus	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021 (restated)	64,647	294,856	91,070	450,573
Total Comprehensive income attributable to owners				
Profit from operations	–	–	12,680	12,680
Other comprehensive income	–	19,020	–	19,020
Total comprehensive income	–	19,020	12,680	31,700
Transfers within equity				
Disposal of revalued assets	–	(2)	2	–
Transactions with owners as owners				
Dividends proposed	–	–	(9,960)	(9,960)
Balances at 30 June 2022	64,647	313,874	93,792	472,313

	Contributed equity	Asset revaluation surplus	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022	64,647	313,874	93,792	472,313
Total Comprehensive income attributable to owners				
Profit from operations	–	–	12,441	12,441
Other comprehensive income	–	(9,010)	–	(9,010)
Total comprehensive income	–	(9,010)	12,441	3,431
Transfers within equity				
Disposal of revalued assets	–	(1,317)	1,317	–
Transactions with owners as owners				
Dividends proposed and paid	–	–	(37,291)	(37,291)
Dividends proposed	–	–	(9,971)	(9,971)
Total transactions with owners as owners	–	–	(47,262)	(47,262)
Balances at 30 June 2022	64,647	303,547	60,288	428,482

The amounts recognised directly in equity are disclosed net of tax equivalents.

The accompanying notes form part of these financial statements.

Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2023

Notes	2023	2022
	\$'000	\$'000
Cash flows from operating activities		
<i>Inflows:</i>		
Receipts from customers	76,097	108,461
Interest received	1,800	363
Goods and Services Tax (GST) input tax credits from Australian Taxation Office (ATO)	13,325	4,066
GST collected from customers	81	92
<i>Outflows:</i>		
Payments to employees	(13,375)	(11,862)
Payments to suppliers and services	(19,192)	(15,635)
Borrowing costs paid	(4,207)	(4,277)
GST paid to suppliers	(13,973)	(4,053)
GST remitted to ATO	(83)	(89)
Tax equivalents paid to Queensland Treasury	(24,304)	(14,053)
Net cash provided by operating activities	6(b) 16,169	63,013
Cash flows from investing activities		
<i>Inflows:</i>		
Proceeds from sale of property, plant & equipment	16	64
<i>Outflows:</i>		
Acquisition of property, plant & equipment	(131,004)	(25,974)
Acquisition of intangible assets	(2,098)	(2,956)
Net cash used in investing activities	(133,086)	(28,866)
Cash flows from financing activities		
<i>Inflows:</i>		
Proceeds from borrowings	106,184	–
<i>Outflows:</i>		
Dividends paid	(47,251)	(10,080)
Lease liability repayments	(896)	(585)
Net cash (used in)/from financing activities	58,037	(10,665)
Net increase/(decrease) in cash and cash equivalents	(58,880)	23,482
Cash and cash equivalents at 1 July	76,015	52,533
Cash and cash equivalents at 30 June	6(a) 17,135	76,015

The accompanying notes form part of these financial statements.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

1. General information

GAWB is a statutory body constituted under the *Water Act 2000 (Qld)* and is a Category 1 Water Authority as well as a registered water service provider under the *Water Supply (Safety & Reliability) Act 2008 (Qld)*. GAWB's ultimate parent is the State of Queensland. GAWB is domiciled in Australia. The address of GAWB's principal place of business is 136 Goondoon Street, Gladstone, Queensland. GAWB is a for-profit entity and is primarily involved in the supply of bulk water.

2. Basis of preparation

(a) Presentation

Historical cost convention

The financial statements have been prepared on the historical cost convention, except for certain classes of property, plant and equipment which are measured at fair value. The methods used to measure fair value are discussed further in Note 9.

Functional and presentation currency

The financial statements are presented in Australian dollars which is GAWB's functional currency.

Rounding of amounts

Amounts of less than \$500 included in the financial statements are rounded to zero unless disclosure of the full amount is specifically required. Other amounts included in the financial statements are rounded to the nearest thousand unless otherwise stated.

Classification between current and non-current

GAWB presents assets and liabilities in the statement of financial position and associated notes based upon current/non-current classification. An asset or liability is classified as current when they carrying amount is expected to be realised or they are due to be settled within twelve months after the reporting date, or the entity does not have an unconditional right to defer settlement to beyond twelve months after the reporting date. All other items are classified as non-current.

Goods and services tax

Revenue, expenses, assets, and liabilities are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation office (ATO). In these circumstances, the GST is recognised as part of the revenue, expense, asset, or liability.

(b) Statement of compliance

These financial statements are general purpose financial statements and have been prepared on an accruals basis in accordance with the *Financial Accountability Act 2009*, the disclosure requirements of section 39 of the *Financial and Performance Management Standard 2019*, *Statutory Bodies Financial Arrangements Act 1982*, applicable Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2022.

These financial statements of GAWB for the year ended 30 June 2023 were approved for issue in accordance with a resolution of the directors on 24 August 2023.

(c) Changes in accounting policies, disclosures, standards and interpretations

Accounting policies

Unless otherwise stated, all accounting policies applied are consistent with those of the prior year. Where appropriate, comparative figures have been amended to accord with the current year's presentation and disclosure.

Changes in accounting policy and disclosures effective in the current financial year

No new Australian accounting standards or interpretations that apply to GAWB for the first time in 2022-23 had any material impact upon the financial statements.

Accounting standards and interpretations issued but not yet effective

Any Australian accounting standards and interpretations with future effective dates were either not applicable to GAWB's activities or have no material impact on GAWB.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

3. Significant accounting judgements, estimates and assumptions

The preparation of GAWB's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. GAWB based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of GAWB. Such changes are reflected in the assumptions when they occur.

The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates significant to the financial statements are disclosed in the following notes:

- Note 5 – Income tax equivalents
- Note 9 – Property, plant, and equipment (useful lives and revaluation)
- Note 10 – Intangible assets (useful lives)
- Note 13 – Provisions
- Note 14 – Financial risk management

4. Profit before income tax

(a) Revenue

Water revenue: GAWB provides goods and services for the reservation of water and delivery of water to customers. The performance obligation for revenue from water sales is satisfied upon actual or deemed delivery to the user. GAWB's allowable revenue is recovered via the Queensland Competition Authority (QCA) approved pricing framework. The pricing framework is reflected in our Water Supply contracts and standard terms and conditions. Water invoices comprise of administration or corporate charges, storage charges (costs associated with assets and activities of water storage at Awoonga Dam) and delivery charges (costs associated with assets and activities of the delivery network including water treatment). All performance obligations are completed by 30 June each financial year. Settlement of billed amounts is required within 30 days from invoice date.

Revenue adjustment events may result in the under recovery of regulatory revenue. The amounts due to GAWB will be recovered in line with the findings of the QCA on the pricing framework and under-recovery of revenue.

Other income:

Lease revenue: Rent and lease income is recognised on a straight-line basis over the lease term.

Grants and other contributions: Government grants are accounted for under AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*. The grant is recognised initially as revenue received in advance at fair value when there is reasonable assurance that they will be received and GAWB will comply with the conditions of the grant. They are then recognised in profit or loss on a systematic basis over the useful life of the asset.

Otherwise, grants are accounted for under AASB 15 *Revenue for Contracts with Customers*. Grants that compensate GAWB for expenses incurred are recognised initially in revenue received in advance when received, and subsequently recognised as or when the performance obligations are satisfied.

Interest received

Interest received is recognised as interest accrues using the effective interest method.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

4. Profit before income tax (cont.)

Other revenue

Interest received
Lease revenue
Grants and other contributions
Hatchery income
Other

Total other revenue

	2023	2022
	\$'000	\$'000
	1,800	363
	486	469
	113	113
	92	–
	138	347
	2,629	1,292

(b) Expenses

Employee expenses

Wages, salaries and on costs
Contributions to superannuation plans
Labour hire costs
Ex-gratia payment
Other labour related costs

Total employee expenses

	2023	2022
	\$'000	\$'000
	11,253	10,298
	1,181	1,065
	586	179
	71	–
	614	453
	13,705	11,995

The ex-gratia payment was made on termination to an employee. On costs represents the total of fringe benefits tax, payroll tax and workers' compensation insurance premiums. Specifically, the amount recognised as an expense for workers' compensation insurance was \$0.08 million for the financial year ended 30 June 2023 (2022: \$0.07 million). Other labour related costs include staff training and conferences, recruitment expenses, staff uniforms and staff welfare expenditure.

Full-time equivalent employees (FTEs)

GAWB employed 91.68 FTE's as at 30 June 2023 (2022: 88.2 FTE's). This included both full-time employees, part-time and casual employees, measured on a full-time equivalent basis. This excludes directors.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

4. Profit before income tax (cont.)

Operational expenses

Contracted, professional, technical, and other services
Information systems expense
Maintenance
Electricity
Insurance
Administration costs
Chemicals
Operating expenses
Rates
Other

Total operational expenses

2023	2022
\$'000	\$'000
5,127	4,534
2,982	3,177
2,184	2,605
2,133	1,904
1,990	1,576
1,157	841
633	624
423	381
372	356
744	238
17,745	16,236

Finance costs

Interest paid
Competitive neutrality fee
Bank charges

Total finance costs

2023	2022
\$'000	\$'000
2,093	2,143
1,666	1,666
438	443
4,197	4,252

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset, whereas all other borrowing costs are expensed in the period they occur.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

5. Income tax equivalents

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit and loss, except where they relate to items that are recognised in other comprehensive income or directly in equity. Tax assets and liabilities are offset if the underlying taxes relate to the same taxation authority.

(i) Current income tax

As a Statutory Body, GAWB is required to pay income tax equivalents under the National Tax Equivalents Regime (NTER) and is required to adopt tax effect accounting in accordance with AASB 112 *Income Taxes*. GAWB's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period (2023 and 2022: 30%).

(ii) Deferred income tax

Deferred income tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised, or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

(iii) Offsetting of deferred tax balances

GAWB offsets deferred tax assets and deferred tax liabilities if, and only if:

(a) GAWB has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

(a) Income tax equivalents expense

	2023	2022
	\$'000	\$'000
Profit before income tax equivalents	17,795	18,117
Income tax equivalents expense calculated at 30%	5,339	5,435
Non-deductible entertainment	2	2
Prior year adjustment	13	–
Income tax expense	5,354	5,437
Comprised of movements in:		
Income tax payable	7,516	6,932
Deferred tax asset	37	(121)
Deferred tax liability	(2,199)	(1,374)
Income tax expense	5,354	5,437

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

5. Income tax equivalents (cont.)

b) Income tax payable/(receivable)

	2023	2022
	\$'000	\$'000
Opening balance	17,358	24,485
Charged to income	7,516	6,932
Prior year adjustments	–	(6)
Payments	(24,303)	(14,053)
Closing balance	571	17,358

c) Deferred tax assets and liabilities

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to use those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the probable availability of future taxable amounts.

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property, plant & equipment	–	–	(84,909)	(90,969)	(84,909)	(90,969)
Intangible assets	8,305	8,214	–	–	8,305	8,214
Trade & other payables	32	40	–	–	32	40
Employee benefits	774	702	–	–	774	702
Lease assets and liabilities	–	–	(161)	(4)	(161)	(4)
Revenue received in advance	123	157	–	–	123	157
Tax assets/(liabilities)	9,234	9,113	(85,070)	(90,973)	(75,836)	(81,860)

Movement in temporary differences during the year:

	Balance 1 July 2021	Recognised in income	Recognised in equity	Balance 30 June 2022
	\$'000	\$'000	\$'000	\$'000
Property, plant & equipment	(84,190)	1,372	(8,151)	(90,969)
Intangible assets	8,077	137	–	8,214
Trade & other payables	41	(1)	–	40
Employee benefits	669	33	–	702
Lease assets and liabilities	15	(19)	–	(4)
Revenue received in advance	190	(33)	–	157
Movement in temporary differences	(75,198)	1,489	(8,151)	(81,860)

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

5. Income tax equivalents (cont.)

(c) Deferred tax assets and liabilities (cont.)

	Balance 1 July 2022	Recognised in income	Recognised in equity	Balance 30 June 2023
	\$'000	\$'000	\$'000	\$'000
Property, plant & equipment	(90,969)	2,198	3,862	(84,909)
Intangible assets	8,214	91	–	8,305
Trade & other payables	40	(8)	–	32
Employee benefits	702	72	–	774
Lease assets and liabilities	(4)	(157)	–	(161)
Revenue received in advance	157	(34)	–	123
Movement in temporary differences	(81,860)	2,162	3,862	(75,836)

6(a) Cash and cash equivalents

	2023	2022
	\$'000	\$'000
Cash at bank	5,718	2,987
Deposits at Queensland Treasury Corporation, at call	11,417	73,028
Total cash and cash equivalents	17,135	76,015

For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash includes cash on hand, deposits at call and term deposits with banks and Queensland Treasury Corporation where maturity is no more than 90 days. Cash at bank is held with bank counterparties, which are rated AA3 based on Moody's 30 June 2023 ratings. Cash assets include all cash and cheques receipted but not banked as at 30 June. Cash at bank earns interest at floating rates based upon daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

6(b) Reconciliation of operating result to net cash from operating activities

	2023	2022
	\$'000	\$'000
Operating profit after income tax equivalents	12,441	12,680
Non-cash items included in operating result:		
Adjustments for: Depreciation	21,945	18,968
Amortisation	747	1,048
Re/devaluation of non-current assets	11	(331)
Movement in biological assets	(53)	(6)
Net loss on disposal of property, plant and equipment	603	167
	35,694	32,526
Change in assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,020	38,704
Decrease/(increase) in inventory	(169)	(83)
(Increase)/decrease in deferred tax assets	(121)	(121)
Increase/(decrease) in trade and other payables	(1,601)	452
Increase/(decrease) in deferred tax liabilities	(5,903)	6,783
(Decrease)/increase in current tax liabilities/(assets)	(16,787)	(7,127)
Decrease/(increase) in provisions	184	56
Increase in borrowing costs	(10)	(26)
Decrease in tax regarding asset revaluation surplus	3,862	(8,151)
Net cash from operating activities	16,169	63,013

6(c) Reconciliation of liabilities arising from financing activities

	Balance 1 July 2021	Cash Flows	Non-cash changes	Balance 30 June 2022
	\$'000	\$'000	\$'000	\$'000
Long term borrowings*	249,268	(2,475)	2,449	249,242
Lease liabilities	1,084	(585)	665	1,164
Long term debt	250,352	(3,060)	3,114	250,406

	Balance 1 July 2022	Cash Flows	Non-cash changes	Balance 30 June 2023
	\$'000	\$'000	\$'000	\$'000
Short term borrowings	–	106,184	1,053	107,237
Long term borrowings	249,242	(2,418)	2,408	249,232
Lease liabilities	1,164	(1,263)	1,173	1,074
Long term debt	250,406	102,503	4,634	357,543

*Cash flows relate to repayment of loan interest only.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

7. Trade and other receivables

Current

Trade receivables

Contract assets

Other receivables and prepayments

Total trade and other receivables

	2023	2022
	\$'000	\$'000
Trade receivables	6,395	7,345
Contract assets	854	859
Other receivables and prepayments	3,319	1,009
Total trade and other receivables	10,568	9,213

Non-current

Contract assets

Total trade and other receivables

	2023	2022
	\$'000	\$'000
Contract assets	24,947	25,801
Total trade and other receivables	24,947	25,801

Receivables are measured at amortised cost which approximates their fair value at reporting date. Trade receivables are recognised at the amounts due at the time of service delivery at the agreed contract price. Settlement of these amounts is required within 30 days from invoice date. Other receivables mainly relates to prepayments and GST receivables.

Contract assets arise from contracts with customers and are transferred to receivables in line with the terms of the contract. The payment terms of under recovery revenue amounts are set out in the contract with a default commencement date of 1 July 2022. There is a concentration of credit risk with respect to current and non-current receivables as GAWB has a small number of customers. GAWB policy is that water sales are only made to eligible customers. The carrying amount of receivables represents the maximum exposure to credit risk. GAWB's most significant customer accounts for \$2.00 million of trade receivables at 30 June 2023 (2022: \$1.70 million).

Ageing analysis of trade receivables at the reporting date:

Trade receivables not impaired

Not due

Overdue <31 days

Overdue 31–60 days

Overdue >60 days

Total

	2023	2022
	\$'000	\$'000
Not due	6,259	5,549
Overdue <31 days	132	1,793
Overdue 31–60 days	–	–
Overdue >60 days	4	3
Total	6,395	7,345

As at 30 June 2023 GAWB had current trade receivables of \$nil (2022: \$nil) that were impaired. All the current net trade receivables that are past due are with long standing customers who have a good payment history.

As at 30 June 2023 GAWB had contract assets of \$nil (2022: \$nil) that were impaired. All contract assets are with long standing customers who have a good payment history.

GAWB manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by monitoring all funds owed on a timely and ongoing basis. Refer to Note 14(b) credit risk for further information.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

8. Right of use assets and lease liabilities

Leases as a lessee

GAWB assess whether a contract is or contains a lease, at inception of the contract. GAWB recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (defined as leases of less than \$10,000). For these leases, GAWB recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, GAWB uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments
- Variable lease payments that depend upon an index rate, initially measured using the index or rate at the commencement date
- The exercise of purchase options if the lessee is reasonably certain to exercise the options
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

GAWB remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to a change in index rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

8. Right of use assets and lease liabilities (cont)

Leases as a lessee (cont)

The estimated useful lives for the current period is as follows:

	2023	2022
Land and Buildings	8–60 years	8–60 years
Motor vehicles	3-5 years	3-5 years

As a practical expedient AASB 16 *Leases* permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. GAWB has used this practical expedient.

Right-of-use assets

Land and buildings

	2023	2022
	\$'000	\$'000
At cost	1,537	678
Accumulated depreciation and impairment	(287)	(64)
Total land and buildings	1,250	614

Motor vehicles

At cost	1,440	1,351
Accumulated depreciation and impairment	(1,080)	(788)
Total motor vehicles	360	563

Total property, plant and equipment carrying amount

Reconciliation

	Land and buildings	Motor vehicles	Total
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2021	671	363	1,034
Additions	600	642	1,242
Disposals	(416)	(160)	(576)
Amortisation	(241)	(282)	(523)
Carrying amount at 30 June 2022	614	563	1,177

Reconciliation

	Land and buildings	Motor vehicles	Total
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2022	614	563	1,177
Additions	859	89	948
Disposals	–	–	–
Amortisation	(223)	(292)	(515)
Carrying amount at 30 June 2023	1,250	360	1,610

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

8. Right of use assets and lease liabilities (cont)

Leases as a lessee (cont)

Lease liabilities

Current

Non-current

Total

	2023	2022
	\$'000	\$'000
Current	358	402
Non-current	716	762
Total	1,074	1,164

Expenses recognised in profit or loss

Interest expense on lease liabilities

Expenses relating to short-term leases

	2023	2022
	\$'000	\$'000
Interest expense on lease liabilities	32	41
Expenses relating to short-term leases	–	14

Total cash outflow for leases

Outflow

	2023	2022
	\$'000	\$'000
Outflow	1,263	585

Leases as lessor

GAWB recognises lease payments from operating leases as income on a straight-line basis over the lease term. These leases relate to land and buildings. Undiscounted lease payment receivables at reporting date are exclusive of anticipated GST if the GST is recoverable, otherwise they are inclusive and are receivable as follows:

Not later than 1 year

Later than one year not later than five years

Later than five years

	2023	2022
	\$'000	\$'000
Not later than 1 year	417	418
Later than one year not later than five years	429	433
Later than five years	111	168
Total	957	1,019

During the year ended 30 June 2023, \$0.49 million was recognised as other income in the Statement of Profit and Loss and Other Comprehensive Income in respect of operating leases (2022: \$0.47 million).

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

9. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant, and equipment, are initially measured at their cost at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition, including costs incurred in getting the assets ready for use. The cost of assets constructed by GAWB includes the cost of investigation and design, all materials used in construction, capitalised borrowing costs and direct labour. The asset recognition thresholds are as follows:

• Land	\$1
• Plant and equipment	\$5,000
• Buildings	\$10,000
• Infrastructure	\$10,000

In accordance with the requirements of AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement* and Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector, land, buildings and improvements and infrastructure assets are measured at fair value less any subsequent accumulated depreciation and subsequent impairment loss where applicable. Assets under construction are measured at cost and are not depreciable until they are commissioned. Minor plant and equipment and motor vehicles are measured at cost.

(ii) Subsequent costs

Subsequent expenditure includes major replacements, overhauls, refurbishment, or major inspections and is capitalised if it is probable that the future economic benefits embodied within the expenditure will flow to GAWB and its cost can be measured reliably. Any remaining carrying value of parts replaced, or previous inspections is derecognised on recognition of the subsequent expenditure.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of property, plant, and equipment.

The estimated useful lives for the current and comparative periods are as follows:

Lease liabilities	2023	2022
Buildings and improvements	8–60 years	8–60 years
Infrastructure assets:		
Dam structure	40–150 years	40–150 years
Pump stations, reservoirs, pipelines and related plant	10–70 years	10–70 years
Minor plant and equipment	3–20 years	3–20 years
Motor vehicles	4 years	4 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date with movements recognised in profit or loss as applicable.

(iv) Derecognition

Items of property, plant and equipment are derecognised upon disposal or when no further future economic benefits are expected from their use or disposal.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

9. Property, plant and equipment (cont.)

(a) Balances and reconciliation of carrying amount

	2023	2022
	\$'000	\$'000
Land, buildings & improvements		
Land:		
At fair value	16,471	16,883
Buildings & improvements:		
At fair value	43,164	45,116
Total land, buildings & improvements	59,635	61,999
Infrastructure assets		
At fair value	600,870	626,157
Total infrastructure assets	600,870	626,157
Minor plant & equipment		
At cost	23,619	21,940
Accumulated depreciation	(9,810)	(8,382)
Total minor plant & equipment	13,809	13,558
Motor vehicles		
At cost	376	376
Accumulated depreciation	(338)	(277)
Total motor vehicles	38	99
Assets under construction		
At cost	167,421	19,034
Total property, plant and equipment carrying amount	841,773	720,847

GAWB has commenced a significant capital project for the construction of the Fitzroy to Gladstone Pipeline (FGP). The construction is forecasted to be completed by the end of March 2026 and have a total cost of \$983M. At 30 June 2023 assets under construction included \$145.475M of costs in relation to this project.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

9. Property, plant and equipment (cont.)

(a) Balances and reconciliation of carrying amount (cont.)

Reconciliation	Land, buildings & improvements	Infrastructure assets	Minor plant & equipment	Motor vehicles	Assets under construction	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2021	51,973	609,137	8,190	126	17,487	686,913
Additions	–	–	–	–	25,629	25,629
Disposals	–	(17)	(52)	–	–	(69)
Transfer to/(from) assets under construction	9,219	7,981	6,722	–	(23,922)	–
Depreciation	(1,671)	(15,968)	(1,302)	(27)	–	(18,968)
Write off to Profit and Loss	–	–	–	–	(160)	(160)
Revaluation increment	2,478	25,024	–	–	–	27,502
Carrying amount at 30 June 2022	61,999	626,157	13,558	99	19,034	720,847
Carrying amount at 1 July 2022	61,999	626,157	13,558	99	19,034	720,847
Additions	–	–	–	–	149,356	149,356
Disposals	(172)	(443)	(24)	–	–	(639)
Transfer to/(from) assets under construction	966	5,021	2,019	–	(8,006)	–
Transfer to/(from) intangible assets under construction	–	–	–	–	7,098	7,098
Depreciation	(1,995)	(18,145)	(1,744)	(61)	–	(21,945)
Write off to Profit and Loss	–	–	–	–	(61)	(61)
Revaluation increment/(decrement)	(1,163)	(11,720)	–	–	–	(12,883)
Carrying amount at 30 June 2023	59,635	600,870	13,809	38	167,421	841,773

(b) Deemed historical cost

Assets that are revalued include land, buildings and improvements, and infrastructure. The deemed historical cost for these items are as follows:

Land, buildings and improvements, and infrastructure at deemed historical cost

	2023	2022
	\$'000	\$'000
Land	10,328	10,153
Buildings and improvements	36,271	44,528
Infrastructure	421,233	422,101
Total cost	467,832	476,782

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

9. Property, plant and equipment (cont.)

(c) Valuations

As required under AASB 116, GAWB has an obligation to revalue its non-current assets at least every five years.

- GAWB has adopted an income-based approach, where the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, to determine fair value. An allowance against the cost is made for the exhaustion of service potential for the existing item. A comprehensive valuation is conducted annually. Revaluations are brought to account where the existing carrying value differs materially to the current fair value using this income approach. Revaluation increments are credited to the asset revaluation surplus except to the extent that they reverse a revaluation decrement previously recognised in the Statement of Profit and Loss and Other Comprehensive Income. Revaluation decrements are recognised in profit and loss, except to the extent they offset a previous revaluation. In this case the decrement is recorded in the asset revaluation surplus. The net amounts of accumulated depreciation are restated to the revalued amounts.

This approach was applied internally by GAWB as at 30 June 2023 using the following key assumptions and approach:

- GAWB's assets are subject to economic regulation and it is assumed that they will continue to be subject to monopoly price oversight in the future.
- Post-tax cash flows have been projected based on forecasts of prudent and efficient capital expenditure, operating costs, and revenue consistent with GAWB's planning projections for the regulatory period to June 2025 covered by the QCA's 2020 Final Report on GAWB's Pricing Practices. Projected post-tax cash flows have then been discounted at the post-tax WACC rate of 4.74%. The construction costs for the FGP Project have been excluded from the valuation process as no revenue stream pertaining to these assets is included in the current valuation period.
- Revenue cash flows for the 2021–2025 regulatory period incorporates an allowance for price rebates provided to certain customers, which generally equates to an amount comprising both return on investment and return of investment for those assets funded by those customers. The terminal value of these customer rebates, at 30 June 2025 have been factored into the cash flows.
- The residual value of assets, which also includes the regulatory allowance for recovery of working capital at 30 June 2025 represents the estimated future cash flows and assumes that throughout the remaining useful life of the assets, there will be alignment with the market view as to both the required rate of return and the costs of operating the assets sufficient to recover the residual value and therefore a multiplier of 1 has been used to reflect this. It is also assumed that any form of future regulation will ensure an owner of these assets will receive a sufficient return on equity after repayment of debt.
- During the 2021–2025 pricing monitoring review the QCA recommended aligning the five-year regulatory period and the pricing calculation period, formerly a 20 year period. The QCA recognised that the alignment of both periods will prevent the growth in the under-recovery of revenue. The QCA also recommended that GAWB commence the recovery of revenue related to the dam wall infrastructure, a sum of \$23.1 million, over the life of the asset. GAWB will continue the recovery of the remaining \$26.1 million from 1 July 2023. The value of the under recovery yet to be recovered at 30 June 2025 is \$26.9 million.
- Any unrealised capital gains from upwards revaluation of non-current assets are excluded from profit when determining the dividend payable for a financial year in accordance with section 660 of the *Water Act 2000*.
- The fair value measurement for land, buildings & improvements, and infrastructure assets of \$660.505 million (2022: \$688.16 million) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. The sensitivity of these fair values to changes in unobservable inputs is assessed as being low, as GAWB's pricing principles and comprehensive valuation are reflective of the QCA's 2020 pricing investigation outcomes.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

9. Property, plant and equipment (cont.)

(c) Valuations (cont.)

There were no changes between levels during the year:

Categorisation of fair values	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
2022				
Land, buildings & improvements	–	–	61,999	61,999
Infrastructure assets	–	–	626,157	626,157
Carrying amount at 30 June 2022	–	–	688,156	688,156
2023				
Land, buildings & improvements	–	–	59,635	59,635
Infrastructure assets	–	–	600,870	600,870
Carrying amount at 30 June 2023	–	–	660,505	660,505

10. Intangible assets

(i) Recognition and measurement

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically, and commercially feasible, future economic benefits are probable, and GAWB intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of professional services, materials, direct labour, and overhead costs that are directly attributable to preparing the asset for its intended use. Borrowing costs incurred in the development of qualifying assets are recognised in profit or loss. Other development expenditure incurred is recognised in profit or loss.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method.

Software

Software has a finite life and is carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method.

Land reservations and easements

These assets have an infinite life and are carried at cost.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

10. Intangible assets (cont.)

(iii) Amortisation and impairment

Capitalised development expenditure has currently been determined to have remaining expected useful lives of 1 to 9 years. The intangible asset is amortised on a straight-line basis once it is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Intangible assets include costs associated with the development of GAWB's Water Security Strategy (WSS) incorporating the Gladstone to FGP. The objective of the strategy is to develop and retain the capability to efficiently respond to reasonably foreseeable risks to the adequacy of current water supplies, either through drought or demand. GAWB received the required environmental approvals for the FGP in 2012. On this basis, GAWB commenced recognising amortisation of this intangible asset as the asset is capable of operating in the manner intended by management.

The FGP Project business case continued during 2023 and was transferred to property plant and equipment when construction of the project commenced. Software includes a fully written down ERP system (2022: \$0.32M) and minor business software assets.

Software

At cost

Accumulated amortisation

Total software

Land reservations

At cost

Easements

At cost

WSS development costs

At cost

Accumulated amortisation

Total WSS development costs

Assets under construction

At cost

Total intangible assets

	2023	2022
	\$'000	\$'000
At cost	5,292	5,292
Accumulated amortisation	(5,106)	(4,731)
Total software	186	561
At cost	29	29
At cost	631	631
At cost	23,246	23,246
Accumulated amortisation	(23,246)	(23,246)
Total WSS development costs	–	–
At cost	133	5,679
Total intangible assets	979	6,900

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

10. Intangible assets (cont.)

The reconciliation of movement by class for the year are shown below:

	Software	Land reservations	Easements	CSS development costs	Assets under construction	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021	1,086	29	631	–	2,422	4,168
Additions	–	–	–	–	3,257	3,257
Amortisation	(525)	–	–	–	–	(525)
Balance at 30 June 2022	561	29	631	–	5,679	6,900
Balance at 1 July 2022	561	29	631	–	5,679	6,900
Additions	–	–	–	–	1,552	1,552
Transfer to/(from) assets under construction	–	–	–	–	(7,098)	(7,098)
Amortisation	(375)	–	–	–	–	(375)
Balance at 30 June 2023	186	29	631	–	133	979

11. Trade and other payables

	2023	2022
	\$'000	\$'000
Current		
Trade creditors	1,754	1,940
Security deposits	46	37
Accruals	20,923	4,037
Revenue received in advance	121	113
Total current trade and other payables	22,844	6,127
Non-current		
Revenue received in advance	288	412
Other	–	2
Total non-current trade and other payables	288	414

Trade creditors and accruals represent liabilities for goods and services provided to GAWB prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within the terms agreed with the supplier. Revenue received in advance primarily relates to grant revenue (refer Note 4a). Due to the short-term nature of trade and other payables, their carrying value is assumed to approximate to their fair value. For more information on GAWB's credit risk management process refer to Note 14(b).

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

12. Loans and borrowings

The working capital facility is a temporary arrangement to fund the initial construction costs of the FGP Project. This amount was converted into a variable rate loan facility at 31 July 2023. At 30 June 2023 the interest rate on this facility was 4.10%.

All loans and borrowings are initially disclosed at fair value plus any transaction costs directly attributable to the loans and borrowings. Subsequently the loans are held at amortised cost using the effective interest rate method. Interest rates on borrowings range from 0.935% to 1.064%. The Queensland Treasury Corporation loans comprise advances made under three loans. All loans comprise a combination of bonds and floating rate debt so that the weighted average term of the underlying cash flows of these instruments matches the weighted average term of the underlying cash flows of GAWB's loans. The loans are used for the normal operations of GAWB and are unsecured.

Current

Queensland Treasury Corporation working capital facilities

2023	2022
\$'000	\$'000
107,237	–

Non-Current

Queensland Treasury Corporation loans

2023	2022
\$'000	\$'000
249,232	249,242

Fair Values

Unless disclosed below the carrying amount (book value) of GAWB's non-current borrowings approximate to their fair value. The fair values have been calculated by discounting the expected future cashflows at prevailing market interest rates and represents the value of the debt if GAWB repaid at that date. As it is the intention of GAWB to hold the debt for its term, no provision is required to be made in these accounts. GAWB's loan with Queensland Treasury Corporation is level 2 on the fair value hierarchy. There were no transfers between levels during the year.

Carrying value

Fair value

2023	2022
\$'000	\$'000
249,232	249,242
234,368	231,981

13. Provisions

A provision is recognised if, as the result of a past event, GAWB has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the amount expected at reporting date for which the obligation will be settled in a future period, determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Employee benefits

(i) Short-term benefits

Liabilities for employee benefits for wages, salaries, annual leave and long service leave represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that GAWB expects to pay within 12 months after reporting date including related on-costs, such as workers' compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to GAWB as the benefits are taken by employees.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

13. Provisions (cont.)

(ii) Other long-term employee benefits

GAWB's net obligation in respect of long-term employee benefits (long service leave) is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs, such as workers' compensation insurance and payroll tax; that benefit is then discounted to determine its present value. The calculation includes an assumption for expected settlement date based on usage patterns to calculate the provision.

The discount rate is the yield at the reporting date on high quality corporate bonds that have maturity dates approximately equivalent to the terms of GAWB's obligations.

(iii) Superannuation contributions

Liabilities in relation to contributions to superannuation funds (including defined contribution superannuation funds) are recognised as an expense in profit or loss when they are due. Liabilities are recognised in trade creditors (Note 11).

Employee benefits comprise of long service leave, annual leave, purchased leave, TOIL leave and rostered day off provisions. These provisions are categorised as either current or non-current. Provisions are presented as current in the Statement of Financial Position if GAWB does not have an unconditional right to defer settlement for at least twelve months after the reporting date regardless of whether the actual settlement is expected to occur. The benefit provision is calculated through application of a discount calculation to derive the present value of the future payment. GAWB utilises the Millman Group of 100 Discount Rate for this purpose. GAWB expects to settle \$0.84M of annual leave and \$0.06M of long service leave in the next 12 months.

Dividends

A provision for dividends is recognised at the reporting date where the dividends have been declared, determined or recommended by the Directors prior to the reporting date. A corresponding amount is recognised directly in equity. Dividends provided calculations are based on 80% of net profit after an adjustment for revaluation increments/decrements. The effective comparable percentages are 2023 at 80% and 2022 at 80%. All dividends are unfranked. Dividends are declared after reporting date but before the financial statements are authorised for issue.

	2023	2022
	\$'000	\$'000
Current		
Dividend	9,971	9,960
Long service leave	474	389
Annual and other leave	1,418	1,325
Total current provisions	11,863	11,674
Non-current		
Long service leave	467	461
Restoration	125	125
Total non-current provisions	592	586

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

13. Provisions (cont.)

Provision movements

	Dividend		Long service leave		Annual and other leave		Restoration	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current provision	9,971	9,960	474	389	1,418	1,325	–	–
Non-current provision	–	–	467	461	–	–	125	125
Closing balance at 30 June	9,971	9,960	941	850	1,418	1,325	125	125
Opening balance of provision at 1 July	9,960	10,080	850	992	1,325	1,196	125	125
Payment of provisions	(47,251)	(10,080)	(47)	(154)	(865)	(1,356)	–	–
Movement in provision calculation	47,262	9,960	138	12	958	1,485	–	–
Closing balance at 30 June	9,971	9,960	941	850	1,418	1,325	125	125

14. Financial risk management

(a) General objectives, policies and processes

GAWB has exposure to credit risk, liquidity risk, interest rate risk and capital management risk from its use of financial instruments. GAWB's financial instruments comprise trade and other receivables, trade and other payables, dividend provision, loans and borrowings and cash and cash equivalents. The Directors have reviewed GAWB's held to maturity financial assets in the light of its capital maintenance and liquidity requirements and have confirmed GAWB's positive intention and ability to hold those assets to maturity.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. GAWB manages its exposure to key financial risks, including credit risk, liquidity risk and interest rate risk, in accordance with its financial policies. The objectives of the policies are to support the delivery of GAWB's financial targets whilst protecting future financial security.

The Board reviews and agrees policies for managing each of the risks summarised below:

(b) Credit risk

Credit risk arises from the financial assets of GAWB, which comprise trade and other receivables. GAWB is exposed to credit risk from the possibility of counter parties to trade and other receivables failing to perform their obligations. GAWB does not hold any credit derivatives to offset its credit exposure. The level of exposure is disclosed in the Statement of Financial Position and in Note 7 with the carrying amount stated net of any provision for impaired debts.

(c) Liquidity risk

GAWB is exposed to liquidity risk in respect of its payables and borrowings from Queensland Treasury Corporation for capital works. Water sales are on a contracted basis to customers with payments monitored for compliance with contract terms. GAWB manages liquidity risk through the use of a liquidity management strategy which aims to reduce the exposure to risk by ensuring GAWB has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring maximum levels of cash are at hand to match the expected duration of various employee and supplier liabilities.

Funding arrangements are in place with Queensland Treasury Corporation which will allow sufficient funding to cover planned requirements within GAWB's corporate planning period. New borrowings are subject to an approved loan program with the sanction of the Treasurer of Queensland. GAWB has access to a \$10 million (2022: \$10 million) working capital facility provided through Queensland Treasury Corporation. This facility was not drawn upon during the financial year. The working capital facility may be drawn down at any time but may be terminated by QTC without notice. GAWB has access to a \$200 million (2022: \$nil) working capital facility provided through Queensland Treasury Corporation to fund the initial phase of the construction of the FGP Project. The arrangement terminated on 31 July 2023 and was converted into a variable rate loan. Of the loan facilities, \$249.23 million is fully drawn and has a maturity of 20 years (2022: \$249.24 million). GAWB has a bank credit card facility of \$0.09 million of which \$0.09 million was being utilised at 30 June 2023 (2022: \$0.07 million). GAWB has a bank facility of \$0.5 million for the provision of bank guarantees. These are used for guarantees given to council authorities when undertaking construction works. At 30 June 2023 \$0.21 million was utilised (2022: \$0.29million).

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

14. Financial risk management (cont.)

(c) Liquidity risk (cont.)

Maturity analysis	Fixed interest maturing in:			Floating interest rate	Non interest bearing	Total
	1 year or less	1 to 5 years	Over 5 years			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2022						
Financial liabilities						
Trade and other payables	–	–	–	–	6,014	6,014
Interest-bearing liabilities	2,418	50,422	207,164	–	–	260,004
Lease liabilities	402	687	75	–	–	1,164
Dividend provision	–	–	–	–	9,960	9,960
Total	2,820	51,109	207,239	–	15,974	277,142
2023						
Financial liabilities						
Trade and other payables	–	–	–	–	22,723	22,723
Interest-bearing liabilities	2,547	50,779	207,164	107,237	–	367,727
Lease liabilities	358	435	281	–	–	1,074
Dividend provision	–	–	–	–	9,971	9,971
Total	2,905	51,214	207,445	107,237	32,694	401,495

The risks implied in the table above reflect a balanced view of cash inflows and outflows.

Interest bearing loans and borrowings relate to Queensland Treasury Corporation borrowings which are interest only with no fixed repayment date for the principal component. For the purposes of completing the maturity analysis, the principal component of these loans has been included in the more than five-year time band with no interest payment assumed in this time band.

All trade payables and other financial liabilities originate from the ongoing operations of GAWB.

To monitor existing financial assets and liabilities as well as to enable an effective controlling of future risks, GAWB has established comprehensive risk reporting that reflects expectations of management of settlement of financial assets and liabilities.

GAWB monitors rolling forecasts of liquidity reserves on the basis of expected cash flow.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows for financial instruments will fluctuate because of changes in market interest rates. This applies specifically to cash and cash equivalents and loans and borrowings held by GAWB.

Interest on the QTC cash fund deposits is received at variable interest rates. However, these balances are subject to an insignificant risk of changes in value.

GAWB is exposed to the risk of interest rate movements within and between each five-year regulatory period on differences between the cost of debt being recovered in customer prices and the cost of debt for any borrowings made. To minimise the uncertainty of this risk, GAWB employs the following debt management strategies:

- For borrowings existing at the commencement of the regulatory period, the resetting of the debt is aligned with the regulatory pricing period.
- For forecast borrowings within the regulatory period, GAWB considers the likelihood and timing of the forecast borrowings and where appropriate enters into forward starting loan arrangements with QTC which lock in the interest rate for these forward borrowings.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

14. Financial risk management (cont.)

(d) Interest rate risk (cont.)

GAWB, is not subject to the risk of interest rate movements as the cost of debt for existing borrowings as they are aligned with the current regulatory pricing period. The FGP loan exposes GAWB to interest rate risk due to its variable rate and will be realigned at the next regulatory period. There is no impact on profit as interest is currently being capitalised as part of the FGP Project.

Without alignment, the effect of changes in interest rate risk of more or less than 100 basis points is shown in the sensitivity analysis below:

	Carrying amount	Interest rate risk			
		-100 bpts		+100 bpts	
		Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
2022					
Cash at bank	2,987	-	-	-	-
Deposits at Queensland Treasury Corporation, at call	73,028	(730)	(730)	730	730
2023					
Cash at bank	5,718	-	-	-	-
Deposits at Queensland Treasury Corporation, at call	11,417	(114)	(114)	114	114

(f) Capital risk management

GAWB manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. GAWB considers its capital to comprise its contributed equity, asset revaluation surplus and accumulated retained earnings.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

15. Commitments and contingencies

Capital and other commitments

Capital expenditure commitments (excluding GST) contracted for but not provided for and payable:

Amounts to be expensed:

Not later than one year

Later than one year, but not later than five years

More than five years

2023	2022
\$'000	\$'000
420,615	11,605
231,807	–
–	–
652,422	11,605

Contingent assets and liabilities

As at the date of these financial statements, the Board is not aware of any material contingent assets or liabilities.

16. Auditors' remuneration

Audit services

Queensland Audit Office

Audit and review of financial reports

2023	2022
\$'000	\$'000
118	95

For the 30 June 2023 audit, the amount quoted for the audit fee was \$0.10 million (2022: \$0.09 million). There are no non-audit services included in these amounts.

17. Director, key executive management personnel and related party disclosures

Shareholding Ministers

GAWB's responsible Minister is identified as part of GAWB's key management personnel (KMP), and this is the Minister for Regional Development and Manufacturing and Minister for Water. Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. GAWB does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers are disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements for 2023, which are published as part of Queensland Treasury's Report on State Finances.

Directors emoluments

Directors are appointed under the *Water Act 2000* and the compensation for each director is set by the Minister in line with s624 of the *Water Act 2000*.

Specified Executives

Compensation for the CEO was approved by the Board with compensation for the other key executive management personnel endorsed by the Board on the recommendation of the CEO having regard to GAWB's employee remuneration policy and government guidelines. It includes:

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

17. Director, key executive management personnel and related party disclosures (cont.)

- Short term employee benefits, consisting of:
 - Salary, allowances and leave entitlements, expected to be used within 12 months, paid, and provided to KMP during the year while they were a KMP, that were recognised as expenses in the Statement of Profit and Loss and Other Comprehensive Income;
 - Non-monetary benefits in the form of salary packaging, including the provision of a motor vehicle (including the associated fringe benefits tax), less any business use cost.
- Long term employee benefits, consisting of long service leave accrued.
- Post-employment benefits, consisting of superannuation contributions to accumulation funds.
- Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide for notice periods and payments on termination only.

Director compensation included the following:

Directors	Appointment/ (Cessation) Date	Short term benefits Directors' fees	Post-employment benefits Superannuation	Total remuneration
		\$'000	\$'000	\$'000
Ms Adrienne Ward (Chair)	9 March 2023			
2023		18	2	20
2022		–	–	–
Ms Suzanne Burow	9 March 2023			
2023		9	1	10
2022		–	–	–
Professor Poh-Ling Tan	22 August 2019			
2023		28	3	31
2022		32	3	35
Mr Peter Masters	29 June 2021			
2023		31	3	34
2022		32	3	35
Mrs Tina Zawila	9 December 2021			
2023		31	3	34
2022		16	2	18
Mrs Maxine Brushe (Chair)	(9 March 2023)			
2023		44	5	49
2022		62	6	68
Mrs Aurelia Noran	(9 March 2023)			
2023		25	3	28
2022		35	3	38
Total Remuneration				
2023		186	20	206
2022		177	17	194

No non-monetary benefits, long term employee benefits or termination benefits were paid to any directors.

Mr Mitchell Petrie was appointed as an independent member of the Audit and Risk Committee on 24 June 2021 (remuneration 2023: \$8,360, 2022: \$11,400). He also advises on Governance for the FGP Project.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

17. Director, key executive management personnel and related party disclosures (cont.)

Key executive management personnel compensation

Position	Contract expiry date / (termination date)	Short term employee benefits	Other long-term benefits	Post-employment benefits	Termination benefits	Total remuneration
		\$'000	\$'000	\$'000	\$'000	\$'000
Mr D Barlow (CEO)	19 March 2028					
2023		492	11	25	–	528
2022		560	9	27	–	596
Mr H Barbour (COO FGP Project)	27 May 2026					
2023		296	12	25	–	333
2022		331	12	26	–	369
Mrs A Moody (CFO)	26 July 2026					
2023		273	8	25	–	306
2022		285	7	24	–	316
Mr R Elliot (General Manager Aquaculture Gladstone)	18 April 2025					
2023		204	7	22	–	233
2022		51	3	4	–	58
Mr S Wikman (General Manager Network)	11 July 2025					
2023		230	–	22	–	252
2022		–	–	–	–	–
Ms C Byers (General Manager People and Culture)	Tenure					
2023		218	5	23	–	246
2022		257	4	22	–	283
Mrs R Miller (General Manager Hydrogen)	22 May 2026					
2023		124	–	11	–	135
2022		–	–	–	–	–
Mr S Naidoo (General Manager Network)	(14 January 2022)					
2023		–	–	–	–	–
2022		138	–	14	–	152
Mr G Harsh (Acting General Manager Network)	(29 July 2022)					
2023		16	–	2	–	18
2022		112	–	10	–	122

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

17. Director, key executive management personnel and related party disclosures (cont.)

Position	Contract expiry date / (termination date)	Short term employee benefits	Other long-term benefits	Post-employment benefits	Termination benefits	Total remuneration
		\$'000	\$'000	\$'000	\$'000	\$'000
Mrs R Bates (Chief Governance Officer)	(16 September 2022)					
2023		46	(15)	6	–	37
2022		261	6	22	–	289
Mr G Clarke (General Manager Capital Planning and Delivery)	(1 July 2022)					
2023		30	–	3	95	128
2022		226	(2)	24	–	248
Mr R Stephenson (General Manager Capital Planning and Delivery)	(10 March 2023)					
2023		145	–	15	–	160
2022		–	–	–	–	–
Mr K Litfin (General Manager Capital)*	(21 July 2023)					
2023		200	–	–	–	200
2022		–	–	–	–	–
Total Remuneration						
2023		2,274	28	179	95	2,576
2022		2,221	39	173	–	2,433

* Monetary expenses include the daily contracted amount paid by GAWB to a labour hire firm.

Mr P Botes commenced as General Manager Capital on 10 July 2023. He is contracted until 10 July 2026.

The CEO is responsible for the leadership and overall management of GAWB.

The CFO is responsible for the financial management of GAWB including the following functions within GAWB - procurement, land management (including environment), facilities management, legal, regulatory and technology.

The COO FGP Project is responsible for the progression of the Gladstone to Fitzroy Project.

The Chief Governance Officer provided support to the Board on corporate governance practices, director's duties, and their legal responsibilities. The role was also responsible for GAWB's Governance, Risk Management, Compliance, Internal Audit and Safety functions.

The General Manager People and Culture is responsible for safety, organisational culture strategies and initiatives and the HR functions of GAWB.

The General Manager Capital Planning and Delivery is responsible for the planning and delivery of GAWB's capital projects. This role also includes engineering services.

The General Manager Network is accountable for the reliability of GAWB's water network and the delivery of water to customers.

The General Manager Aquaculture Gladstone is responsible for the management of the Aquaculture Gladstone facility at Awoonga Dam.

The General Manager Hydrogen is responsible for assisting the development of the hydrogen industry in the Gladstone region.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

17. Director, key executive management personnel and related party disclosures (cont.)

Key executive management personnel performance bonuses

A performance bonus was paid on 5 October 2021 to the CEO, CFO, COO FGP Project, General Manager Network, General Manager People and Culture, General Manager Capital Planning and Delivery and Chief Governance Officer. Performance bonuses are recognised as an expense during the year they are paid. Bonuses have been discontinued from 1 July 2021 and base salaries adjusted to market rates. A performance bonus was paid to General Manager Aquaculture Gladstone on 21 February 2023. This was a pro rata payment relating to an employment condition preceding their Senior Executive appointment.

	2023	2022
	Number	Number
\$50,000 to \$59,999	–	–
\$40,000 to \$49,999	–	–
\$30,000 to \$39,999	–	1
\$20,000 to \$29,999	–	5
\$10,000 to \$19,999	–	–
\$0 to \$9,999	1	1
Total	1	7

Transactions with directors and director related entities

During the financial year GAWB has dealt with no directors or director related entities.

Transactions with key executive management personnel and key executive management personnel related entities

The terms and conditions of the transactions with key executive management personnel (KEMP) and key executive management personnel related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key executive management personnel related entities on an arm's length basis.

Mr K Litfin is a director of Axiom Project Services Pty Ltd. During 2023 GAWB purchased \$2.069 million of project management services from Axiom Project Services Pty Ltd. As at 30 June 2023 GAWB had payables due of \$nil. All transactions are negotiated on terms equivalent to those that prevail in an arms-length transaction.

From time to time, KEMP of GAWB or their related entities, may purchase goods from GAWB. These purchases are on the same terms and conditions as those entered into by other employees of GAWB or suppliers and are minor or domestic in nature.

Transactions with Government-related entities

GAWB transacts with other State of Queensland controlled entities. All material transactions are negotiated on terms equivalent to those that prevail in an arms-length transaction.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

17. Director, key executive management personnel and related party disclosures (cont.)

	2023	2022
	\$'000	\$'000
Revenue		
Water revenue received from CS Energy	3,283	2,573
Water revenue received from Gladstone Ports Corporation	1,118	1,135
Interest received from QTC	1,800	363
Total revenue	6,201	4,071
Expenditure		
Interest, loan fees and account fees on QTC borrowings and accounts	2,492	2,537
Dividend, NTER, Payroll Tax, Rates equivalent and competitive neutrality fee paid to Queensland Treasury	74,127	26,656
Electricity payments to State of Queensland controlled entities	532	376
QSuper	1,365	1,188
Department of Resources	694	2,980
Other	424	350
Total expenses	79,634	34,087

Amounts receivable from and payable to other State of Queensland controlled entities at the reporting date comprise:

	2023	2022
	\$'000	\$'000
Receivables		
CS Energy	9,746	10,144
Gladstone Ports Corporation	602	583
Advance facility held with QTC	11,417	73,027
Total receivables	21,765	83,754
Payables		
Borrowings from QTC	356,469	249,242
Accrued interest and fees payable to QTC	170	173
Trade creditors to State of Queensland controlled entities	1,118	638
Total payables	357,757	250,053

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

18. Climate risk

The State of Queensland, as the ultimate parent of the Sunshine Department, has published a wide range of information and resources on climate change risks, strategies and actions (<https://www.qld.gov.au/environment/climate/climate-change>) including the following key whole-of-Government publications:

- Climate Action Plan 2020-30 (<https://www.des.qld.gov.au/climateaction>)
- Queensland Energy and Jobs Plan (<https://www.epw.qld.gov.au/energyandjobsplan>)
- Climate Adaptation Strategy (<https://www.qld.gov.au/environment/climate/climate-change/adapting/strategy>)
- Queensland Sustainability Report (<https://www.treasury.qld.gov.au/programs-and-policies/esg/>)

GAWB accounting estimates and judgements – climate-related risks

GAWB considers climate-related risks when assessing material accounting adjustments and estimates used in preparing its financial report. Key estimates and judgements identified include the potential for changes in asset useful lives, changes in fair value of assets, impairment of assets, the recognition of provisions or the possibility of contingent liabilities.

No adjustments to the carrying value of assets were recognised during the financial year as a result of climate-related risks impacting current accounting estimates and judgements. No other transactions have been recognised during the financial year specifically due to climate-related risks impacting GAWB.

GAWB continues to monitor the emergence of material climate-related risks that may impact the financial statements of GAWB, including those arising under the Queensland Government Climate Action Plan 2020-2030 and other Government publications or directives.

19. Events after reporting period

To date, no other events have occurred subsequent to balance date that materially impact on these financial statements.

Management certification of the financial statements

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects;
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Gladstone Area Water Board for the financial year ended 30 June 2023 and of the financial position of the Gladstone Area Water Board at the end of that year; and

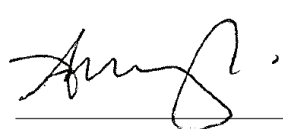
We acknowledge responsibility under section 7 and section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



A. Ward
Chair



D. Barlow
Chief Executive Officer



A. Moody
Chief Financial Officer

Gladstone Area Water Board
24 August 2023

Independent Auditor's Report

TO THE BOARD OF GLADSTONE AREA WATER BOARD

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Gladstone Area Water Board.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2023, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the Auditor-General Auditing Standards, which incorporate the Australian Auditing Standards.

My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report (cont.)

TO THE BOARD OF GLADSTONE AREA WATER BOARD

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of forming an opinion on the effectiveness of the entity's internal controls, but allows me to form an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

Statement

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2023:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects..

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.

28 August 2023



Bhavik Deoji
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Appendix 1

Government body summary

Name of Government body: Gladstone Area Water Board					
Act or instrument	<i>Water Act 2000 (Qld)</i> – section 1084.				
Functions	Principally the ownership, management, operation and maintenance of dams, treatment plants, pipelines and other bulk water distribution infrastructure, hatchery and dam recreational areas and any other occupation incidental thereto.				
Achievements	Refer to Message from the Chair & CEO (pages 7 - 8).				
Financial reporting	Financial results are presented in the financial statements. GAWB is not exempt from a financial statement audit by the Auditor-General.				
Remuneration as at 30 June 2023					
Position	Name	Meetings/sessions attendance	Approved annual, sessional or daily fee ¹	Approved sub-committee fees if applicable ¹	Actual fees received ²
Chair	Maxine Brushe ³	Board: 6 Audit and Risk Committee: 4 FGP Project Committee: 3	\$55,000	\$6,000	\$44,577
Chair	Adrienne Ward ⁴	Board: 3 Audit and Risk Committee: 1 Remuneration Committee: 0	\$55,000	\$3,000	\$19,292
Director	Poh-Ling Tan ⁵	Board: 8 Remuneration Committee: 0	\$27,500	-	\$28,557 ¹³
Director	Aurelia Noran ⁶	Board: 5 Audit and Risk Committee: 3 FGP Project Committee: 3	\$27,500	\$8,000	\$25,942
Director	Peter Masters	Board: 7 Audit and Risk Committee: 4	\$27,500	\$3,000	\$31,673 ¹³
Director	Tina Zawila	Board: 9 Audit and Risk Committee: 5	\$27,500	\$4,000	\$31,969 ¹³
Director	Suzanne Burow ⁷	Board: 3 Remuneration Committee: 0	\$27,500	-	\$9,202
Independent Committee Member	Mitchell Petrie ⁸	Audit and Risk Committee: 5 FGP Project Committee: 3	N/A ⁷	N/A	\$8,360
No. scheduled meetings/sessions	Board: 9 ⁹ Fitzroy to Gladstone Pipeline Project Committee: 3 ¹¹ 6		Audit Committee: 5 ¹⁰ Remuneration Committee: 9		
Total out of pocket expenses	\$8,679.69				

Appendix 1

Government body summary

1. Board and Committee fees are pro-rated where the director was not a member for the full year.
2. Actual fees received include approved fees excluding superannuation. Actual fees also include payment of approved sub-committee fees attributable to the 2021-22 period.
3. Director Brushe ceased being the Chair of the Board and a member of the Audit and Risk Committee on 8 March 2023.
4. Director Ward was appointed to the Board on 9 March 2023, appointed a member of the Audit and Risk Committee on 23 March 2023 and appointed to the Remuneration Committee on 22 June 2023. The Remuneration Committee did not meet in 2022-23.
5. Director Tan was appointed to the Remuneration Committee on 22 June 2023. The Remuneration Committee did not meet in 2022-23.
6. Director Noran ceased being a member of the Board and the Audit and Risk Committee and Chair of the Fitzroy to Gladstone Project Committee on 8 March 2023.
7. Director Burow was appointed to the Board on 9 March 2023 and appointed to the Remuneration Committee on 22 June 2023. The Remuneration Committee did not meet in 2022-23.
8. Mr Petrie was appointed as an independent member of the Audit and Risk Committee and the Fitzroy to Gladstone Pipeline Project Committee by the GAWB Board, not the Governor-in-Council.
9. There were 8 ordinary board meetings and 1 special board meetings held during 2022-23.
10. There were 4 ordinary Audit and Risk Committee meetings and 1 special Audit and Risk Committee meeting held during 2022-23.
11. Fitzroy to Gladstone Pipeline Project Committee dissolved by resolution of the Board on 23 February 2023. 12. The Remuneration Committee was established on 22 June 2023 and did not meet in 2022-23.
13. Actual fees received exceed approved annual, sessional or daily fee amount due to an additional pay period in 2022-23.

Appendix 2

Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of Compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	Page 3
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	Page 4 Page 81
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	Page 2
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	Page 2
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4	Page 2
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5	Page 2
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10	Page 5-11
Non-financial performance	<ul style="list-style-type: none"> Government’s objectives for the community and whole-of-government plans/specific initiatives 	ARRs – section 11.1	Page 12-13
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.2	Page 9-11
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.3	Page 12-27
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	Page 9, 37
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	Page 28
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	Page 28-31
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	Page 77
	<ul style="list-style-type: none"> Public Sector Ethics 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	Page 36
	<ul style="list-style-type: none"> Human Rights 	<i>Human Rights Act 2019</i> ARRs – section 13.5	Page 36

Appendix 2

Compliance checklist

Summary of requirement	Basis for requirement	Annual report reference	
Governance – risk management and accountability	• Risk management	ARRs – section 14.1	Page 34
	• Audit committee	ARRs – section 14.2	Page 32
	• Internal audit	ARRs – section 14.3	Page 36
	• External scrutiny	ARRs – section 14.4	Page 36
	• Information systems and record keeping	ARRs – section 14.5	Page 36
	• Information Security attestation	ARRs – section 14.6	Page 36
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	Page 24
	• Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	Page 23
Open Data	• Statement advising publication of information	ARRs – section 16	Page 35
	• Consultancies	ARRs – section 31.1	https://data.qld.gov.au
	• Overseas travel	ARRs – section 31.2	https://data.qld.gov.au
	• Queensland Language Services Policy	ARRs – section 31.3	https://data.qld.gov.au
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – section 38, 39 and 46 ARRs – section 17.1	Page 74
	• Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Page 75-76

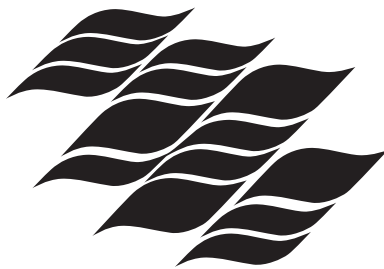
FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirement for Queensland Government agencies*

Glossary

AG	Aquaculture Gladstone
ANCOLD	Australian National Committee on Large Dams
BAU	Business as Usual
Board	GAWB's Board of Directors
BOOT	Better Off Overall Test
CCC	Crime and Corruption Commission
CCF	Community Consultative Forum
CPMG	Capricorn Pest Management Group
DRDMW	Department of Regional Development, Manufacturing and Water
DMP	Drought Management Plan
DWQMP	Drinking Water Quality Management Plan
ECI	Early Contractor Involvement
EOI	Expression of Interest
ERP	Enterprise Resource Planning
FGP	Fitzroy to Gladstone Pipeline
FTE	Full Time Equivalent
GAWB	Gladstone Area Water Board
GHG	Green House Gas
GLNG	Santos GLNG Gladstone
ICT	Information and Communication Technologies
ISO	International Organisation for Standardization
ILUA	Indigenous Land Use Agreement
KPI	Key Performance Indicator
KPMG	KPMG Australia
MBJV	McConnell Dowell BMD Constructions Joint Venture
MSQ	Maritime Safety Queensland
Minister	Minister for Regional Development and Manufacturing and Minister for Water
ML	Megalitres
ML p.a.	Megalitres per annum
PCEMP	Pikes Crossing Emergency Muster Point
PMF	Project Management Framework
QCA	Queensland Competition Authority
QTC	Queensland Treasury Corporation
Recreational Strategy	Lake Awoonga Recreational Strategy
TUMRA	Traditional Use of Marine Resources Agreement
Water Act	<i>Water Act 2000 (Qld)</i>
WSS	Water Security Strategy



**Gladstone Area
Water Board**

www.gawb.qld.gov.au

GAWB appreciates feedback from readers of the annual report. Please contact our Manager Corporate Secretary and Reporting on (07) 4976 3000 or email gawb@gawb.qld.gov.au.