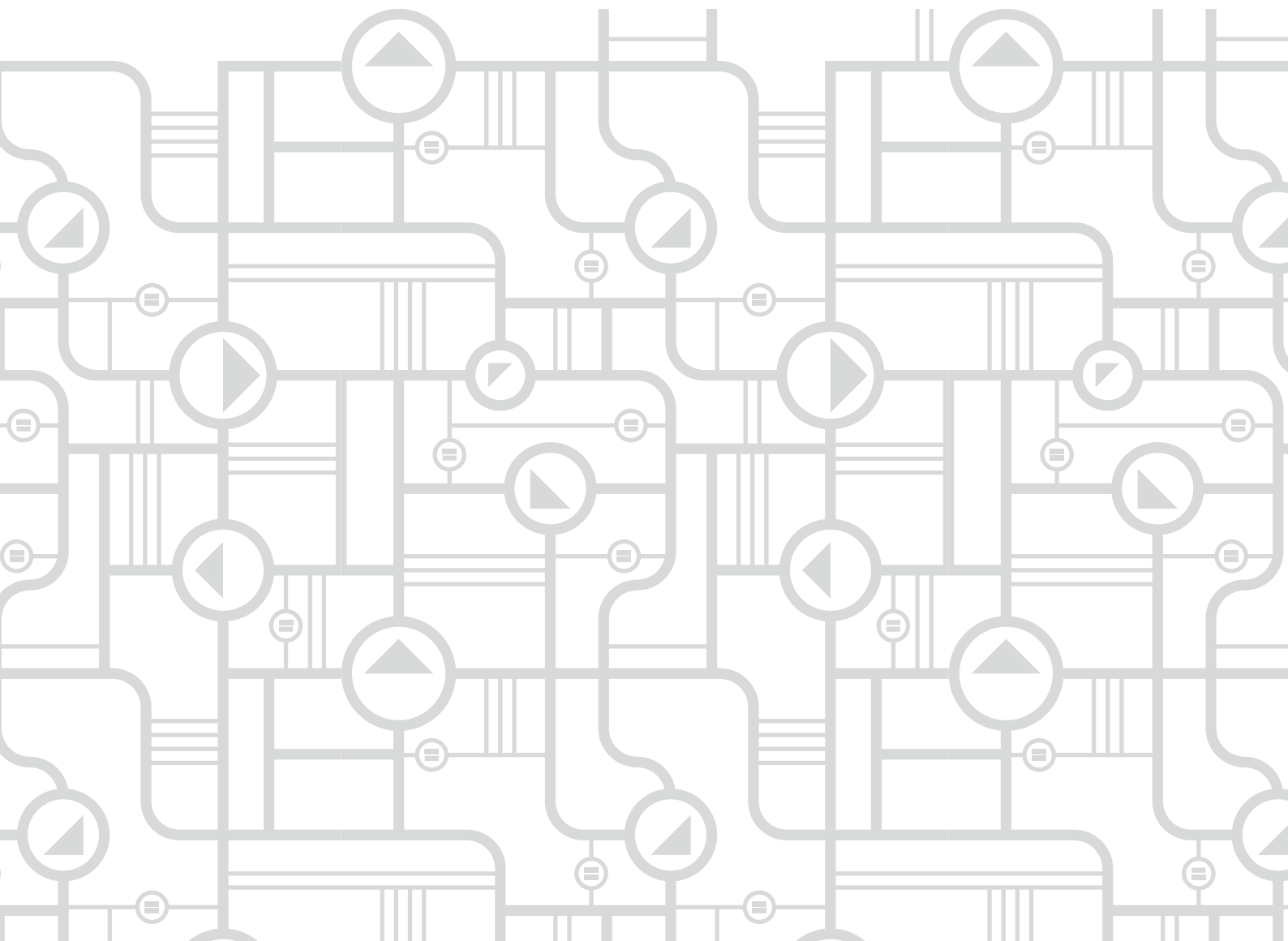


GLADSTONE AREA WATER BOARD

# Annual Report

2023-24



# About this report

**This annual report provides details of Gladstone Area Water Board (GAWB)'s achievements for 2023-24, 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 and 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](http://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](mailto: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

30 August 2024

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 2023-2024 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 82.

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 were held throughout the year to commemorate this substantial milestone and recognise our many achievements and considerable contributions made by GAWB to the Gladstone community. 2023-24 also saw the construction phase of the Fitzroy to Gladstone Pipeline (FGP) achieve the 50 per cent of pipe lay milestone. As the entity responsible for the construction, ownership, operation and maintenance of the pipeline, GAWB is committed to on track delivery of the FGP in 2026, weather and construction conditions permitting.

## 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 customers. 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. Additionally, GAWB is mid-delivery of Central Queensland's largest infrastructure project to assist in delivering water security to the Central Queensland region.

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 the Gladstone region 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 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 currently 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 potable water pipelines
- 10 pump stations
- 16 water reservoirs comprised of:
  - 11 treated water reservoirs
  - 5 raw water reservoirs
- Two water treatment plants.

Assets currently under construction as part of the FGP:

- Water Intake on the Lower Fitzroy River
- 117km of raw water pipeline
- Water treatment plant at Alton Downs
- 2 raw water reservoirs at Aldoga.

### 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 current bulk water prices are informed by the QCA's Price Monitoring Investigation that was undertaken during 2019-20.

On 23 May 2024, the QCA commenced a Price Monitoring Investigation for the pricing period 1 July 2025 to 30 June 2030. This review relates to GAWB's business as usual operations only, as consideration of the Fitzroy to Gladstone Pipeline (FGP) will be via a separate price review.

GAWB submitted the response to the QCA 2025-30 Price Review on 31 May 2024.

### 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 2023-24.**

This has been another outstanding year for GAWB, as we continue to deliver water reliably and consistently for customers while also progressing with construction of the Fitzroy to Gladstone Pipeline. The work being carried out now will deliver GAWB a second, secure and complimentary source of water and a foundation to support future growth in our region.

The framework in which GAWB operates is robust and our 2024-2028 Strategic Plan objectives drive us forward.

## **Objective 1: Safe, resilient and reliable water supply**

As our customer base grows, so too does our work to meet the ongoing and potential future demand for water. In February 2023, an investment decision was announced by the Queensland Government regarding the approval of the Fitzroy to Gladstone Pipeline (FGP). Investments such as the FGP directly addresses the risks to water security in the region as Awoonga Dam is currently the sole source of water supply. With the approval of the FGP, GAWB was able to lift the Low Supply Alert and from mid-2023, GAWB undertook an application process to establish the queue for water supply and to allot remaining available water from Awoonga Dam.

## **Objective 2: High customer and community satisfaction**

As part of our 50 years of GAWB celebrations, we launched the 'our water story, is your water story' campaign, a 12-month program of activities to bring together employees, community, customers and key stakeholders.

This program concluded in December 2023, and notable events from July-December included the opening of the Trevor Burgess boat ramp and planting an 'avenue of trees', both at the Boynedale Bush Camp. These activities were also identified as part of the 5-year Lake Awoonga Recreational Strategy, which is close to completion.

## **Objective 3: Skilled and responsive workforce**

In this financial year, we have built on the success of the Step-Up leadership program, which assists leaders to elevate their leadership capability and aid the retention of a skilled and capable local workforce.

There are also more established career pathways for trainees, particularly at Aquaculture Gladstone with the first ever school-based trainee and a full-time trainee. These additional pathways will enhance our ability to build in-house capability and expertise in specialised areas, such as aquaculture.

## **Objective 4: Operational sustainability**

Climate change is predicted to impact rainfall events, droughts and extreme fire weather. During the reporting period,

considerable progress has been made on the Climate Change Strategy (2020-30) including the investment in solar photovoltaic generation at key sites. This investment will reduce our carbon footprint. Additionally, energy efficient considerations now embedded in our Project Management Framework will help drive even more prudent and efficient use of resources.

## **Objective 5: Water Security**

Construction of the Fitzroy to Gladstone Pipeline is well underway and on track for completion in 2026, weather permitting. The \$983 million, 117km pipeline will improve water security for existing customers and provide GAWB with a second source of water. This, and several other projects on our existing network, will strengthen our ability to provide safe, resilient and reliable water for our customers.

## **Objective 6: Growth**

Gladstone is an ideal location for a hydrogen industry and GAWB is supporting the potential development of this new industry, in line with the Queensland Government's five-year hydrogen industry strategy. In this reporting period, GAWB compiled a Detailed Business Case for a short-term augmentation of the network, outlining how the network can enable greater volumes of water to proponents in Aldoga. These works will enable the network to respond to customer requirements.

## **Acknowledgements**

It is an exciting time to be part of Gladstone Area Water Board and I thank my fellow Board Directors for their efforts this year. I acknowledge outgoing Director Professor Poh-Ling Tan on the successful completion of her term and welcome Mr Mitchell Petrie as a Board Director from December 2023.

On behalf of the Board, I thank the Chief Executive, Executive Leadership Team and employees for their commitment to delivering safe and reliable water services to our region. The progress against strategic objectives has been outstanding this year and holds the organisation in good stead as we enter this period of sustained growth.

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 2023-24, we have set the rhythm for a period of sustainable growth for Gladstone Area Water Board. Work on the FGP has been impressive, with the project on time and budget, with an expected completion, on schedule, in 2026, weather permitting. The FGP will bring much needed additional water security for the region and become the second source of water for customers.**

We are also in the right position to support the emerging hydrogen industry in Gladstone, with a proposed Short Term Network Augmentation, and significant work to engage with customers to understand their needs currently with the Queensland Government for decision. This emerging industry has the potential to change the landscape of energy generation in the region and across Australia and this is an exciting time to be part of the green energy future.

While the period of growth we are in and anticipate over the coming years is exciting, I commend all GAWB employees for their diligent commitment to delivering on our core commitment – safe, reliable delivery of bulk water to customers. I also take this opportunity to thank the Chair and all Directors for their support, guidance and leadership throughout the past year.

Our team has also made sustained progress against our strategic objectives, some of which are outlined below.

## **Aquaculture Gladstone**

For the first time ever, the team produced and released 1.1475 million Barramundi fingerlings into Lake Awoonga, meeting our regulatory annual restocking target. This has been possible thanks to the world class production capabilities of the fish hatchery which opened in 2022. With increased production capabilities, we are in a prime position to expand the possible commercialisation of the multi-species hatchery, with fish sales across Australia.

In addition to its successful fish breeding program, in November 2023, the Minister officially opened the Aquaculture Gladstone Interpretive Display, an accessible, educational display. The interpretive display offers an opportunity for visitors to discover information about biosecurity, the aquaculture

industry and recreational activities available at Lake Awoonga. Visitor numbers through this display have already exceeded expectations, demonstrating the high demand for this type of tourism in the region.

## **Enhancing our recreational areas for the community**

This year marks the mid-point for the 2020-2025 Lake Awoonga Recreational Strategy, which aims to enhance the facilities and experience of visitors to Lake Awoonga. With even better facilities, GAWB contributes to the liveability of the region with more tourists and locals alike recognising Lake Awoonga as a desirable place to visit, fish, swim, camp etc.

With additional boat ramps, carparks, picnic shelters and facilities, as well as greater parkland footprint with erosion control, Lake Awoonga is a premier tourist destination. The opening of the Aquaculture Gladstone Interpretive Display near the lake, and enhanced experiences at the Boynedale Bush Camp and Four Mile Scrub to Boynedale Rail Trail, make the experience for tourists and visitors even better.

## **Reforming our Network**

GAWB is committed to continuously improving our network to meet future customer needs, such as through the Short-Term Network Augmentation for the emerging hydrogen industry. There is also work underway to ensure our existing network is operating at peak efficiency and effectiveness.

Reviews of our existing processes have identified opportunities to further improve operations and asset management through a Network Reform Program. This program will roll out of the next two years and will deliver improvements for a significantly longer period and contribute to us being positioned for expected growth in customer demand.



### **Safe operations of the Awoonga Dam**

The safety of our source of water, Awoonga Dam, is paramount to GAWB. More extreme weather events are likely in the future and GAWB is actively preparing for that future. In addition to the routine inspections and surveillance in the Dam Safety Management Program, GAWB is undertaking engineering studies to determine what works may be required to meet future weather events and regulatory requirements. This is a multi-year project but is another example of GAWB actively planning to support a bright future of delivery and growth.

GAWB is pleased to work collaboratively with the Queensland Government to achieve the approval of the Marine Zone at Riverston Bay. The Marine Zone has been established to protect recreational users of Riverston Bay from direct interaction, collisions or near misses with motorised watercraft, including jet skis and boats. This new regulation to take effect on 1 July 2024.

### **50 years of operation**

Finally, this year we concluded the celebrations for our 50th anniversary. Running from January to December 2023, GAWB took the opportunity to mark the milestone with a series of events, including

a corporate history program called 'Then and Now' which showcased how over fifty years of operations GAWB has adapted to the changing needs of our customer base and community. It's a recurrent theme for GAWB and it's encouraging to be building on this past and looking forward to another period of reliably and safely meeting increasing customer needs.

On behalf of GAWB's management team, I thank our employees, customers and key stakeholders for their ongoing support and engagement throughout the year and reiterate thanks to the GAWB Chair and Directors for their support, leadership and guidance. We are a stronger team because of the input of many and we look forward to contributing to enhanced liveability and growth in the Central Queensland region and the State.



Darren Barlow  
Chief Executive Officer

# Our performance

## Key performance measures

| Key Performance Measure   | Target    | Actual    | Achieved / Not achieved |
|---|-----------|-----------|-------------------------|
| <b>Financial</b>  |           |           |                         |
| Earnings Before Interest & Tax (EBIT)                               | \$6.81M   | \$26.81M  | ✓                       |
| Net Profit After Tax (NPAT)   | \$0.72M   | \$15.72M  | ✓                       |
| Return on Assets (ROA)  | 0.55%     | 1.86%     | ✓                       |
| Actual operating expenditure versus Budget                          | <100%     | 91.06%    | ✓                       |
| EBIT Interest cover   | 1.18      | 6.15      | ✓                       |
| Funds Flow Interest cover   | 5.39      | 9.08      | ✓                       |
| Funds Flow to Total Debt cover                                      | 2.86%     | 7.10%     | ✓                       |
| Balance Sheet gearing (capital structure)                           | 49.24%    | 33.97%    | ✓                       |
| Cash cover (months)   | 8.36      | 190.26    | ✓                       |
| Capital expenditure <sup>1</sup>                                    | \$585.04M | \$382.25M | !                       |
| QTC Covenant EBITDA Interest Coverage ≥3                            | 5.17      | 10.90     | ✓                       |
| QTC Covenant Debt / EBITDA <8.25 <sup>2</sup>                       | 23.44     | 11.41     | ✓                       |
| <b>Non-Financial</b>  |           |           |                         |
| System Water Losses:  |           |           |                         |
| - Raw water network   | <6%       | 3.81%     | ✓                       |
| - Potable water network   | <3%       | 2.73%     | ✓                       |
| Compliance with Drinking Water Quality Management Plan              | 100%      | 100%      | ✓                       |
| Lost Time Injuries (Workers)  | ≤ 2       | Nil       | ✓                       |
| 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  | >80%      | 90.77%    | ✓                       |
| Compliance with emergency preparedness                              | 100%      | 100%      | ✓                       |

<sup>1</sup> The capital expenditure underspend in the 2023-24 financial year is primarily attributed to the Fitzroy to Gladstone Pipeline project (FGP), where the budgeted construction sequence differs from the actual sequence, due to the project being rebaselined during the financial year. Additionally, expenditure variances on smaller projects include:

- Awoonga Dam Improvement Project (ADIP) rebaselining due to scope changes, resulting in FY24 budget over spend.
- Machinery failures essential to construction works, resulting in schedule and cashflow delays.
- Contract engagement rectifications, resulting in schedule and cashflow delays.

<sup>2</sup> Exemption received from QTC relating to this metric during the construction of the Fitzroy to Gladstone Pipeline.

# Our performance

## Key business improvement initiatives

### Advancement of the Water Security Strategy

#### Fitzroy to Gladstone Pipeline

Since the Queensland Government announcement of the Fitzroy to Gladstone Pipeline construction in February 2023, the contractor, McConnell Dowell BMD Constructions Joint Venture (MBJV) has carried out the following activities to 30 June 2024:

- The delivery of 117km of pipe to site.
- Cleared 93km within the pipeline alignment since the start of construction in August 2023.
- Laid 68km of mainline pipe (trenching, laying, and backfilling).
- Completed 37km of rehabilitation activities.
- Completed bulk earthworks and commenced construction activities at the water treatment plant and river intake.
- Greater than 850,000 work hours were completed since project commencement with two lost time injuries occurring over that time.
- The project has incurred 19 environmental incidents relating to fauna/flora, contamination or spill. Due to the clearing activities in preparation for pipelaying, incidents involving fauna are more prevalent than other events.

At 30 June 2024, construction expenditure totalled \$484 million of a \$950 million budget.

GAWB has established positive working relationships with 71 private landholders, one Commonwealth Government department, four Queensland Government departments, three government related entities, eight private companies and two Traditional Owner groups to enable construction and permanent licencing of the pipeline.

GAWB has progressed discussions with the Traditional Owner groups of Rockhampton and Gladstone on voluntary Indigenous Land Use Agreements (ILUA). GAWB has agreed an ILUA with Darumbal, Traditional

Owners in the Rockhampton region, with formal registration occurring on 16 May 2024. Discussion with the First Nations Bailai, Gurang, Gooreng Gooreng, Taribelang Bunda (FNBGGTB) People of Gladstone will continue through 2024-25.

GAWB continues to inform the Department of Regional Development, Manufacturing and Water (DRDMW) on a routine basis through a Project Advisory Group on construction progress. GAWB also participates in a State Agency Update Forum chaired by DRDMW to inform other departments in State Government of construction progress.

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

#### Long term Bulk Water Supply

In addition to the Fitzroy to Gladstone Pipeline, GAWB continues to engage with the Department of Regional Development, Manufacturing and Water in its investigation of the feasibility of a desalination plant in Gladstone and additional options for the advancement of supply of adequate water in the Central Queensland region.

#### Central Queensland Regional Water Assessment

GAWB is also participating in the Central Queensland Regional Water Assessment (CQRWA) as a member of both the Stakeholder Advisory Group and the Working Group and also as a contributor to the Service Needs Analysis by providing background information on known areas of current and future water demand and additional water supply opportunities.

GAWB is committed to continuing to work with the CQRWA project team over the duration of the project.

#### STATUS – Achieved.

---

## Implementation of revised project management framework

GAWB is working through a program of activities to enhance the Project Management Framework (PMF) 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.

A KPMG audit of the PMF implementation was completed in the later part of 2023 with actions across three key milestones. The first two milestones, which included a review of the PMF process and documentation are now complete. The final milestone involves consultation across the business on the revised PMF, final training and roll out. It is envisaged that the PMF will be fully implemented across all business units by end of December 2024.

**STATUS – Partially achieved.**

---

## Financial Sustainability

To determine the co-funding arrangements between GAWB and the Queensland Government for the Fitzroy to Gladstone Pipeline (FGP), a Financial Sustainability Review was undertaken by the Queensland Government.

This initiative achieved a number of milestones including:

- The review was completed in 2023-24.
- The report prepared by QTC helped inform discussions on GAWB's funding requirements for the construction of the FGP and its short to medium term infrastructure requirements.

**STATUS – Achieved.**

---

## Implementation of the Lake Awoonga Recreational Strategy

Following the completion of Stage 1 activities GAWB continued its commitment to enhancing the recreational facilities and community/tourist experiences around Lake Awoonga, with the

overarching goal of contributing to the liveability of the region. This was achieved through the delivery and execution of the activities identified within the Lake Awoonga Master Plan.

Key Stage 2 and 3 accomplishments include:

- The procurement of the loading pontoon for the main public boat ramp at Lake Awoonga, and the swimming pontoons for Riverston Bay and Ironbark Gully.
- The completion of the Trevor Burgess Boat Ramp extension, providing comprehensive access for boating and fishing enthusiasts in the Boyne Valley.
- Enhancements at the Main Boat Ramp have been completed, including the installation of additional car and boat trailer parking areas, facilitating easier access and improved user convenience.
- At Riverston Bay, extensive expansion efforts have transformed the waterfront area with increased parkland, sandstone walls, additional carparks, concrete pathways, picnic shelters, BBQ facilities, and drinking fountains.

These enhancements not only enrich the recreational offerings at Lake Awoonga but also reinforce our commitment to providing exceptional amenities that cater to the diverse needs of our community and visitors.

Another significant milestone was also achieved with the approval of the new Marine Zone at Riverston Bay. The Marine Zone has been established to protect recreational users of Riverston Bay from direct interaction, collisions or near misses with motorised watercraft, including jet skis and boats. This new regulation took effect 1 July 2024.

**STATUS – Achieved.**

---

## QCA Mid-Term Review

In accordance with the Referral and Direction Notice issued by the Treasurer on 28 June 2019 relating to the QCA's Price Monitoring Investigation for the 2021-25 regulatory period, the QCA was required to provide a subsequent, mid-term report to the Treasurer by 31 October 2023.

The Mid-Term Review sought to compare the annual prices GAWB has charged customers between 1 July 2020 and 30 June 2023 with the QCA's findings in its Final Report (May 2020).

GAWB lodged its submission with the QCA on 31 July 2023 and the QCA released its Final Report on 31 October 2023. The QCA's key findings were:

- The majority of GAWB's departures from the QCA's Final Report (2020) were anticipated or previously foreshadowed in the Final Report or by GAWB;
- GAWB's prices in 2021-22 and 2022-23 have increased by the consumer price index (CPI) only, compared with final 2020-21 prices; and
- GAWB actively engaged with customers to explain its 2020-21 prices and the reasons for departing from the QCA's Final Report positions.

**STATUS – Achieved.**

---

### **Advancement of Climate Change Strategy 2020-2030**

GAWB wishes to support the climate-related ambitions of the Queensland Government, our customers and community. The objective of our Climate Change Board Policy is to reduce greenhouse gas (GHG) emissions from the energy used to pump water to our customers, power our facilities and fuel our company fleet. GAWB is committed to reducing our GHG emissions by 30% by 2030 calculated on a baseline year of 2020. This is supported by our Climate Change Strategy (2020 – 2030) and Climate Change Strategy Action Plan 2021-2025. During 2023-24 GAWB progressed the initiatives identified in the Climate Change Strategy Action Plan. These initiatives included commencing the construction of a 1.3MW ground mounted, behind-the-meter, solar photovoltaics (PV) installation in May 2024. This project is scheduled for completion in April 2025. Works have also commenced to install rooftop solar PVs at the Gladstone Water Treatment Plant (GWTP) and Yarwun Water Treatment Plant (YWTP) with combined 138KW generation capacity. These projects will be completed next year.

A review of GAWB's Climate Change Strategy and progress against the Climate Change Strategy Action Plan was undertaken in late 2023-24. In light of this review, GAWB has re-confirmed its commitment to reduce our GHG emissions by 30% by 2030 and a revised Climate Change Strategy Action Plan 2025-28 has been adopted to support the attainment of this commitment.

**STATUS – Partially achieved.**

---

### **Aquaculture Gladstone Hatchery Commercialisation and Operationalisation**

Following the opening of GAWB's new fish hatchery facility in November 2022, Aquaculture Gladstone has continued to improve its production capability and its commitment to the sustainable restocking of Lake Awoonga. This was achieved by increasing its total production rate of 1,032,000 for FY 2023 to 2,196,085 for FY 2024. This significant increase in production capacity has allowed Aquaculture Gladstone to achieve its maximum annual restocking target for the first time in history with 1,147,500 Barramundi fingerlings being released into the Lake for the FY 2024 restocking period.

Additionally, this production has enabled ongoing restocking support for other impoundments in Queensland and the opportunity to develop commercial sales within the aquaculture industry.

Whilst trials continue with breeding mangrove jack and sea mullet, the future of these species looks promising with further research on these species scheduled for the FY2025 year.

In October 2023, Aquaculture Gladstone opened its interpretive display area to the public and for group bookings. Since opening, visitation has greatly exceeded expectations with over 2,000 visitors attending the centre by the end of June 2024. In particular group bookings are a favourite for local schools and students, with school excursions being heavily subscribed.

Aquaculture Gladstone operates a structured work experience program with local schools and hosts 2 aquaculture trainees completing a Certificate 3 in Aquaculture. These activities underpin Aquaculture Gladstone's ongoing commitment to provide research and development and recreational facilities, promote recreational fishing and tourism and enable pathways for students to progress career options through a structured program.

**STATUS – Achieved**

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## Implementation of our Leadership Development Program

Now in its third year, GAWB's Step-Up Leadership Development Program continues to build the leadership capabilities required today and for our future growth trajectory.

In the 2023-24 period, Stage 2 – Leadership Skillset continued to be outworked. Additionally, a mid-program assessment was completed in conjunction with making significant progress towards the sustainment of the Program, assuring the required leadership capabilities as turnover and natural attrition occurs.

Delivery of the final module within the Leadership Skillset Suite is currently scheduled to be completed in October 2024.

**STATUS – Achieved.**

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## Implementation of a revised Remuneration and Benefits Strategy

A comprehensive review of GAWB's Remuneration and Benefits arrangements was completed in the 2022-23 period and was implemented from 1 July 2023. GAWB's new strategy has improved attraction and retention of staff in a competitive employment market.

One (1) year in, GAWB has seen a significant decrease in employee turnover and improvements in attracting quality candidates in recruitment programs.

**STATUS – Achieved.**

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## Implementation of GAWB's 50th Anniversary celebrations

In 2023, GAWB celebrated 50 years of operations and to mark the milestone, we launched the 'our water story, is your water story' campaign which ran over both the 2022/23 and 2023/24 reporting periods. The campaign was a 12-month program of activities that brought together our employees, community, customers and key stakeholders to recognise 50 years of GAWB operations.

During this reporting period, we concluded the program with a variety of events including:

- the opening of the Trevor Burgess boat ramp at Boynedale Bush Camp,
- planting an 'avenue of trees' also at the bush camp, with these native trees a lasting natural legacy of GAWB which generations to come will enjoy,
- installation of a First Nations artwork on the exterior wall of GAWB head office at 136 Goondoon Street, Gladstone,
- additional, one-off support for the Lake Awoonga Adventure Race, with the purchase of equipment to support the not for profit group to hold the race for many more years to come,
- creating the 'Then & Now' corporate history display, in conjunction with local historians and the Gladstone Regional Art Gallery, and the display has been launched and subsequently taken on tour to different locations across the region for public viewing,
- holding the inaugural Lake Awoonga Scavenger Hunt, with more than 250 families participating in the free, family-friendly activity.

The program of events culminated with the burial of a time capsule at Castle Tower Look Out at Lake Awoonga. Employees were asked to provide feedback on what we would include in the time capsule, and the items selected were samples of water from the lake, a small selection of promotional merchandise and brochures, as well as a miniature GAWB'ie, the golden pelican used in the Lake Awoonga Scavenger Hunt.

**STATUS – Achieved.**

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## Awoonga Dam Improvement Project

Awoonga Dam is a referable dam under section 341 of the *Water Supply (Safety and Reliability) Act 2008* (Qld) and GAWB is required to comply with Queensland's dam safety guidelines.

In 2015, GAWB committed to a staged approach to dam safety upgrades in accordance with the State's Acceptable Flood Capacity (AFC) Guidelines that were in effect at that time. Under this approach, 65% of the required flood capacity for Awoonga Dam was to be achieved by 2025, with a separate construction project to be undertaken to achieve 100% AFC by 2035.

In 2021 the Dam Safety Regulator issued the Guidelines



on Safety Assessments for Referable Dams, which replaced the AFC guidelines. The new guidelines emphasised a risk-based approach. As a result, new engineering studies were conducted to better understand the risk position at Awoonga Dam. The new studies indicated that the scope of works required would increase significantly to comply with current standards and guidelines.

GAWB has proposed to adopt a risk-based methodology to address all elements of the dam, necessitating a reassessment of the delivery of the dam improvements.

GAWB continues to meet all regulatory and legislative requirements in relation to dam safety and operations.

In FY24, the Dam Safety Improvement Project achieved the following milestones:

- Development of a physical hydraulic model to simulate and evaluate dam spillway hydraulics under various inflow conditions, with all modeling for the existing capacity now complete and final modeling for capacity increase options scheduled for FY25.
- Completion of limited concept design and early optioneering, resulting in the elimination of non-viable options.
- Revision of the risk assessment.
- Completion of yield study analysis.

**STATUS – Partially achieved.**

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## Network Reform Program

The Network Reform Program will deliver an uplift in operational efficiency and effectiveness focusing on the following areas:

- Strategic Asset Management
- Operational and Control Technology
- Drinking Water Quality Standards, and
- Easements

To date, comprehensive reviews have been completed for each area and Implementation Plans with key deliverables have been developed and endorsed.

The delivery of the Network Reform Program is currently occurring and scheduled to be finalised within approximately the next two years.

**STATUS – Partially achieved.**

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## Hydrogen Work Program

In 2019, the Queensland Government released the Queensland Hydrogen Industry Strategy 2019-2024, a 5-year plan to grow a sustainable hydrogen industry that supports renewable resources, creates jobs, and strengthens the Queensland economy. Gladstone is one of the locations of interest in Queensland for the hydrogen industry due to land availability in the Gladstone State Development Area (GSDA) and the deepwater port.

Water is a key input for the hydrogen production process as green hydrogen is made through the electrolysis of water. Subsequently, a number of project proponents, both for the production and utilisation of hydrogen, are seeking water supply from GAWB.

GAWB has established a Business Unit to plan the response to the emerging hydrogen industry in Gladstone. The Hydrogen Work Program includes:

- Proponent engagement, prioritisation and contracting
- Infrastructure planning and delivery
- Demand prioritisation and finalisation.

In anticipation of demand for water exceeding GAWB's capacity to supply, GAWB established a Queuing Guideline (Source Capacity) which was supported by the Queensland Government Hydrogen Interdepartmental Committee (H2IDC). GAWB lifted the Low Supply Alert on Wednesday, 28 June 2023 and invited all entities requesting new or additional water supply to submit Water Applications by 28 July 2023. These requests were assessed in accordance with the Queuing Guideline (Source Capacity) and a number of Water Applications were progressed to contracting.

In April 2024, as part of the opening of the Fortescue Green Electrolyser Facility at Aldoga, the Minister for Regional Development and Manufacturing and Minister for Water, and Member for Gladstone, the Honourable Mr Glenn Butcher announced that GAWB has concluded negotiations with Fortescue for their long-term Water Supply Contract for their Green Electrolyser Facility and future hydrogen pilot plant.

Other contracts remain under negotiation between GAWB and the project proponents.

In order to supply the new customers, augmentation of the GAWB network is required. This infrastructure planning is being undertaken in stages to respond to customer requirements and to manage funding and resourcing requirements.

The Hydrogen Aldoga Enabling Works will comprise a pumped raw water supply to Euroa Circuit, Aldoga to supply Fortescue's 50MW pilot plant. The projects that comprise this program have been approved and are in the design phase. This infrastructure comprises:

- A new approximately 8km raw water main from Yarwun (Boat Creek) to Aldoga (being delivered through the East End Pipeline Replacement project);
- A new raw water pump station at Yarwun; and
- A new raw water distribution pipeline at Euroa Circuit to connect the raw water main at Aldoga to the customer facilities.

As hydrogen developments progress from the pilot plant scale to larger commercial scale, a gravity raw water supply will be required at Aldoga and augmentation of GAWB's raw water network will be required to distribute the increased water requirements from Awoonga Dam.

The Hydrogen Short Term Network Augmentation Stage 1 will result in a gravity raw water supply to various customers in Aldoga. A Detailed Business Case in accordance with the Queensland Government Business Case Development Framework was completed in June 2024.

Subsequent stages of infrastructure are being planned to respond to enable GAWB to meet customer requirements.

**STATUS – Achieved.**

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# Our strategic objectives

GAWB's 2024-2028 Strategic Plan outlines our strategic objectives and key strategies which will guide our activities over the medium term. The plan enables 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. Given the significant achievements by GAWB in the 2023-24 period, the Board have reviewed the strategic objectives and underpinning key strategies in June 2024 for approval and implementation in 2024-25.

## 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.
- Investigate the bulk water demand requirements of the hydrogen proponents seeking to locate hydrogen projects in Economic Development Queensland's Gladstone State Development Area within the Queensland Government.
- 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.
- Stewardship of the environment.

**STRATEGIC OBJECTIVE:**  
**Skilled and responsive workforce**

Key strategies:

- Adopt a hybrid resourcing model (i.e., mix of permanent or contract team members and professional service providers) to deliver GAWB's operating obligations and strategic objectives.
- 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.
- Develop and deliver a visible pipeline of capital and operational projects.
- Identify opportunities for local suppliers and promote sustainable jobs in the regional economy.
- Identify procurement opportunities for local apprentices, trainees, and internships in significant project contracts with GAWB suppliers.

**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:**  
**Operational sustainability**

Key strategies:

- 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.
- Promote the use of Common User Infrastructure funding models for network investment projects.
- Actively participate and influence long term water security solutions including desalination.

**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

In 2023 the storage volume of Lake Awoonga was reviewed using photogrammetry and a bathymetric survey and adjusted for the first time in 20 years. At full capacity, Lake Awoonga can hold 730,502ML. It is Queensland's fourth largest water storage. As at 30 June 2024, the capacity of Lake Awoonga was 53.06 per cent, or 412,182ML.

The Queensland Government's approval to construct the Fitzroy to Gladstone Pipeline and the development and implementation of GAWB's Queuing Guidelines (Storage Capacity), enabled GAWB on 28 June 2023 to lift the Low Supply Alert that had been in place since 7 April 2021, as modelling of receipt of the FGP capacity for partial water security support can be included from 2026.

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

| Reporting period      | Sum of inflows received (ML) |
|-----------------------|------------------------------|
| 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                       |
| July 2023 – June 2024 | 6,561                        |

### Water delivery

During 2023-24, GAWB delivered 31,939 ML of raw water and 11,789 ML of treated water to customers.

### 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. GAWB plays a key role in providing water security. To do this, it must actively plan, by considering the region's potential water needs, future water supply options and demand size alternatives. Consideration is also given to the impact weather conditions will potentially have on current and future water supply options.

On 23 February 2023, an investment decision was announced by the Queensland Government regarding the approval of the Fitzroy to Gladstone Pipeline (FGP). Investments such as the FGP will address the single source of water supply risk from Awoonga Dam and enable long-term water security for GAWB's customers.

### Water Allocation Purchases

The Fitzroy to Gladstone Pipeline has the capacity to deliver 30GL of water from the Lower Fitzroy River to the GAWB distribution network at Yarwun and will contribute to addressing the water security and drought management challenges arising from GAWB's single source supply risk.

GAWB is currently in commercial negotiations with a number of Lower Fitzroy River water allocation holders to acquire the necessary allocations ahead of the FGP project completion.

### 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 2023-24 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 continues its commitment to sustainable catchment management around Lake Awoonga through various strategic initiatives and projects.

A significant accomplishment of the year was the development of the new 5-Year Catchment Management Plan (CMP) for the period 2025-2030. This comprehensive plan was designed to align GAWB's environmental stewardship with corporate objectives and regulatory requirements. It serves as a strategic blueprint for managing land and water resources around Lake Awoonga, outlining key initiatives, priorities, and funding allocations. The CMP aims to enhance water quality, protect natural habitats, and support sustainable development practices, benefiting both rural and urban communities as well as industrial stakeholders in the long term.

Other key achievements and activities undertaken during the period include:

#### **Enhanced Land Management Resourcing**

Additional resources dedicated to the implementation of activities outlined in the Catchment Management Plan (CMP) have been acquired to ensure overseeing and executing strategies aimed at enhancing the health and sustainability of the Lake Awoonga catchment area.

#### **Continued Implementation of "Caring for our Community" Program**

The "Caring for our Community" program, aimed at raising awareness about pest and weed management among local residents and stakeholders, continued to be a cornerstone of GAWB's community engagement efforts. Through educational materials, and outreach campaigns, the program successfully educated the community on the importance of controlling pests and weeds to preserve the ecological balance of the catchment area.

#### **Trial of Biological Controls towards eradication of Parthenium**

In an innovative approach to combat the invasive weed

parthenium, GAWB conducted a trial using biological controls. Specifically, they introduced Rust Fungi, a natural biological control agent, into Parthenium-infested areas. This method significantly reduced the need for chemical intervention, demonstrating GAWB's commitment to sustainable practices. Positive outcomes included the eradication of unhealthy parthenium populations and the restoration of native grasses in affected areas, contributing to the overall health of the Lake Awoonga catchment ecosystem.

#### **Protection of Riparian Areas and Water Quality Enhancement**

Aligned with the objectives of the CMP, efforts were intensified to protect riparian areas by removing livestock from lake and creek verges. This initiative aimed to mitigate erosion and sedimentation issues, thereby enhancing water quality within the catchment area. Key infrastructure improvements included the installation of solar-mounted groundwater bores and the construction of new fencing in strategic locations. These measures not only safeguarded sensitive ecological areas but also promoted sustainable land use practices in the region.

#### **GAWB announced as host and major sponsor for PAWS2025**

GAWB has been selected to host the 2025 Pest Animal and Weed Symposium (PAWS2025), bringing industry and pest and weed prevention professionals together to share ideas, solutions, and innovations. The 2025 symposium will be a highlight for the industry as it is also a milestone year for organisers Invasive Species Queensland, with the organisation to celebrate 50 years of operations.

#### **Partnership with Calliope State High School and Calliope Rotary Club**

In June 2024 GAWB announced a groundbreaking partnership with the Calliope State High School and Calliope Rotary Club to help support and pioneer a school agricultural program aimed at innovation and technology. This collaboration sees GAWB offering land to support the school agricultural program and demonstrates our commitment to education and sustainable land management practices, whilst empowering future generations with hands on learning experiences.

## Asset management

As the owner and operator of critical infrastructure but also having regard to the obligation to demonstrate prudence and efficiency to the QCA, 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 an external certification audit in June 2023 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 demonstrates its commitment to dam safety through the implementation of a comprehensive dam safety management program, in accordance with the *Water Supply (Safety and Reliability) Act 2008* and the Dam Safety Conditions Schedule for Awoonga Dam issued by the Department of Regional Development, Manufacturing and Water (DRDMW), the Queensland Dam Safety Regulator. Additionally, GAWB maintains a regularly reviewed and updated Emergency Action Plan for Awoonga Dam, as required by the *Water Supply (Safety and Reliability) Act 2008*.

The dam safety management program is guided by various guidelines and regulations, including:

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

Routine inspections and surveillance of the dam are ongoing, including an annual third-party engineering inspection, which was completed in 2023. Furthermore, GAWB conducted a desktop exercise to test the readiness of the Emergency Action Plan and familiarise staff with its implementation.

GAWB is also undertaking planning activities for the Awoonga Dam Improvement Project, a multi-year initiative aimed at ensuring compliance with regulatory requirements. This project is necessary due to changes in the likelihood and magnitude of future extreme weather events and floods. Engineering studies are currently underway to determine the necessary works to meet these changed requirements.

## Aquaculture Gladstone

In October 2023 Aquaculture Gladstone opened its interpretive display area and welcoming over 2,000 visitors since opening. The display is designed to cater for a diverse range of people from the public and schools to community groups. The display area includes live fish aquariums, pest species display, information about our breeding program and the sustainability of the Lake Awoonga ecosystem.

In partnership with Not-for-Profit House, a volunteer program has been established to assist with group bookings and tours of the interpretive display.

Aquaculture Gladstone stocked 1,147,500 barramundi fingerlings into Lake Awoonga for the FY 2024 restocking period. This is the first time in history the maximum restocking target has been achieved.

Aquaculture Gladstone continues to support other restocking associations and aquaculture programs with the supply of surplus fingerlings.

Restocking Associations:

- Monduran Angling and Stocking Association – Lake Monduran 200,000 fingerlings
- Mora Fish Stocking Group Association – Upper Dawson River 7,000 fingerlings
- Gladstone Sports Fishing Association – Lake Callomondah 5,000 fingerlings

Aquatic practices programs:

- Rockhampton State High School
- Tannum State High School

## 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 engage with our customers throughout 2023-24. 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 in late 2023 on a number of key issues including GAWB's progress on the delivery of significant capital projects over the 2022-23 period, forecast capital projects (2023-24) and its performance against capital expenditure expectations set during the 2020-2025 QCA'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.

Customers were also provided the opportunity to meet to discuss the key issues raised in GAWB's regulatory submission to the 2025 Price Monitoring Investigation.

### Community engagement

In 2023-24, our community engagement activities initially focused on the implementation of GAWB's 50th Anniversary 12-month program which encompassed both community and employee engagement initiatives.

The 50th Anniversary program sought to recognise the significant milestone by leveraging pre-existing community partnerships and through the development of standalone projects. The projects completed during this reporting period are included in the 50th Anniversary Celebration section elsewhere in this report.

During the year we continued our commitment to support our local community through our Community

Investment program. This included supporting events such as the:

- Boyne Tannum Hook Up;
- Lake Awoonga Adventure Race;
- Martin Hanson Memorial Art Awards;
- EcoFest;
- Hydrogen Grand Prix;
- Dorrie Day;
- TUMRA (Traditional Use of Marine Resources Agreements) Day;
- Capricornia Catchments family education day;
- Rockhampton State High School aquaculture program;
- GEA Major Industry Conference; and
- funds towards Movember, which was the charity chosen by employees to support. Employees raised \$5,000 and GAWB matched this, with a total \$10,000 donation to Movember.

Having a presence at community events and continuing to support the community through a financial or in-kind community investment, cements GAWB's position as a valued corporate citizen within the Gladstone region and provides great opportunities to connect with the community across many levels.

During the financial year, we supported our first community run event outside the Gladstone region with the Capricorn Catchments family education day. The group provides education in the Fitzroy River catchment.

We also provided in-kind and financial support to the Rockhampton State High School through the donation of barramundi fingerlings for their aquaculture program, as well as inviting girls from years 9 – 12 to a presentation and site tour of the Fitzroy to Gladstone Pipeline to encourage Science, Technology, Engineering and Maths (STEM) future careers.

These activities reflect our support to groups within our



new expanded footprint in Central Queensland.

In addition to the community investment listed above, GAWB successfully negotiated the renewal of a lease of GAWB owned office space to Not for Profit (NFP) House. As part of the lease arrangement, NFP House provides a range of sponsorship benefits to GAWB including:

- Management of volunteer program to support the Aquaculture Gladstone interpretive display;
- Education and support for community groups which received GAWB community investment funding. With the support from NFP House, these community groups are empowered to better understand how they can promote their events and the support they receive, as well as becoming more financially viable through better reporting.

## Stakeholder engagement

GAWB's Stakeholder Engagement Strategy assists GAWB in managing relationships with all stakeholders. Clear communication and engagement with external stakeholders enhances our relationships.

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 elected representatives across Central Queensland as well as Ministerial and Department staff to ensure the Minister for Regional Development and Manufacturing and Minister for Water understands our planned external activities.

2023-24 saw the enhancement of the GAWB Media Plan, a regular 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 2023-24, the Minister of Regional Development, Manufacturing and Minister for Water was involved in:

- The formal opening of the Trevor Burgess boat ramp in July 2023;
- Turning of the sod for the Fitzroy to Gladstone Pipeline, with the Premier of Queensland also attending in October 2023;
- The formal opening the Aquaculture Gladstone interpretive display in October 2023;
- The opening of the Gracemere temporary accommodation camp in November 2023; and
- Marking the 50 percent completion of pipeline construction for the Fitzroy to Gladstone Pipeline (FGP) in June 2024.

Additionally, as construction works for the FGP continues there has also been activities to engage the local communities across the footprint of construction, with community drop-in sessions held in August 2023, March and April 2024 in the Gladstone and Rockhampton region.

## Residential Landowners

In 2023-24, GAWB continued efforts to maintain stakeholder interactions with residential landowner's neighbouring our operational assets with respect to the Pikes Crossing Emergency Muster Point (PCEMP) facility.

GAWB hosted the annual engagement session with the Pikes Crossing residents on 5 October 2023 to discuss operations of the PCEMP and provide a refresher on the use during an emergency, access and checking into the facility, ensuring contact information is up to date and advising of the annual emergency exercise including SMS messaging process.

The session was once again well attended by the Pikes Crossing residents acknowledged their appreciation to GAWB for the facility provided to them for use during an emergency event.

## Community Consultation Forum

The Community Consultation Forum (CCF) is an important community engagement mechanism for GAWB. The CCF helps ensure we are meeting our

social and economic obligations to the people of Gladstone while continuing to advance these important stakeholder relationships.

Our Community Consultation Forum activities for the 2023-24 period included:

- Hosting our Community Consultation Forum members at the planting of the 'avenue of trees' in September 2023;
- Hosting Community Consultation Forum members at an external stakeholder update in December 2023; and
- Undertaking a Community Consultation Forum Meeting in March 2024.

### **Agistee engagement**

GAWB held its Annual Agistee Engagement Forum at the Calliope Community Function Centre in December 2023. The forum enabled GAWB the opportunity to provide updates on several significant capital projects and catchment management related activities and general items including:

- The Lake Awoonga Recreational Strategy;
- Fitzroy to Gladstone Pipeline;
- Aquaculture Gladstone;
- Announcement of GAWB as the successful host of the 2025 PAWS;
- Use of the Feral Scan App for the recording of feral animal information ie. sightings, damage or impacts and control actions;
- GAWB celebrating 50 years of operations and the activities proposed; and
- Presentation by Fitzroy Basin Association on the services offered with respect to best grazing management.

### **Engagement with Traditional Owners**

During 2023-24 GAWB continued to engage with our Traditional Owners on a variety of projects and issues. The region's Traditional Owners (Bailai, 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 is 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.

GAWB has also provided support to various First Nations initiatives such as attendance at Dorrie Day in Gladstone, which is an event aimed at encouraging greater first nations representation in industry in the region and the TUMRA Day at Emu Park near Rockhampton, which aims to bring community members, visitors and representatives from various organisations together for a day of cultural celebration.

As part of the Fitzroy to Gladstone Pipeline, GAWB has progressed discussions with the Traditional Owner groups of Rockhampton and Gladstone with respect to an Indigenous Land Use Agreement (ILUA). GAWB agreed an ILUA with Darumbal, Traditional Owners in the Rockhampton region, with formal registration occurring 16 May 2024. In managing Darumbal Cultural Heritage, GAWB amended the alignment of the pipeline to save a culturally significant scar tree that would have otherwise been in the construction pathway.

Discussion with the First Nations Bailai, Gurang, Gooreng Gooreng, Taribelang (FNBGGGTB) People of Gladstone will continue through 2024-25. In managing FNBGGGTB matters of Cultural Heritage, GAWB has approved the relocation and preservation of 135 culturally significant grass trees prevalent in the southern pipeline construction alignment.

### **Recreational facilities**

Following the completion of the Stage 1 activities of the Lake Awoonga Recreational Strategy and guided by the Lake Awoonga Master Plan, GAWB continued to improve recreational facilities around Lake Awoonga, aiming to enhance regional liveability and tourism.

Key accomplishments in Stages 2 and 3 include procuring loading and swimming pontoons, extending



the Trevor Burgess Boat Ramp, enhancing facilities at the Main Boat Ramp and the expansion of Riverston Bay. These efforts included new parklands, concrete pathways, shelters, electric BBQ's and drinking fountain.

GAWB achieved approval of the new marine zone regulation at Riverston Bay (effective from 1 July 2024), which is aimed at protecting recreational users from motorised watercraft. In addition, GAWB also undertook painting and refurbishment of all picnic shelters, toilet blocks and buildings across all recreational sites at Lake Awoonga and installed new rubber matting in the playground at Ironbark Gully. These enhancements underscore GAWB's commitment to enriching Lake Awoonga's recreational offerings and meeting community needs. It is further evidenced by GAWB's commitment to continue implementing the activities identified within the Lake Awoonga Master Plan as part of the Lake Awoonga Recreational Strategy 2025-2030.

## **Aquaculture Gladstone**

As part of Aquaculture Gladstone's ongoing commitment to the community, the public opening of the interpretive reception was established. In October 2023 Aquaculture Gladstone successfully hosted the Ministerial opening of the interpretive display area.

The interpretive display area will be used for the provision of information for the general public, primary and secondary school students and recreational anglers. This facility has exceeded expectations with visitor numbers and group bookings as it continues attracting visitors and enhancing our recreational facilities and experience across the region.

# Strategic Objective

## Skilled and responsive workforce

### Health, safety and wellbeing

At GAWB, the safety and wellbeing of our workforce remains our highest priority. We strive to create an environment that minimises the risk of physical and psychological harm to all individuals. We are pleased to report that for the 2023-24 period, there were no significant incidents, a testament to our ongoing commitment to safety and continuous improvement.

### Enhancing our safety management system

Throughout the year we continued our program of activities to enhance our Safety Management System. This included a successful surveillance audit, corresponding with ISO45001 (International Standard for Occupational Health and Safety Management System) certification.

Other significant activities included:

- Undertaking a deep dive into psychosocial hazards, identifying continuous improvement opportunities that augment our risk management mitigation strategies.
- Enhancing our confined space management system.
- Updating and modernising the Health and Safety Suite of mandatory training modules.

### Notifiable safety incidents

No Notifiable Incidents were recorded for 2023-24. In addition, GAWB achieved 12 months Lost Time Injury free for 2023-2024.

### People and Culture

Our mantra – “Elevate and Evolve” continued to be central to the way we work, strengthening our capabilities and capacity to fulfill our strategic outlook. Our workplace culture programs largely focused on embedding and continuously improving key people practices, maintaining a clear line of sight to creating efficiencies through system automation, and addressing attraction and retention issues.

### 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) a Better Off Overall Test (BOOT) is undertaken to ensure our workforce employment conditions do not fall below minimum standards.

### Workforce profile

As of 30 June 2024, our workforce profile was as follows:

- 117 employees (115.91 FTE)
- Gender ratio: 62 per cent male / 38 per cent female
- Gender ratio in leadership roles: 69 per cent male / 31 per cent female
- 71 per cent permanent; 26 per cent temporary; 3 per cent apprentice / traineeship
- 95.7 per cent full-time/ 4.3 per cent part-time
- 13.79 per cent annualised turnover
- 4.60 years average workforce tenure
- 47.56 years average age profile.

The preceding workforce profile figures exclude the labour engaged by McConnell Dowell BMD joint venture sourced for construction of the Fitzroy to

Gladstone Pipeline and various other contract labour utilised on a sporadic basis.

GAWB's Staff Retention Rate for the 2023-24 period was 90.77 per cent. This is a permanent separation rate, measured by the number of permanent employees who separated during the period divided by the total number of permanent employees. This figure represents a positive variance from previous years and is perhaps reflective of the revised remuneration and benefits approach that took effect from 1 July 2023.

### **Workforce planning and performance**

GAWB applies a process of identifying workforce gaps and developing corresponding action plans through:

- biannual succession management planning activities;
- annual performance planning and reviews; and
- annual labour resource planning.

The preceding processes provide GAWB with a scan of our internal establishment and workforce, where critical roles along with potential flight risks and resource and/or capability gaps are identified and mitigation strategies developed for activation in the instance it is required.

Additionally, the performance and potential capacity of our leader cohort is critiqued and an action plan 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 a structured work experience program with local schools now hosting a minimum of 2 full time placements (1 day a week) and holiday placements available for interested students.

Aquaculture Gladstone has also commenced its first full time aquaculture trainee and the regions first school-based trainee, both of whom are completing a Certificate 3 in Aquaculture. These programs demonstrate GAWB's commitment to providing training and career opportunities for the Central Queensland community.

# 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 CO<sub>2</sub> emissions by a minimum of 3,900 tonnes CO<sub>2</sub> 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 2021-25 Climate Change Strategy Action Plan included 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).

A review of GAWB's Climate Change Strategy and progress against the supporting Climate Change Strategy Action Plan was undertaken in late 2023-24. In light of this review, GAWB re-confirmed its commitment to reduce its Green House Gas (GHG) emissions by 30% by 2030 and a revised Climate Change Strategy Action Plan 2025-28 was adopted to support the attainment of this commitment.

Our activities during the year included:

- The commencement of construction of a 1.3MW ground mounted, behind-the-meter, solar PV installation at Awoonga Dam. This project is scheduled for completion in April 2025.
- The installation of rooftop solar photovoltaics (PVs) at the Gladstone Water Treatment Plant (GWTP) and Yarwun Water Treatment Plant (YWTP) with combined 138KW generation capacity. These projects will be completed next year.
- Professional development opportunities on ways to achieve more energy efficiency operational practices.

### Protecting our environment

GAWB is committed to long term environmental sustainability through the application of the following principles:

- Complying with environmental obligations (legal and other).
- Reducing environmental impact.
- Continually improving environmental performance.
- Requiring staff and contractors to exercise their duty of care and take responsibility for minimising the environmental impact of their activities.
- Ensuring environmental management objectives are applied throughout all aspects of the business including planning, construction, operations, maintenance, asset management and product delivery.
- Contributing to long term environmental sustainability through the application of best practice in environmental and natural resource management.

To achieve these goals, GAWB has committed to developing, implementing, maintaining and continuously improving an Environmental Management System that is certified to the ISO 14001 Standard.

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 weather stations.
- Conducting environmental impact assessments.
- Conducting ongoing biosecurity activities.
- Compliance related monitoring and reporting activities

## Externally certified management systems

GAWB is committed to delivering safe and reliable water supply to the Gladstone region. We strive to continuously improve our systems, processes and services to ensure we meet customer expectations and demands. Working in accordance with standardised processes allows us to manage potential risks and to drive internal efficiencies to provide our customers the confidence of a reliable water supply, now and in the future.

GAWB holds external certification for the following management systems:

- ISO 55001: 2014 Asset management system (AMS640276; Effective: 13-Jun-2022)
- ISO 14001: 2015 Environmental management system (EMS605192; Effective: 30-May-2022)
- ISO 45001: 2018 Occupation health and safety management system (OHS605192; Effective: 12-Jul-2023).

GAWB successfully completed the annual surveillance audits on all three systems in June 2024, with no major audit findings. As a result, GAWB retains its certification on these systems.

## Technology

Technology is key to sustainably delivering on our business and operational objectives. During 2023-24 alongside delivering on the operational plan the technology team has updated the Technology Strategy. The key focus areas for the renewed strategy include:

- Increased focus on the IT Operating Model
- Information Management
- Data Analytics
- Continuous improvements to Operational Technology
- Cyber Security Risk Management.

Other notable projects and activities for 2023-24 include:

- Improved cyber security frameworks in both Business and Operational Technology Systems
- Commenced the TechnologyOne Ci to CiA migration project
- Implemented a SCADA system upgrade supporting the Operational Technology Systems
- Implemented Microsoft Mobile Device Management and Intune for improved endpoint management and visibility

- Development a strategy for the application of an updated Process Data Historian.

## Capital works program

During 2023-24 GAWB invested a total of \$382.25 million against a budget of \$585.04 million. The large variance is due to the rescheduling of the Fitzroy to Gladstone Pipeline construction activities.

GAWB seeks to maximise economic and social benefits in Central Queensland through our procurement, local recruitment preference and business practices. In 2023-24 GAWB (excluding Fitzroy to Gladstone Pipeline expenditure) contributed a significant portion of our overall spend within the Central Queensland 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.

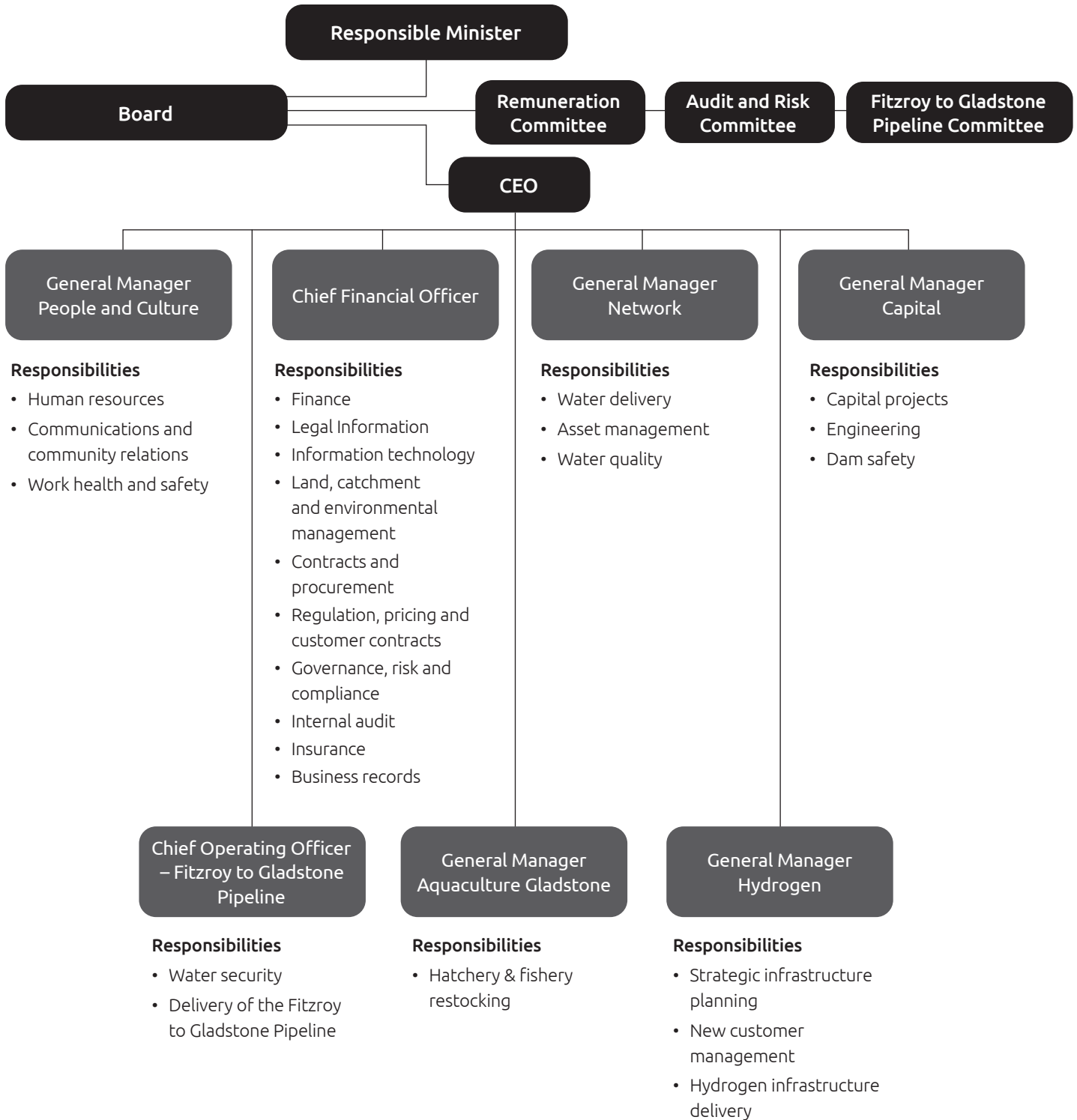
The capital investment achieved in 2023-24 is a strong achievement, several significant capital projects were progressed or completed during the year. This included the following:

- Fitzroy to Gladstone Pipeline – Construction Proponent (2023-24 spend of \$361.59 million)
- Awoonga Dam Improvement Project, (2023-24 spend of \$3.81 million) with a total project cost of \$9.80 million
- Recreational Strategy Program (2023-24 spend of \$2.30 million) with a total project cost of \$7.20 million.
- Boyne Island Reservation Remediation (2023-24 spend of approximately \$2.84 million) with a total project cost of \$4.97 million.

# Governance

## Organisation structure

As at 30 June 2024, our organisation structure was as follows:



# Executive Leadership Team

As at 30 June 2024, 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 assumed the role of General Manager Capital in May 2023 and officially joined the organisation in July 2023. With a wealth of experience in leading bulk water, mining, and minerals processing operations, Petrus brings expertise in capital projects, operations management, engineering, and asset management.

## 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 and has more than 30 years' experience in strategic maintenance and capital projects portfolios. Following the successful delivery of the hatchery relocation project, Ron is now responsible for the growth and management of hatchery and interpretive display.

## Scott Wikman

BBus (HR & Mgmt)

### General Manager – Network

Scott was appointed General Manager – Network in July 2022, following 25 years of service in the water industry 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

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; 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.

## Suzanne Burow

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 filled the role of Deputy Chair on the Board of Professional Engineers of Queensland until May 2024 when she was appointed Chair.

## Peter Masters

#### Director

Mr Masters was appointed to the Board as a Director on 29 June 2021 for a term of three years. He is a prominent figure in the Gladstone Industry, having been a resident of the Gladstone Region since 1974. Valuing family and community, Mr Masters has a distinguished history of leadership in numerous community-based not-for-profit organisations and sporting clubs.

His professional experience spans both public and private sectors, where he has excelled in management and purchasing roles. A former elected member of the Gladstone Regional Council, Mr Masters chaired various regional committees, contributing significantly to local governance. Currently, he serves as a director on the board of Apprentices Training Queensland continuing his commitment to the region's development and well-being and is also a member of the GAWB Audit and Risk Committee and GAWB Fitzroy to Gladstone Pipeline 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. Additionally she has served as a member of the Remuneration Committee since February 2024. 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 and Clava Pty Ltd trading as Yaralla Sports Club.

## **Mitchell Petrie – Term commenced 9 December 2023**

B Com., CA.

### **Director**

Mr Petrie is an experienced director and Chartered Accountant. He spent 30 years with a global accounting and consulting firm, 16 years as a Partner, leading the organisation's Queensland Risk Consulting practice as well as the national Major Capital Projects Advisory practice. Mr Petrie has extensive experience in finance, risk management and corporate governance, and is currently a director of Queensland Institute of Medical Research, Hughenden Irrigation Project Company and Fairbairn Irrigation Network Ltd. He also is a member of a number of Audit Committees including Sunshine Coast Council, Bundaberg Regional Council and Redland City Council, and is an Adjunct Lecturer at Bond University.

## **Board of Directors – Former**

On 9 December 2023 a new Director (Mitchell Petrie) was appointed to the Board, replacing Director Tan whose term ended on 8 December 2023.

# 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 2023-24 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 2000* (Qld). The term of Director Tan expired on 8 December 2023 and officially ceased on 9 December 2023 with the appointment of Director Mitchell Petrie and in accordance with section 604(2) of the *Water Act 2000* (Qld). as the Director continues to hold office on expiry of their term until such time as a successor is appointed. 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.

In 2023-24 GAWB provided directors with a professional development session facilitated by Governance Institute of Australia in relation to directors' duties, conflicts of interest and ethical decision making. In addition, directors were invited to participate in the AICD Governance Summit with various breakout sessions for directors to attend based on their requirements and preferences.

Following the appointments of new Directors in 2023, a formal external evaluation process will be scoped with engagement and evaluation to be completed in Q2 2024-25 in relation to the Board's performance. This evaluation process will also include evaluation of the Audit and Risk Committee and provide recommendations for improvements as identified.

Details of the experience and term of office for each director is set out on page 36-37.

## Board Sub-Committees

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

- Audit and Risk Committee.
- Remuneration Committee – established in June 2023.

- Fitzroy to Gladstone Pipeline Committee – established in February 2024.

### **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 2023-24, the Committee met on four occasions. Its activities included:

- Review of GAWB’s 2023-24 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 Internal Audit Policy (formerly Internal Audit Charter). Undertaking Risk “Deep Dive” sessions on:
  - Health and Safety Compliance; and
  - Psychosocial Risks and Initiatives.

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 in accordance with GAWB’s document management framework.

### **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 was undertaken in May 2024 with the Committee’s activities including:

- CEO Performance Evaluation Process
- CEO Remuneration and Professional Development

### **Fitzroy to Gladstone Pipeline Committee**

The Fitzroy to Gladstone Pipeline Committee was established in February 2024.

The Committees charter outlines its responsibilities as monitoring:

- Project performance, including but not limited, to actual and forecast project expenditure, performance against the baseline schedule, key risks, and preparation for integration to the GAWB network.
- Utilisation of GAWB contingency funds.
- Utilisation of the allowance for cost escalation.
- Significant changes in scope and project timing.
- Significant changes to the FGP Business Unit management structure.
- Matters referred to the Dispute Avoidance Board.
- Significant external communication about the FGP.

The Committee’s first meeting was undertaken in May 2024 with the Committee’s activities including:

- Reviewing overall performance of the pipeline construction.
- Reviewing relevant internal audit reports completed.
- Reviewing the progress of development of the rules of engagement for the Dispute Avoidance Board.

Details of the members of the Board Sub-Committees and their meeting attendance is set out on page 92-92.

### **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.

Following updating and implementation of organisational documentation in 2022-23, a refreshed probity training session was finalised for all GAWB employees was rolled out in early 2023-24.

#### **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 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 92-93.

#### **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 Report 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 2023-24, 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 (Board Policy) which provides a fair and transparent framework for the remuneration of employees, including senior executives, and ensures compliance with relevant legislation and obligations. It is typical practice for employee remuneration to be reviewed on an annual basis, in accordance with market benchmarked data and in compliance with the Board Policy.

### **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 2023-24.

### **Governance documents and record keeping**

GAWB's *Records Management and Document Control Policy* governs the management of public records and governance documents. The policy is aligned with the *Public Records Act 2022* (QLD), *Right to Information Act 2009* (Qld) and the *Information Privacy Act 2009* (Qld). The policy principles are implemented through the following 2 standards:

#### **The Document Control Standard:**

- Assigns specific roles and responsibilities for documents (including ownership and approval).
- Establishes a document hierarchy and lifecycle.
- Applies version control to ensure the most current and approved information is used for conducting business activities.
- GAWB is committed to the concept of continuous improvement and gives regard to best practice when reviewing documentation.

#### **The Records Management Standard:**

- Assigns specific roles and responsibilities for records management.
- Ensures public records are created, managed and maintained in a useable form for current and future use.
- Utilise the principles of record keeping for Queensland Government agencies

Records are retained in accordance with the State Archives' 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 2023-24. 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 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](https://data.qld.gov.au)).



# Financial performance

GAWB's net profit after income tax equivalents for 2023–24 is \$15.72M, a \$14.99M favourable variance to budget.

We received a total of \$93.52M in revenue, \$13.20M 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 and professional services.

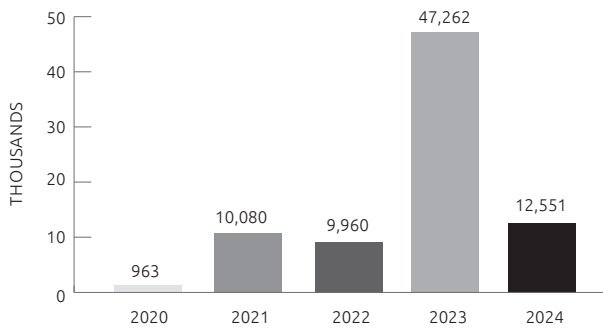
GAWB's net assets at 30 June 2024 amounted to \$974.22M, this value is above budget primarily due an asset revaluation of \$57.48M in June 2024.

GAWB's borrowings as at 30 June 2024 totalled \$501.10M with additional borrowings being used to fund the construction of the Fitzroy to Gladstone Pipeline project and the East End Pipeline Project.

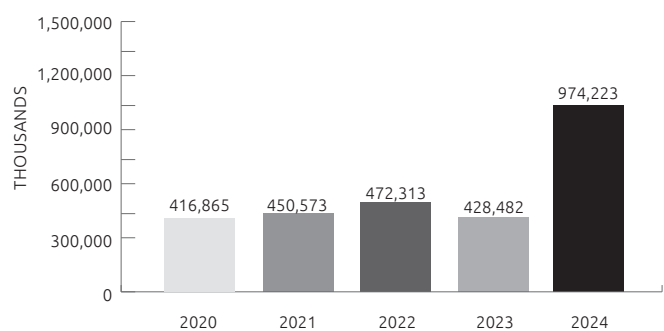
GAWB returned paid dividends of \$9.97M to the Queensland Government and propose a dividend payable of \$12.55M for 2023–24.

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

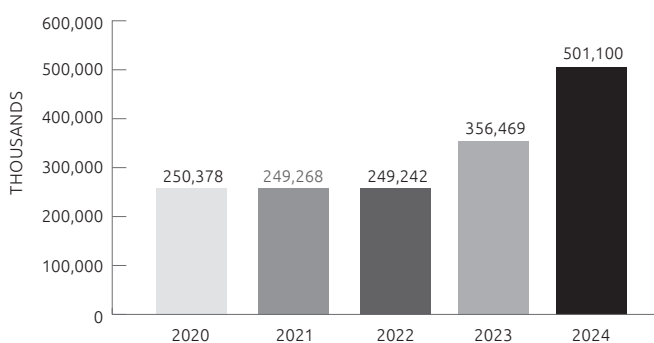
**Dividends declared**



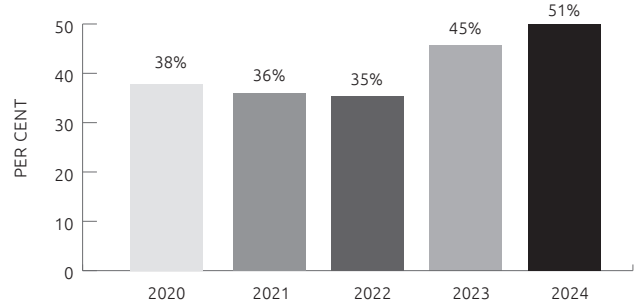
**Total equity**



**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 2024

|   | Notes | 2024<br>\$'000  | 2023<br>\$'000  |
|---|-------|-----------------|-----------------|
| <b>Income</b>   |       |                 |                 |
| Water revenue   | 4(a)  | 80,445          | 73,577          |
| Other income  | 4(a)  | 13,075          | 2,629           |
| <b>Total income</b>   |       | <b>93,520</b>   | <b>76,206</b>   |
| <b>Expenditure</b>  |       |                 |                 |
| Employee expenses   | 4(b)  | (19,835)        | (13,705)        |
| Operational expenses  | 4(b)  | (23,668)        | (17,203)        |
| Finance costs   | 4(b)  | (4,361)         | (4,197)         |
| Loss on disposal of non-current assets                                    |       | (319)           | (542)           |
| Write off on non-current assets   | 9(a)  | (822)           | (61)            |
| Depreciation  | 9(a)  | (21,688)        | (21,945)        |
| Amortisation of right of use assets                                       |       | (390)           | (372)           |
| Amortisation of intangible assets   | 10    | (27)            | (375)           |
| Re/devaluation of non-current assets                                      | 9(c)  | 42              | (11)            |
| <b>Total expenditure</b>  |       | <b>(71,068)</b> | <b>(58,411)</b> |
| <b>Profit before income tax</b>   |       | <b>22,452</b>   | <b>17,795</b>   |
| Income tax equivalents expense  | 5(a)  | (6,737)         | (5,354)         |
| <b>Profit for the year</b>  |       | <b>15,715</b>   | <b>12,441</b>   |
| <b>Other comprehensive income</b>   |       |                 |                 |
| <i>Items that will not be reclassified subsequently to profit or loss</i> |       |                 |                 |
| Revaluation of property, plant, and equipment                             | 9(c)  | 57,436          | (12,872)        |
| Income tax relating to components of other comprehensive income           | 5(c)  | (17,231)        | 3,862           |
| <b>Total other comprehensive income, net of income tax</b>                |       | <b>40,205</b>   | <b>(9,010)</b>  |
| <b>Total comprehensive income for the year</b>                            |       | <b>55,920</b>   | <b>3,431</b>    |
| <b>Profit attributable to:</b>  |       |                 |                 |
| Owners of Gladstone Area Water Board (GAWB)                               |       | <b>15,715</b>   | <b>12,441</b>   |
| <b>Total comprehensive income for the year attributable to:</b>           |       |                 |                 |
| Owners of GAWB  |       | <b>55,920</b>   | <b>3,431</b>    |

The accompanying notes form part of these financial statements.

# Statement of financial position

FOR THE YEAR ENDED 30 JUNE 2024

|                                      | Notes | 2024<br>\$'000   | 2023<br>\$'000 |
|--------------------------------------|-------|------------------|----------------|
| <b>Current assets</b>                |       |                  |                |
| Cash and cash equivalents            | 6(a)  | 689,711          | 17,135         |
| Trade and other receivables          | 7     | 16,262           | 10,568         |
| Inventories                          |       | 1,066            | 918            |
| <b>Total current assets</b>          |       | <b>707,039</b>   | <b>28,621</b>  |
| <b>Non-current assets</b>            |       |                  |                |
| Trade and other receivables          | 7     | 23,227           | 24,947         |
| Right-of-use assets                  | 8     | 2,051            | 1,610          |
| Property, plant, and equipment       | 9(a)  | 1,258,637        | 841,773        |
| Intangible assets                    | 10    | 1,005            | 979            |
| Biological assets                    |       | 131              | 89             |
| <b>Total non-current assets</b>      |       | <b>1,285,051</b> | <b>869,398</b> |
| <b>Total assets</b>                  |       | <b>1,992,090</b> | <b>898,019</b> |
| <b>Current liabilities</b>           |       |                  |                |
| Trade and other payables             | 11    | 42,011           | 22,844         |
| Borrowings                           | 12    | –                | 107,237        |
| Lease liabilities                    | 8     | 690              | 358            |
| Provisions                           | 13    | 15,664           | 11,863         |
| Current tax liability                | 5(b)  | 1,149            | 571            |
| <b>Total current liabilities</b>     |       | <b>59,514</b>    | <b>142,873</b> |
| <b>Non-current liabilities</b>       |       |                  |                |
| Borrowings                           | 12    | 501,100          | 249,232        |
| Trade and other payables             | 11    | 365,572          | 288            |
| Lease liabilities                    | 8     | 1,010            | 716            |
| Provisions                           | 13    | 422              | 592            |
| Deferred tax liabilities             | 5(c)  | 90,249           | 75,836         |
| <b>Total non-current liabilities</b> |       | <b>958,353</b>   | <b>326,664</b> |
| <b>Total liabilities</b>             |       | <b>1,017,867</b> | <b>469,537</b> |
| <b>Net assets</b>                    |       | <b>974,223</b>   | <b>428,482</b> |
| <b>Equity</b>                        |       |                  |                |
| Contributed equity                   |       | 567,019          | 64,647         |
| Asset revaluation surplus            |       | 343,149          | 303,547        |
| Retained earnings                    |       | 64,055           | 60,288         |
| <b>Total equity</b>                  |       | <b>974,223</b>   | <b>428,482</b> |

The accompanying notes form part of these financial statements.

# Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2024

|  | Contributed equity | Asset revaluation surplus | Retained earnings | Total equity   |
|--|--------------------|---------------------------|-------------------|----------------|
|  | \$'000             | \$'000                    | \$'000            | \$'000         |
| <b>Balance at 1 July 2022</b>                            | <b>64,647</b>      | <b>313,874</b>            | <b>93,792</b>     | <b>472,313</b> |
| <b>Total Comprehensive income attributable to owners</b> |                    |                           |                   |                |
| Profit from operations                                   | –                  | –                         | 12,441            | 12,441         |
| Other comprehensive income                               | –                  | (9,010)                   | –                 | (9,010)        |
| Total comprehensive income                               | –                  | (9,010)                   | 12,441            | 3,431          |
| <b>Transfers within equity</b>                           |                    |                           |                   |                |
| Disposal of revalued assets                              | –                  | (1,317)                   | 1,317             | –              |
| <b>Transactions with owners as owners</b>                |                    |                           |                   |                |
| Dividends declared and paid                              | –                  | –                         | (37,291)          | (37,291)       |
| Dividends declared                                       | –                  | –                         | (9,971)           | (9,971)        |
| Total transactions with owners as owners                 | –                  | –                         | (47,262)          | (47,262)       |
| <b>Balances at 30 June 2023</b>                          | <b>64,647</b>      | <b>303,547</b>            | <b>60,288</b>     | <b>428,482</b> |

|  | Contributed equity | Asset revaluation surplus | Retained earnings | Total equity   |
|--|--------------------|---------------------------|-------------------|----------------|
|  | \$'000             | \$'000                    | \$'000            | \$'000         |
| <b>Balance at 1 July 2023</b>                            | <b>64,647</b>      | <b>303,547</b>            | <b>60,288</b>     | <b>428,482</b> |
| <b>Total Comprehensive income attributable to owners</b> |                    |                           |                   |                |
| Profit from operations                                   | –                  | –                         | 15,715            | 15,715         |
| Other comprehensive income                               | –                  | 40,205                    | –                 | 40,205         |
| Total comprehensive income                               | –                  | 40,205                    | 15,715            | 55,920         |
| <b>Transfers within equity</b>                           |                    |                           |                   |                |
| Disposal of revalued assets                              | –                  | (603)                     | 603               | –              |
| <b>Transactions with owners as owners</b>                |                    |                           |                   |                |
| Equity injections (Note 14)                              | 502,372            | –                         | –                 | 502,372        |
| Dividends declared                                       | –                  | –                         | (12,551)          | (12,551)       |
| Total transactions with owners as owners                 | 502,372            | –                         | (12,551)          | 489,821        |
| <b>Balances at 30 June 2024</b>                          | <b>567,019</b>     | <b>343,149</b>            | <b>64,055</b>     | <b>974,223</b> |

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 2024

| Notes  | 2024<br>\$'000   | 2023<br>\$'000   |
|--|------------------|------------------|
| <b>Cash flows from operating activities</b>  |                  |                  |
| <i>Inflows:</i>  |                  |                  |
|  | 81,022           | 76,097           |
| Receipts from customers  |                  |                  |
| Grant funds received   | 365,000          | –                |
| 11   |                  |                  |
| Interest received  | 11,987           | 1,800            |
| Goods and Services Tax (GST) input tax credits from Australian Taxation Office (ATO) | 33,784           | 13,325           |
| GST collected from customers   | 118              | 81               |
| <i>Outflows:</i>   |                  |                  |
| Payments to employees  | (18,832)         | (13,375)         |
| Payments to suppliers and services   | (20,493)         | (19,192)         |
| Borrowing costs paid   | (4,267)          | (4,207)          |
| GST paid to suppliers  | (37,785)         | (13,973)         |
| GST remitted to ATO  | (99)             | (83)             |
| Tax equivalents paid to Queensland Treasury  | (8,977)          | (24,304)         |
| <b>Net cash provided by operating activities</b>                                     | <b>401,458</b>   | <b>16,169</b>    |
| 6(b)   |                  |                  |
| <b>Cash flows from investing activities</b>  |                  |                  |
| <i>Inflows:</i>  |                  |                  |
| Proceeds from sale of property, plant & equipment                                    | 28               | 16               |
| <i>Outflows:</i>   |                  |                  |
| Acquisition of property, plant & equipment   | (363,246)        | (131,004)        |
| Acquisition of intangible assets   | (23)             | (2,098)          |
| <b>Net cash used in investing activities</b>   | <b>(363,241)</b> | <b>(133,086)</b> |
| <b>Cash flows from financing activities</b>  |                  |                  |
| <i>Inflows:</i>  |                  |                  |
| Proceeds from borrowings   | 249,399          | 106,184          |
| Equity funding   | 502,372          | –                |
| 14   |                  |                  |
| <i>Outflows:</i>   |                  |                  |
| Dividends paid   | (9,971)          | (47,251)         |
| Lease liability repayments   | (204)            | (896)            |
| Repayment of borrowings  | (107,237)        | –                |
| <b>Net cash (used in)/from financing activities</b>                                  | <b>634,359</b>   | <b>58,037</b>    |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                          | <b>672,576</b>   | <b>(58,880)</b>  |
| Cash and cash equivalents at 1 July  | 17,135           | 76,015           |
| <b>Cash and cash equivalents at 30 June</b>  | <b>689,711</b>   | <b>17,135</b>    |
| 6(a)   |                  |                  |

The accompanying notes form part of these financial statements.

# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

## 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 the right at the end of the reporting period 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 section 62(1) of 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 2023.

These financial statements of GAWB for the year ended 30 June 2024 were approved for issue in accordance with a resolution of the directors on 15 August 2024.

### (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 align 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 2023-24 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 2024

## 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 15 – Financial risk management

## 4. Profit before income tax

### (a) Revenue

*Water 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 2024

## 4. Profit before income tax (cont.)

|                                | 2024<br>\$'000 | 2023<br>\$'000 |
|--------------------------------|----------------|----------------|
| <b>Other Income</b>            |                |                |
| Interest received              | 11,987         | 1,800          |
| Lease revenue                  | 575            | 486            |
| Hatchery income                | 169            | 92             |
| Grants and other contributions | 113            | 113            |
| Other                          | 231            | 138            |
| <b>Total other income</b>      | <b>13,075</b>  | <b>2,629</b>   |

### (b) Expenses

|                                       | 2024<br>\$'000 | 2023<br>\$'000 |
|---------------------------------------|----------------|----------------|
| <b>Employee expenses</b>              |                |                |
| Wages, salaries and on costs          | 15,201         | 11,253         |
| Contributions to superannuation plans | 1,834          | 1,181          |
| Labour hire costs                     | 1,286          | 586            |
| Recruitment costs                     | 727            | 395            |
| Ex-gratia payment                     | 75             | 71             |
| Other labour related costs            | 712            | 219            |
| <b>Total employee expenses</b>        | <b>19,835</b>  | <b>13,705</b>  |

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 \$0.10 million for the financial year ended 30 June 2024 (2023: \$0.08 million). Other labour related costs include staff training and conferences, staff uniforms and staff welfare expenditure.

### Full-time equivalent employees (FTEs)

GAWB employed 115.91 FTE's as at 30 June 2024 (2023: 91.68 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 2024

## 4. Profit before income tax (cont.)

|   | 2024          | 2023          |
|---|---------------|---------------|
|   | \$'000        | \$'000        |
| <b>Operational expenses</b>                             |               |               |
| Contracted, professional, technical, and other services | 8,032         | 5,127         |
| Maintenance   | 4,167         | 2,184         |
| Information systems expense                             | 3,448         | 2,982         |
| Insurance   | 2,303         | 1,990         |
| Electricity   | 2,093         | 2,133         |
| Administration costs                                    | 1,486         | 1,157         |
| Chemicals   | 866           | 633           |
| Operating expenses                                      | 819           | 423           |
| Rates   | 354           | 372           |
| Other   | 100           | 202           |
| <b>Total operational expenses</b>                       | <b>23,668</b> | <b>17,203</b> |
|   |               |               |
|   | 2024          | 2023          |
|   | \$'000        | \$'000        |
| <b>Finance costs</b>                                    |               |               |
| Interest paid   | 2,310         | 2,093         |
| Competitive neutrality fee                              | 1,675         | 1,666         |
| Bank charges  | 376           | 438           |
| <b>Total finance costs</b>                              | <b>4,361</b>  | <b>4,197</b>  |

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 2024

## 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 (2024 and 2023: 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

|  | 2024         | 2023         |
|--|--------------|--------------|
|  | \$'000       | \$'000       |
| Profit before income tax equivalents             | 22,452       | 17,795       |
| Income tax equivalents expense calculated at 30% | 6,736        | 5,339        |
| Non-deductible entertainment                     | 2            | 2            |
| Prior year adjustment                            | (1)          | 13           |
| <b>Income tax expense</b>                        | <b>6,737</b> | <b>5,354</b> |
| Comprised of movements in:                       |              |              |
| Income tax payable                               | 9,555        | 7,516        |
| Deferred tax asset                               | (493)        | 37           |
| Deferred tax liability                           | (2,325)      | (2,199)      |
| <b>Income tax expense</b>                        | <b>6,737</b> | <b>5,354</b> |

# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

## 5. Income tax equivalents (cont.)

### b) Income tax payable/(receivable)

|                        | 2024         | 2023       |
|------------------------|--------------|------------|
|                        | \$'000       | \$'000     |
| Opening balance        | 571          | 17,358     |
| Charged to income      | 9,553        | 7,516      |
| Prior year adjustments | 2            | -          |
| Payments               | (8,977)      | (24,303)   |
| <b>Closing balance</b> | <b>1,149</b> | <b>571</b> |

### 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             |                 |
|---------------------------------|--------------|--------------|-----------------|-----------------|-----------------|-----------------|
|                                 | 2024         | 2023         | 2024            | 2023            | 2024            | 2023            |
|                                 | \$'000       | \$'000       | \$'000          | \$'000          | \$'000          | \$'000          |
| Property, plant & equipment     | -            | -            | (99,871)        | (84,909)        | (99,871)        | (84,909)        |
| Intangible assets               | 8,298        | 8,305        | -               | -               | 8,298           | 8,305           |
| Trade & other payables          | 93           | 32           | -               | -               | 93              | 32              |
| Employee benefits               | 1,060        | 774          | -               | -               | 1,060           | 774             |
| Lease assets and liabilities    | -            | -            | (105)           | (161)           | (105)           | (161)           |
| Fish prizes                     | 63           | -            | -               | -               | 63              | -               |
| Revenue received in advance     | 213          | 123          | -               | -               | 213             | 123             |
| <b>Tax assets/(liabilities)</b> | <b>9,727</b> | <b>9,234</b> | <b>(99,976)</b> | <b>(85,070)</b> | <b>(90,249)</b> | <b>(75,836)</b> |

Movement in temporary differences during the year:

|  | Balance<br>1 July 2022 | Recognised<br>in income | Recognised<br>in equity | Balance<br>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                     |
| <b>Movement in temporary differences</b> | <b>(81,860)</b>        | <b>2,162</b>            | <b>3,862</b>            | <b>(75,836)</b>         |

# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

## 5. Income tax equivalents (cont.)

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

|  | Balance<br>1 July 2023 | Recognised<br>in income | Recognised<br>in equity | Balance<br>30 June 2024 |
|--|------------------------|-------------------------|-------------------------|-------------------------|
|  | \$'000                 | \$'000                  | \$'000                  | \$'000                  |
| Property, plant, and equipment           | (84,909)               | 2,269                   | (17,231)                | (99,871)                |
| Intangible assets                        | 8,305                  | (7)                     | –                       | 8,298                   |
| Trade & other payables                   | 32                     | 61                      | –                       | 93                      |
| Employee benefits                        | 774                    | 286                     | –                       | 1,060                   |
| Lease assets and liabilities             | (161)                  | 56                      | –                       | (105)                   |
| Fish prizes                              | –                      | 63                      | –                       | 63                      |
| Revenue received in advance              | 123                    | 90                      | –                       | 213                     |
| <b>Movement in temporary differences</b> | <b>(75,836)</b>        | <b>2,818</b>            | <b>(17,231)</b>         | <b>(90,249)</b>         |

## 6(a) Cash and cash equivalents

|  | 2024           | 2023          |
|--|----------------|---------------|
|  | \$'000         | \$'000        |
| Cash at bank   | 2,877          | 5,718         |
| Deposits at Queensland Treasury Corporation, at call | 686,834        | 11,417        |
| <b>Total cash and cash equivalents</b>               | <b>689,711</b> | <b>17,135</b> |

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 AA2 based on Moody's 30 June 2024 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

|  | 2024           | 2023          |
|--|----------------|---------------|
|  | \$'000         | \$'000        |
| Operating profit after income tax equivalents                  | 15,715         | 12,441        |
| Non-cash items included in operating result:                   |                |               |
| Adjustments for: Depreciation                                  | 21,688         | 21,945        |
| Amortisation   | 417            | 747           |
| Re/devaluation of non-current assets                           | (42)           | 11            |
| Movement in biological assets                                  | (42)           | (53)          |
| Loss on disposal of non-current assets                         | 319            | 542           |
| Write off on property, plant, and equipment                    | 822            | 61            |
|  | <b>38,877</b>  | <b>35,694</b> |
| Change in assets and liabilities:                              |                |               |
| (Increase)/decrease in trade and other receivables             | (5,495)        | 1,020         |
| Increase in inventory  | (148)          | (169)         |
| Increase in deferred tax assets                                | (493)          | (121)         |
| Increase/(decrease) in trade and other payables                | 369,320        | (1,601)       |
| (Decrease)/increase in deferred tax liabilities                | 14,906         | (5,903)       |
| Increase/(decrease) in current tax liabilities/(assets)        | 578            | (16,787)      |
| Decrease/(increase) in provisions                              | 1,051          | 184           |
| Increase in borrowing costs                                    | 93             | (10)          |
| (Decrease)/increase in tax regarding asset revaluation surplus | (17,231)       | 3,862         |
| <b>Net cash from operating activities</b>                      | <b>401,458</b> | <b>16,169</b> |

## 6(c) Reconciliation of liabilities arising from financing activities

|                       | Balance<br>1 July 2022 | Financing<br>cash flows | Other<br>cash flows | Non-cash<br>changes | Balance<br>30 June 2023 |
|-----------------------|------------------------|-------------------------|---------------------|---------------------|-------------------------|
|                       | \$'000                 | \$'000                  |                     | \$'000              | \$'000                  |
| Short term borrowings | –                      | 106,184                 | –                   | 1,053               | 107,237                 |
| Long term borrowings  | 249,242                | –                       | (2,398)             | 2,408               | 249,232                 |
| Lease liabilities     | 1,164                  | (896)                   | (367)               | 1,173               | 1,074                   |
| <b>Total debt</b>     | <b>250,406</b>         | <b>105,288</b>          | <b>(2,785)</b>      | <b>4,634</b>        | <b>357,543</b>          |
|                       |                        |                         |                     |                     |                         |
|                       | Balance<br>1 July 2023 | Financing<br>cash flows | Other<br>cash flows | Non-cash<br>changes | Balance<br>30 June 2024 |
|                       | \$'000                 | \$'000                  |                     | \$'000              | \$'000                  |
| Short term borrowings | 107,237                | (107,237)               | –                   | –                   | –                       |
| Long term borrowings  | 249,232                | 249,399                 | 2,274               | 195                 | 501,100                 |
| Lease liabilities     | 1,074                  | (204)                   | (551)               | 1,381               | 1,700                   |
| <b>Total debt</b>     | <b>357,543</b>         | <b>141,958</b>          | <b>1,723</b>        | <b>1,576</b>        | <b>502,800</b>          |

\*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

|  | 2024          | 2023          |
|--|---------------|---------------|
|  | \$'000        | \$'000        |
| <b>Current</b>                           |               |               |
| Trade receivables                        | 8,679         | 6,395         |
| Contract assets                          | 1,720         | 854           |
| Other receivables and prepayments        | 5,863         | 3,319         |
| <b>Total trade and other receivables</b> | <b>16,262</b> | <b>10,568</b> |
|  |               |               |
|  | 2024          | 2023          |
|  | \$'000        | \$'000        |
| <b>Non-current</b>                       |               |               |
| Contract assets                          | 23,227        | 24,947        |
| <b>Total trade and other receivables</b> | <b>23,227</b> | <b>24,947</b> |

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 \$2.45 million of trade receivables at 30 June 2024 (2023: \$2.00 million).

*Ageing analysis of trade receivables at the reporting date:*

|                                       | 2024         | 2023         |
|---------------------------------------|--------------|--------------|
|                                       | \$'000       | \$'000       |
| <b>Trade receivables not impaired</b> |              |              |
| Not due                               | 6,424        | 6,259        |
| Overdue <31 days                      | 2,251        | 132          |
| Overdue 31–60 days                    | -            | -            |
| Overdue >60 days                      | 4            | 4            |
| <b>Total</b>                          | <b>8,679</b> | <b>6,395</b> |

As at 30 June 2024 GAWB had current trade receivables of \$nil (2023: \$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 2024 GAWB had contract assets of \$nil (2023: \$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 15(b) credit risk for further information.

# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

## 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.
- When measuring the lease liability GAWB uses its incremental borrowing rate where the interest rate implicit in the lease cannot be readily determined, which is the case for GAWB's building and property leases. To determine the incremental borrowing rate GAWB uses the weighted average cost of capital rate used for the latest pricing determination that corresponds to the commencement date and term of the lease.

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 2024

## 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:

|                    | 2024       | 2023       |
|--------------------|------------|------------|
| 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  | 2024         | 2023         |
|--|--------------|--------------|
|  | \$'000       | \$'000       |
| <b>Land and buildings</b>                                  |              |              |
| At cost  | 1,307        | 1,537        |
| Accumulated depreciation and impairment                    | (653)        | (287)        |
| Total land and buildings                                   | 654          | 1,250        |
| <b>Motor vehicles</b>                                      |              |              |
| At cost  | 2,308        | 1,440        |
| Accumulated depreciation and impairment                    | (911)        | (1,080)      |
| Total motor vehicles                                       | 1,397        | 360          |
| <b>Total property, plant and equipment carrying amount</b> | <b>2,051</b> | <b>1,610</b> |

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

| Reconciliation                         | Land and buildings | Motor vehicles | Total        |
|--|--------------------|----------------|--------------|
|  | \$'000             | \$'000         | \$'000       |
| Carrying amount at 1 July 2023         | 1,250              | 360            | 1,610        |
| Additions                              | 10                 | 1,497          | 1,507        |
| Disposals                              | (229)              | –              | (229)        |
| Amortisation                           | (377)              | (460)          | (837)        |
| <b>Carrying amount at 30 June 2024</b> | <b>654</b>         | <b>1,397</b>   | <b>2,051</b> |

# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

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

### Leases as a lessee (cont)

| Lease liabilities | 2024         | 2023         |
|-------------------|--------------|--------------|
|                   | \$'000       | \$'000       |
| Current           | 690          | 358          |
| Non-current       | 1,010        | 716          |
| <b>Total</b>      | <b>1,700</b> | <b>1,074</b> |

| Expenses recognised in profit or loss  | 2024   | 2023   |
|--|--------|--------|
|  | \$'000 | \$'000 |
| Interest expense on lease liabilities  | 50     | 32     |
| Expenses relating to short-term leases | 13     | –      |

| Total cash outflow for leases | 2024   | 2023   |
|-------------------------------|--------|--------|
|                               | \$'000 | \$'000 |
| Outflow                       | 755    | 1,263  |

### 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:

|   | 2024       | 2023       |
|---|------------|------------|
|   | \$'000     | \$'000     |
| Not later than 1 year                         | 387        | 417        |
| Later than one year not later than five years | 407        | 429        |
| Later than five years                         | 107        | 111        |
|   | <b>901</b> | <b>957</b> |

During the year ended 30 June 2024, \$0.58 million was recognised as other income in the Statement of Profit and Loss and Other Comprehensive Income in respect of operating leases (2023: \$0.49 million).

# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

## 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 statement of 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:

| <b>Lease liabilities</b>                               | <b>2024</b>  | <b>2023</b>  |
|--|--------------|--------------|
| 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 2024

## 9. Property, plant and equipment (cont.)

### (a) Balances and reconciliation of carrying amount

|  | 2024<br>\$'000   | 2023<br>\$'000 |
|--|------------------|----------------|
| <b>Land, buildings &amp; improvements</b>                  |                  |                |
| Land:  |                  |                |
| At fair value  | 18,184           | 16,471         |
| Buildings & improvements:                                  |                  |                |
| At fair value  | 50,983           | 43,164         |
| Total land, buildings & improvements                       | 69,167           | 59,635         |
| <b>Infrastructure assets</b>                               |                  |                |
| At fair value  | 643,717          | 600,870        |
| Total infrastructure assets                                | 643,717          | 600,870        |
| <b>Minor plant &amp; equipment</b>                         |                  |                |
| At cost  | 25,988           | 23,619         |
| Accumulated depreciation                                   | (11,458)         | (9,810)        |
| Total minor plant & equipment                              | 14,530           | 13,809         |
| <b>Motor vehicles</b>                                      |                  |                |
| At cost  | 225              | 376            |
| Accumulated depreciation                                   | (199)            | (338)          |
| Total motor vehicles                                       | 26               | 38             |
| <b>Assets under construction</b>                           |                  |                |
| At cost  | 531,197          | 167,421        |
| <b>Total property, plant and equipment carrying amount</b> | <b>1,258,637</b> | <b>841,773</b> |

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 \$983 million. At 30 June 2024 assets under construction included \$508.842 million of costs in relation to this project (2023: \$145.475 million).

# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

## 9. Property, plant and equipment (cont.)

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

| Reconciliation  | Land,<br>buildings &<br>improvements | Infrastructure<br>assets | Minor<br>plant &<br>equipment | Motor<br>vehicles | Assets under<br>construction | Total            |
|---|--------------------------------------|--------------------------|-------------------------------|-------------------|------------------------------|------------------|
|   | \$'000                               | \$'000                   | \$'000                        | \$'000            | \$'000                       | \$'000           |
| 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 decrement                                   | (1,163)                              | (11,720)                 | –                             | –                 | –                            | (12,883)         |
| <b>Carrying amount at 30 June 2023</b>                  | <b>59,635</b>                        | <b>600,870</b>           | <b>13,809</b>                 | <b>38</b>         | <b>167,421</b>               | <b>841,773</b>   |
| Carrying amount at 1 July 2023                          | 59,635                               | 600,870                  | 13,809                        | 38                | 167,421                      | 841,773          |
| Additions   | –                                    | –                        | –                             | –                 | 382,242                      | 382,242          |
| Disposals   | (46)                                 | (233)                    | (67)                          | –                 | –                            | (346)            |
| Transfer to/(from) assets under construction            | 6,146                                | 8,765                    | 2,733                         | –                 | (17,644)                     | –                |
| Depreciation  | (2,144)                              | (17,587)                 | (1,945)                       | (12)              | –                            | (21,688)         |
| Write off to Profit and Loss                            | –                                    | –                        | –                             | –                 | (822)                        | (822)            |
| Revaluation increment/(decrement)                       | 5,576                                | 51,902                   | –                             | –                 | –                            | 57,478           |
| <b>Carrying amount at 30 June 2024</b>                  | <b>69,167</b>                        | <b>643,717</b>           | <b>14,530</b>                 | <b>26</b>         | <b>531,197</b>               | <b>1,258,637</b> |

### (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:

|   | 2024<br>\$'000 | 2023<br>\$'000 |
|---|----------------|----------------|
| <b>Land, buildings and improvements, and infrastructure at deemed historical cost</b> |                |                |
| Land  | 10,575         | 10,328         |
| Buildings and improvements  | 41,788         | 36,271         |
| Infrastructure  | 425,437        | 421,233        |
| <b>Total cost</b>   | <b>477,800</b> | <b>467,832</b> |

# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

## 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 2024 using the following key assumptions and approach:

- A new valuation model is being used for 2024 onwards. The model was redesigned to better recognise the significant growth of GAWB. The discount period was extended from between 1 to 5 years to 10 years, and the terminal value changed from a regulated asset base to revenue cash flow incorporating a Gordon Growth methodology.
- 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 6.29%.
- 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. Estimates for future years are based upon the same building block method for revenue and use forecasted cash flows and capital expenditure included in the 10-year forecast to calculate these forecasts.
- A 10-year cash flow is used for the purposes of the valuation. A terminal value is calculated based upon year 10 of the model. A growth rate of 2.5% per annum is used, which represents the mid-point of the Reserve Bank of Australia inflation target.
- The fair value measurement for land, buildings & improvements, and infrastructure assets of \$1,450.604 million (2023: \$660.505 million) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Asset revaluation summary:

|                                     | 2024          | 2023          |
|-------------------------------------|---------------|---------------|
|                                     | \$'000        | \$'000        |
| Revaluation through profit and loss | 42            | (11)          |
| Revaluation through equity          | 57,436        | (12,872)      |
| <b>Total revaluation</b>            | <b>57,478</b> | <b>12,883</b> |

# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

## 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 statement of 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 statement of 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.

(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 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 in 2023 when construction of the project commenced. Software includes a fully written down ERP system (2023: \$nil) and minor business software assets.



# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

## 10. Intangible assets (cont.)

|                                  | 2024<br>\$'000 | 2023<br>\$'000 |
|----------------------------------|----------------|----------------|
| <b>Software</b>                  |                |                |
| At cost                          | 5,292          | 5,292          |
| Accumulated amortisation         | (5,133)        | (5,106)        |
| Total software                   | 159            | 186            |
| <b>Land reservations</b>         |                |                |
| At cost                          | 29             | 29             |
| <b>Easements</b>                 |                |                |
| At cost                          | 631            | 631            |
| <b>Assets under construction</b> |                |                |
| At cost                          | 186            | 133            |
| <b>Total intangible assets</b>   | <b>1,005</b>   | <b>979</b>     |

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

|   | Software<br>\$'000 | Land<br>reservations<br>\$'000 | Easements<br>\$'000 | CSS<br>development<br>costs<br>\$'000 | Assets under<br>construction<br>\$'000 | Total<br>\$'000 |
|---|--------------------|--------------------------------|---------------------|---------------------------------------|--|-----------------|
| Balance at 1 July 2022  | 561                | 29                             | 631                 | –                                     | 5,679                                  | 6,900           |
| Additions   | –                  | –                              | –                   | –                                     | 1,552                                  | 1,552           |
| Transfer to property plant and equipment<br>assets under construction | –                  | –                              | –                   | –                                     | (7,098)                                | (7,098)         |
| Amortisation  | (375)              | –                              | –                   | –                                     | –                                      | (375)           |
| <b>Balance at 30 June 2023</b>  | <b>186</b>         | <b>29</b>                      | <b>631</b>          | <b>–</b>                              | <b>133</b>                             | <b>979</b>      |
| Balance at 1 July 2023  | 186                | 29                             | 631                 | –                                     | 133                                    | 979             |
| Additions   | –                  | –                              | –                   | –                                     | 53                                     | 53              |
| Amortisation  | (27)               | –                              | –                   | –                                     | –                                      | (27)            |
| <b>Balance at 30 June 2024</b>  | <b>159</b>         | <b>29</b>                      | <b>631</b>          | <b>–</b>                              | <b>186</b>                             | <b>1,005</b>    |

# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

## 11. Trade and other payables

|   | 2024<br>\$'000 | 2023<br>\$'000 |
|---|----------------|----------------|
| <b>Current</b>                                    |                |                |
| Trade creditors                                   | 4,400          | 1,754          |
| Security deposits                                 | 48             | 46             |
| Accruals  | 37,424         | 20,923         |
| Revenue received in advance                       | 139            | 121            |
| <b>Total current trade and other payables</b>     | <b>42,011</b>  | <b>22,844</b>  |
| <b>Non-current</b>                                |                |                |
| Revenue received in advance                       | 365,572        | 288            |
| <b>Total non-current trade and other payables</b> | <b>365,572</b> | <b>288</b>     |

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 15(b). Accruals are provided for goods and services that have been received or provided to GAWB but an invoice has not yet been supplied by the supplier. These represent both capital and non-capital items.

In June 2024 GAWB received a capital grant of \$285.7 million from the Queensland Government in relation to the construction of the FGP project. The income is classified as deferred grant income and will be amortised over the life of the FGP assets upon expected completion of the project in 2026. In June 2024 GAWB also received a capital grant of \$79.3 million to assist with the purchase of water rights to take water from the Fitzroy River to be used in the FGP assets. This revenue is deferred grant revenue and as capital in nature will be amortised when the rights are sold. It is classified as non-current as GAWB has no intent to sell the rights in the next 12 months.

GAWB has entered into future water supply contracts with several customers in line with its queuing guidelines. As a result of these contracts, a capacity preservation fee (CPF) has been charged. The charge is fully refundable to the customer at the point that water delivery commences under these contracts. Where the customer decides not to proceed with the contract GAWB retains these funds. The revenue is therefore deferred and included in revenue received in advance, until either GAWB is entitled to the revenue (upon cessation of the contract) or refunds the balance to the customer (upon delivery of water to the customer). As at 30 June 2024 the current amount of this fee was \$0.011 million, and non-current amount \$0.394 million.

# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

## 12. Loans and borrowings

The 2023 working capital facility was 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 2024 the interest rate on this facility was 4.774% (2023: 4.10%).

All loans and borrowings are initially recognised 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 non FGP borrowings range from 0.935% to 2.031%. 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  | 2024   | 2023    |
|--|--------|---------|
|  | \$'000 | \$'000  |
| Queensland Treasury Corporation working capital facilities | –      | 107,237 |

| Non-Current                           | 2024    | 2023    |
|---------------------------------------|---------|---------|
|                                       | \$'000  | \$'000  |
| Queensland Treasury Corporation loans | 501,100 | 249,232 |

### 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.

|                | 2024    | 2023    |
|----------------|---------|---------|
|                | \$'000  | \$'000  |
| Carrying value | 501,100 | 249,232 |
| Fair value     | 494,702 | 234,368 |

## 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 2024

## 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 statement of 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 a right at the end of the reporting period 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 \$0.98 million of annual leave and \$0.07 million 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 2024 at 80% and 2023 at 80%. All dividends are unfranked. Dividends are declared after reporting date but before the financial statements are authorised for issue.

|                                     | 2024<br>\$'000 | 2023<br>\$'000 |
|-------------------------------------|----------------|----------------|
| <b>Current</b>                      |                |                |
| Dividend                            | 12,551         | 9,971          |
| Long service leave                  | 1,411          | 474            |
| Annual and other leave              | 1,702          | 1,418          |
| <b>Total current provisions</b>     | <b>15,664</b>  | <b>11,863</b>  |
| <b>Non-current</b>                  |                |                |
| Long service leave                  | 87             | 467            |
| Fish prizes                         | 210            | –              |
| Restoration                         | 125            | 125            |
| <b>Total non-current provisions</b> | <b>422</b>     | <b>592</b>     |

# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

## 13. Provisions (cont.)

### Provision movements

|  | Dividend      |              | Long service leave |            | Annual and other leave |              | Restoration |            | Fish prizes |          |
|--|---------------|--------------|--------------------|------------|------------------------|--------------|-------------|------------|-------------|----------|
|  | 2024          | 2023         | 2024               | 2023       | 2024                   | 2023         | 2024        | 2023       | 2024        | 2023     |
|  | \$'000        | \$'000       | \$'000             | \$'000     | \$'000                 | \$'000       | \$'000      | \$'000     | \$'000      | \$'000   |
| Current provision                      | 12,551        | 9,971        | 1,411              | 474        | 1,702                  | 1,418        | –           | –          | –           | –        |
| Non-current provision                  | –             | –            | 87                 | 467        | –                      | –            | 125         | 125        | 210         | –        |
| <b>Closing balance at 30 June</b>      | <b>12,551</b> | <b>9,971</b> | <b>1,498</b>       | <b>941</b> | <b>1,702</b>           | <b>1,418</b> | <b>125</b>  | <b>125</b> | <b>210</b>  | <b>–</b> |
| Opening balance of provision at 1 July | 9,971         | 9,960        | 941                | 850        | 1,418                  | 1,325        | 125         | 125        | –           | –        |
| Payment of provisions                  | (9,971)       | (47,251)     | (95)               | (47)       | (1,903)                | (865)        | –           | –          | –           | –        |
| Movement in provision calculation      | 12,551        | 47,262       | 652                | 138        | 2,187                  | 958          | –           | –          | 210         | –        |
| <b>Closing balance at 30 June</b>      | <b>12,551</b> | <b>9,971</b> | <b>1,498</b>       | <b>941</b> | <b>1,702</b>           | <b>1,418</b> | <b>125</b>  | <b>125</b> | <b>210</b>  | <b>–</b> |

## 14. Equity Injections

Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities specifies the principles for recognising contributed equity by the department. A transfer to a wholly-owned public sector entity shall be recognised by the transferee as a contribution by owners when and only when it satisfies the definition of “contributions by owners” in AASB 1004 Contributions. GAWB has received equity injections relating to the creation of property, plant and equipment to facilitate the growth of industry in Gladstone.

## 15. 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 (2023: \$10 million) working capital facility provided through

# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

## 15. Financial risk management (cont.)

### (c) Liquidity risk (cont.)

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 had access to a \$200 million (2023: \$200 million) 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, \$500.10 million is fully drawn and has a maturity of 20 years (2023: \$249.23 million). GAWB has a bank credit card facility of \$0.15 million (2023: \$0.09 million) of which \$0.12 million was being utilised at 30 June 2024 (2023: \$0.09 million).

GAWB has a bank facility of \$5.0 million (2023: \$0.5 million) for the provision of bank guarantees. These are used for guarantees given to government departments and council authorities when undertaking construction works. At 30 June 2024 \$2.95 million was utilised (2023: \$0.21million).

| 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         |
| <b>2023</b>                  |                             |               |                |                        |                      |                |
| <b>Financial liabilities</b> |                             |               |                |                        |                      |                |
| 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          |
| <b>Total</b>                 | <b>2,905</b>                | <b>51,214</b> | <b>207,445</b> | <b>107,237</b>         | <b>32,694</b>        | <b>401,495</b> |
| <b>2024</b>                  |                             |               |                |                        |                      |                |
| <b>Financial liabilities</b> |                             |               |                |                        |                      |                |
| Trade and other payables     | –                           | –             | –              | –                      | 41,872               | 41,872         |
| Interest-bearing liabilities | 26,006                      | 89,060        | 495,474        | –                      | –                    | 610,540        |
| Lease liabilities            | 690                         | 934           | 76             | –                      | –                    | 1,700          |
| Dividend provision           | –                           | –             | –              | –                      | 12,551               | 12,551         |
| <b>Total</b>                 | <b>26,696</b>               | <b>89,994</b> | <b>495,550</b> | <b>–</b>               | <b>54,423</b>        | <b>666,663</b> |

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.

# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

## 15. Financial risk management (cont.)

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.

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:

|  | Interest rate risk |           |         |           |        |
|--|--------------------|-----------|---------|-----------|--------|
|  | Carrying amount    | -100 bpts |         | +100 bpts |        |
|  |                    | Profit    | Equity  | Profit    | Equity |
| \$'000   | \$'000             | \$'000    | \$'000  | \$'000    |        |
| <b>2023</b>  |                    |           |         |           |        |
| Cash at bank   | 5,718              | -         | -       | -         | -      |
| Deposits at Queensland Treasury Corporation, at call | 11,417             | (114)     | (114)   | 114       | 114    |
| <b>2024</b>  |                    |           |         |           |        |
| Cash at bank   | 2,877              | -         | -       | -         | -      |
| Deposits at Queensland Treasury Corporation, at call | 686,834            | (6,868)   | (6,868) | 6,868     | 6,868  |

### (e) 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.

The capital structure of GAWB consists of borrowings disclosed in Note 12 and equity comprising issued capital, reserves and retained earnings. In order to achieve this overall objective, GAWB's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the financiers to immediately call on borrowings. GAWB has negotiated with QTC an exemption to meeting these covenants during the construction phase of the FGP Project as the covenants were breached in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2024 and 30 June 2023.



# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

## 16. Commitments and contingencies

### Capital and other commitments

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

|  | 2024           | 2023           |
|--|----------------|----------------|
|  | \$'000         | \$'000         |
| Amounts to be expensed:                            |                |                |
| Not later than one year                            | 318,885        | 420,615        |
| Later than one year, but not later than five years | 27,120         | 231,807        |
| More than five years                               | –              | –              |
|  | <b>346,005</b> | <b>652,422</b> |

### Contingent assets and liabilities

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

## 17. Auditors' remuneration

|                                       | 2024   | 2023   |
|---------------------------------------|--------|--------|
|                                       | \$'000 | \$'000 |
| <b>Audit services</b>                 |        |        |
| Queensland Audit Office               |        |        |
| Audit and review of financial reports | 131    | 118    |

For the 30 June 2024 audit, the amount quoted for the audit fee was \$0.13 million (2023: \$0.10 million). There are no non-audit services included in these amounts.

## 18. 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 2024, 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 2024

## 18. 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/<br>(Cessation)<br>Date | Short term<br>benefits<br>Directors' fees<br>\$'000 | Post-employment<br>benefits<br>Superannuation<br>\$'000 | Total<br>remuneration<br>\$'000 |
|----------------------------------|-------------------------------------|---|---|---------------------------------|
| <b>Ms Adrienne Ward (Chair)</b>  | <b>9 March 2023</b>                 |   |   |                                 |
| 2024                             |                                     | 62  | 8   | 70                              |
| 2023                             |                                     | 18  | 2   | 20                              |
| <b>Ms Suzanne Burow</b>          | <b>9 March 2023</b>                 |   |   |                                 |
| 2024                             |                                     | 33  | 4   | 37                              |
| 2023                             |                                     | 9   | 1   | 10                              |
| <b>Mrs Tina Zawila</b>           | <b>9 December 2021</b>              |   |   |                                 |
| 2024                             |                                     | 34  | 4   | 38                              |
| 2023                             |                                     | 31  | 3   | 34                              |
| <b>Mr Peter Masters</b>          | <b>29 June 2021</b>                 |   |   |                                 |
| 2024                             |                                     | 32  | 4   | 36                              |
| 2023                             |                                     | 31  | 3   | 34                              |
| <b>Mr Mitchell Petrie</b>        | <b>9 December 2023</b>              |   |   |                                 |
| 2024                             |                                     | 21  | 2   | 23                              |
| 2023                             |                                     | –   | –   | –                               |
| <b>Professor Poh-Ling Tan</b>    | <b>(8 December 2023)</b>            |   |   |                                 |
| 2024                             |                                     | 15  | 2   | 17                              |
| 2023                             |                                     | 28  | 3   | 31                              |
| <b>Mrs Maxine Brushe (Chair)</b> | <b>(9 March 2023)</b>               |   |   |                                 |
| 2024                             |                                     | –   | –   | –                               |
| 2023                             |                                     | 44  | 5   | 49                              |
| <b>Mrs Aurelia Noran</b>         | <b>(9 March 2023)</b>               |   |   |                                 |
| 2024                             |                                     | –   | –   | –                               |
| 2023                             |                                     | 25  | 3   | 28                              |
| <b>Total Remuneration</b>        |                                     |   |   |                                 |
| <b>2024</b>                      |                                     | <b>197</b>  | <b>24</b>   | <b>221</b>                      |
| <b>2023</b>                      |                                     | <b>186</b>  | <b>20</b>   | <b>206</b>                      |

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 2024: \$11,825, 2023: \$8,360). He also advised on Governance for the FGP Project and converted to a director on 9 December 2023.

# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

## 18. 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<br>\$'000 | Other long-term benefits<br>\$'000 | Post-employment benefits<br>\$'000 | Termination benefits<br>\$'000 | Total remuneration<br>\$'000 |
|---|---|--|------------------------------------|------------------------------------|--------------------------------|------------------------------|
| <b>Mr D Barlow (CEO)</b>  | <b>19 March 2028</b>                      |  |                                    |                                    |                                |                              |
| 2024  |   | 504                                    | 67                                 | 27                                 | –                              | 598                          |
| 2023  |   | 492                                    | 11                                 | 25                                 | –                              | 528                          |
| <b>Mr H Barbour (COO FGP Project)</b>                             | <b>27 May 2026</b>                        |  |                                    |                                    |                                |                              |
| 2024  |   | 336                                    | 32                                 | 27                                 | –                              | 395                          |
| 2023  |   | 296                                    | 12                                 | 25                                 | –                              | 333                          |
| <b>Mrs A Moody (CFO)</b>  | <b>26 July 2026</b>                       |  |                                    |                                    |                                |                              |
| 2024  |   | 339                                    | 37                                 | 27                                 | –                              | 403                          |
| 2023  |   | 273                                    | 8                                  | 25                                 | –                              | 306                          |
| <b>Mr R Elliot (General Manager Aquaculture Gladstone)</b>        | <b>18 April 2025</b>                      |  |                                    |                                    |                                |                              |
| 2024  |   | 211                                    | 30                                 | 27                                 | –                              | 268                          |
| 2023  |   | 204                                    | 7                                  | 22                                 | –                              | 233                          |
| <b>Mr S Wikman (General Manager Network)</b>                      | <b>11 July 2025</b>                       |  |                                    |                                    |                                |                              |
| 2024  |   | 264                                    | 1                                  | 27                                 | –                              | 292                          |
| 2023  |   | 230                                    | –                                  | 22                                 | –                              | 252                          |
| <b>Ms C Byers (General Manager People and Culture)</b>            | <b>Tenure</b>                             |  |                                    |                                    |                                |                              |
| 2024  |   | 261                                    | 31                                 | 27                                 | –                              | 319                          |
| 2023  |   | 218                                    | 5                                  | 23                                 | –                              | 246                          |
| <b>Mrs R Miller (General Manager Hydrogen)</b>                    | <b>22 May 2026</b>                        |  |                                    |                                    |                                |                              |
| 2024  |   | 282                                    | 1                                  | 27                                 | –                              | 310                          |
| 2023  |   | 124                                    | –                                  | 11                                 | –                              | 135                          |
| <b>Mr P Botes (General Manager Capital Planning and Delivery)</b> | <b>10 July 2026</b>                       |  |                                    |                                    |                                |                              |
| 2024  |   | 230                                    | –                                  | 27                                 | –                              | 257                          |
| 2023  |   | –                                      | –                                  | –                                  | –                              | –                            |
| <b>Mr G Harsh (Acting General Manager Network)</b>                | <b>(29 July 2022)</b>                     |  |                                    |                                    |                                |                              |
| 2024  |   | –                                      | –                                  | –                                  | –                              | –                            |
| 2023  |   | 16                                     | –                                  | 2                                  | –                              | 18                           |

# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

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

| Position   | Contract expiry date / (termination date) | Short term employee benefits<br>\$'000 | Other long-term benefits<br>\$'000 | Post-employment benefits<br>\$'000 | Termination benefits<br>\$'000 | Total remuneration<br>\$'000 |
|--|---|--|------------------------------------|------------------------------------|--------------------------------|------------------------------|
| <b>Mrs R Bates<br/>(Chief Governance Officer)</b>                              | <b>(16 September 2022)</b>                |  |                                    |                                    |                                |                              |
| 2024   |   | –                                      | –                                  | –                                  | –                              | –                            |
| 2023   |   | 46                                     | (15)                               | 6                                  | –                              | 37                           |
| <b>Mr G Clarke (General Manager<br/>Capital Planning and Delivery)</b>         | <b>(1 July 2022)</b>                      |  |                                    |                                    |                                |                              |
| 2024   |   | –                                      | –                                  | –                                  | –                              | –                            |
| 2023   |   | 30                                     | –                                  | 3                                  | 95                             | 128                          |
| <b>Mr R Stephenson<br/>(General Manager Capital<br/>Planning and Delivery)</b> | <b>(10 March 2023)</b>                    |  |                                    |                                    |                                |                              |
| 2024   |   | –                                      | –                                  | –                                  | –                              | –                            |
| 2023   |   | 145                                    | –                                  | 15                                 | –                              | 160                          |
| <b>Mr K Litfin<br/>(General Manager Capital)*</b>                              | <b>(21 July 2023)</b>                     |  |                                    |                                    |                                |                              |
| 2024   |   | 36                                     | –                                  | –                                  | –                              | 36                           |
| 2023   |   | 200                                    | –                                  | –                                  | –                              | 200                          |
| <b>Total Remuneration</b>  |   |  |                                    |                                    |                                |                              |
| <b>2024</b>  |   | <b>2,463</b>                           | <b>199</b>                         | <b>216</b>                         | <b>–</b>                       | <b>2,878</b>                 |
| <b>2023</b>  |   | <b>2,274</b>                           | <b>28</b>                          | <b>179</b>                         | <b>95</b>                      | <b>2,576</b>                 |

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

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, risk, 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/ General Manager Capital 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 2024

## 18. 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.

|                      | 2024     | 2023     |
|----------------------|----------|----------|
|                      | Number   | Number   |
| \$50,000 to \$59,999 | -        | -        |
| \$40,000 to \$49,999 | -        | -        |
| \$30,000 to \$39,999 | -        | -        |
| \$20,000 to \$29,999 | -        | -        |
| \$10,000 to \$19,999 | -        | -        |
| \$0 to \$9,999       | -        | 1        |
| <b>Total</b>         | <b>-</b> | <b>1</b> |

### 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 2024 GAWB purchased \$1.581 million (2023: \$2.069 million) of project management services from Axiom Project Services Pty Ltd. As at 30 June 2024 GAWB had payables due of \$0.062 million (2023: \$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 2024

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

|  | 2024<br>\$'000 | 2023<br>\$'000 |
|--|----------------|----------------|
| <b>Revenue</b>   |                |                |
| Water revenue receivable from CS Energy  | 3,496          | 3,283          |
| Water revenue receivable from Gladstone Ports Corporation  | 1,240          | 1,118          |
| Interest received from QTC   | 11,743         | 1,800          |
| <b>Total revenue</b>   | <b>16,479</b>  | <b>6,201</b>   |
| <b>Expenditure</b>   |                |                |
| Interest, loan fees and account fees on QTC borrowings and accounts                                      | 13,143         | 2,492          |
| Dividend, NTER, Payroll Tax, Rates equivalent and competitive neutrality fee paid to Queensland Treasury | 22,495         | 74,127         |
| Electricity payments to State of Queensland controlled entities  | 470            | 532            |
| QSuper   | 1,880          | 1,365          |
| Gladstone Ports Corporation  | 1,424          | 75             |
| Department of Resources  | 6              | 694            |
| Other  | 429            | 349            |
| <b>Total expenses</b>  | <b>39,847</b>  | <b>79,634</b>  |

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

|  | 2024<br>\$'000 | 2023<br>\$'000 |
|--|----------------|----------------|
| <b>Receivables</b>   |                |                |
| CS Energy  | 9,124          | 9,746          |
| Gladstone Ports Corporation                                | 535            | 602            |
| Advance facility held with QTC                             | –              | 11,417         |
| <b>Total receivables</b>                                   | <b>9,659</b>   | <b>21,765</b>  |
| <b>Payables</b>  |                |                |
| Borrowings from QTC  | 501,100        | 356,469        |
| Accrued interest and fees payable to QTC                   | 965            | 170            |
| Trade creditors to State of Queensland controlled entities | 187            | 1,118          |
| <b>Total payables</b>                                      | <b>502,252</b> | <b>357,757</b> |

# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

## 19. Climate risk

### Whole of Government climate related reporting

The State of Queensland, as the ultimate parent of the GAWB, has published a wide range of information and resources on climate related risks, strategies and actions accessible via <https://www.energyandclimate.qld.gov.au/climate>. The Queensland Sustainability Report (QSR) outlines how the Queensland Government measures, monitors and manages sustainability risks and opportunities, including governance structures supporting policy oversight and implementation. To demonstrate progress, the QSR also provides time series data on key sustainability policy responses. The QSR is available via Queensland Treasury's website at <https://www.treasury.qld.gov.au/programs-and-policies/queensland-sustainability-report>.

### 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.

## 20. 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 2024 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  
15 August 2024



# 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 (the entity).

The financial report comprises the statement of financial position as at 30 June 2024, 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.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2024, and its financial performance and cash flows for the year then ended; and
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

### 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* (including independence standards) (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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

# Independent Auditor's Report (cont.)

TO THE BOARD OF GLADSTONE AREA WATER BOARD

This description forms part of my auditor's report.

## **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 2024:

- 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.

*mluwinga*

Martin Luwunga  
as delegate of the Auditor-General

28 August 2023

Queensland Audit Office  
Brisbane

# Appendix 1

## Government body summary

### Name of Government body: Gladstone Area Water Board

|                            |  |
|----------------------------|--|
| <b>Act or instrument</b>   | <i>Water Act 2000 (Qld)</i> – section 1084.  |
| <b>Functions</b>           | 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. |
| <b>Achievements</b>        | Refer to Message from the Chair & CEO (pages 6 – 9).   |
| <b>Financial reporting</b> | 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 <sup>1</sup> | Approved sub-committee fees if applicable <sup>1</sup> | Actual fees received <sup>2</sup> |
|--|------------------------------|---|--|--|-----------------------------------|
| <b>Chair</b>                           | Adrienne Ward                | Board: 10<br>Audit and Risk Committee: 3<br>Remuneration Committee: 0   | \$55,000   | \$3,000  | \$62,184 <sup>11</sup>            |
| <b>Director</b>                        | Poh-Ling Tan <sup>3</sup>    | Board: 5<br>Remuneration Committee: 0   | \$27,500   | –  | \$14,215 <sup>11</sup>            |
| <b>Director</b>                        | Peter Masters                | Board: 9<br>Audit and Risk Committee: 3<br>FGP Committee: 1   | \$27,500   | \$3,000  | \$31,561 <sup>11</sup>            |
| <b>Director</b>                        | Tina Zawila <sup>4</sup>     | Board: 10<br>Audit and Risk Committee: 4<br>Remuneration Committee: 1   | \$27,500   | \$4,000  | \$32,561 <sup>11</sup>            |
| <b>Director</b>                        | Suzanne Burow <sup>5</sup>   | Board: 8<br>FGP Committee: 1<br>Remuneration Committee: 1   | \$27,500   | –  | \$31,699 <sup>11</sup>            |
| <b>Independent Committee Member</b>    | Mitchell Petrie <sup>6</sup> | Audit and Risk Committee: 4<br>FGP Project Committee: 1<br>Board: 5   | N/A  | N/A  | \$32,561 <sup>11</sup>            |
| <b>Director</b>                        |                              |   |  |  |                                   |
| <b>No. scheduled meetings/sessions</b> |                              | Board: 10 <sup>7</sup><br>Audit and Risk Committee: 4 <sup>8</sup><br>Fitzroy to Gladstone Pipeline Project Committee: 1 <sup>9</sup><br>Remuneration Committee <sup>10</sup> : 1 |  |  |                                   |
| <b>Total out of pocket expenses</b>    |                              |   | \$1,518.41   |  |                                   |

# 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 2023-24 period.
3. Director Tan ceased being a Director on 8 December 2023.
4. Director Zawila was appointed as a member of the Remuneration Committee on 29 February 2024.
5. Director Burow was appointed to the Fitzroy to Gladstone Pipeline Committee on 29 February 2024.
6. Mr Petrie was appointed as a Director on 9 December 2023 (thus he ceased his role as an independent advisor on this date). His membership of the Audit and Risk Committee was formally changed to that reflecting a Board member on 29 February 2024 and appointed as a Chair of the Fitzroy to Gladstone Pipeline Committee on 29 February 2024.
7. There were 9 ordinary board meetings and 1 special board meetings held during 2023-24.
8. There were 4 ordinary Audit and Risk Committee meetings held during 2023-24.
9. The Fitzroy to Gladstone Pipeline Committee was established by the Board on 29 February 2024 and there was 1 committee meeting held in 2023-24.
10. There was one Remuneration Committee meeting held during 2023-24.
11. Actual fees received 2023-24.

# Appendix 2

## Compliance checklist

| Summary of requirement                |  | Basis for requirement   | Annual report reference |
|---------------------------------------|--|---|-------------------------|
| Letter of Compliance                  | <ul style="list-style-type: none"> <li>A letter of compliance from the accountable officer or statutory body to the relevant Minister/s</li> </ul> | ARRs – section 7  | Page 3                  |
| Accessibility                         | <ul style="list-style-type: none"> <li>Table of contents</li> <li>Glossary</li> </ul>  | ARRs – section 9.1  | Page 4<br>Page 83       |
|                                       | <ul style="list-style-type: none"> <li>Public availability</li> </ul>  | ARRs – section 9.2  | Page 2                  |
|                                       | <ul style="list-style-type: none"> <li>Interpreter service statement</li> </ul>  | <i>Queensland Government Language Services Policy</i><br>ARRs – section 9.3 | Page 2                  |
|                                       | <ul style="list-style-type: none"> <li>Copyright notice</li> </ul>   | <i>Copyright Act 1968</i><br>ARRs – section 9.4                             | Page 2                  |
|                                       | <ul style="list-style-type: none"> <li>Information Licensing</li> </ul>  | <i>QGEA – Information Licensing</i><br>ARRs – section 9.5                   | Page 2                  |
| General information                   | <ul style="list-style-type: none"> <li>Introductory Information</li> </ul>   | ARRs – section 10   | Pages 5 - 18            |
| Non-financial performance             | <ul style="list-style-type: none"> <li>Government's objectives for the community and whole-of-government plans/specific initiatives</li> </ul>     | ARRs – section 11.1   | Pages 19 - 25           |
|                                       | <ul style="list-style-type: none"> <li>Agency objectives and performance indicators</li> </ul>   | ARRs – section 11.2   | Pages 11 - 16           |
|                                       | <ul style="list-style-type: none"> <li>Agency service areas and service standards</li> </ul>   | ARRs – section 11.3   | Pages 19 - 33           |
| Financial performance                 | <ul style="list-style-type: none"> <li>Summary of financial performance</li> </ul>   | ARRs – section 12.1   | Pages 10,39             |
| Governance – management and structure | <ul style="list-style-type: none"> <li>Organisational structure</li> </ul>   | ARRs – section 13.1   | Page 30                 |
|                                       | <ul style="list-style-type: none"> <li>Executive management</li> </ul>   | ARRs – section 13.2   | Pages 31-33             |
|                                       | <ul style="list-style-type: none"> <li>Government bodies (statutory bodies and other entities)</li> </ul>  | ARRs – section 13.3   | Pages 80                |
|                                       | <ul style="list-style-type: none"> <li>Public Sector Ethics</li> </ul>   | <i>Public Sector Ethics Act 1994</i><br>ARRs – section 13.4                 | Page 38                 |
|                                       | <ul style="list-style-type: none"> <li>Human Rights</li> </ul>   | <i>Human Rights Act 2019</i><br>ARRs – section 13.5                         | Page 38                 |

# 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 36   |
|   | • Audit committee                               | ARRs – section 14.2  | Page 34   |
|   | • Internal audit                                | ARRs – section 14.3  | Page 34   |
|   | • External scrutiny                             | ARRs – section 14.4  | Page 34   |
|   | • Information systems and record keeping        | ARRs – section 14.5  | Pages 34  |
|   | • Information Security attestation              | ARRs – section 14.6  | Page 34   |
| Governance – human resources                    | • Strategic workforce planning and performance  | ARRs – section 15.1  | Page 34   |
|   | • Early retirement, redundancy and retrenchment | Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i><br>ARRs – section 15.2 | Pages 26 - 27   |
| Open Data                                       | • Statement advising publication of information | ARRs – section 16  | Page 37   |
|   | • Consultancies                                 | ARRs – section 31.1  | <a href="https://data.qld.gov.au">https://data.qld.gov.au</a> |
|   | • Overseas travel                               | ARRs – section 31.2  | <a href="https://data.qld.gov.au">https://data.qld.gov.au</a> |
|   | • Queensland Language Services Policy           | ARRs – section 31.3  | <a href="https://data.qld.gov.au">https://data.qld.gov.au</a> |
| Financial statements                            | • Certification of financial statements         | FAA – section 62<br>FPMS – sections 38, 39 and 46<br>ARRs – section 17.1                       | Page 76   |
|   | • Independent Auditor's Report                  | FAA – section 62<br>FPMS – section 46<br>ARRs – section 17.2                                   | Pages 77 - 78   |

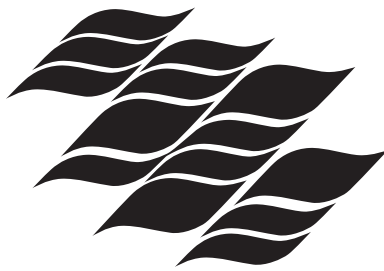
FAA *Financial Accountability Act 2009*

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](http://www.gawb.qld.gov.au)