

Lower Burdekin Water

Annual Report 2016 – 2017

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Reporting Period 1 July 2016 – 30 June 2017

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1. Introduction

1.1 Agency Role and Main Functions

Lower Burdekin Water

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Lower Burdekin Water (LBW) is a category two (2) water authority under the Queensland Water Act 2000 and was established under the Queensland Water Regulation 2002 on the 18th February, 2015. The authority area of Lower Burdekin Water is shown on plan AP22327 and is comprised of two divisions called the Northern Division and the Southern Division.

Lower Burdekin Water is the outcome of an amalgamation between the former North and South Burdekin Water Boards, which were both originally constituted by Orders in Council on the 13th May, 1965 and 31st March, 1966 respectively. The original constitutions of the former North and South Burdekin Water Boards were "To constitute a Water Area and to construct works of improvement of subterranean water supplies and to constitute a board for constructing, maintaining and administering such works". The North and South Burdekin Water Board Areas were shown on plans AP7349 and AP6512 respectively. The said areas of the Northern and Southern Burdekin Water Boards were constituted to utilise part of the flow of the Burdekin River to replenish the subterranean water supplies of the Northern and Southern parts of the Burdekin Delta and to thereby increase the quantity and improve the quality of supply available from this source for irrigation, domestic, stock and industrial purposes.

The purpose of Lower Burdekin Water is to carry out water activities at its discretion designed to manage and maintain the Burdekin aquifer and the water supply needs of the Lower Burdekin Water authority area.

The functions of the Authority as set out in the LBW Governance Policy are:

- a) to primarily replenish, recharge, manage, distribute and protect groundwater and surface water in the Lower Burdekin Water authority area to the extent permitted by law for the purpose of maintaining ground water levels and to restrict/limit salt water intrusion by the promotion of the conjunctive use of surface water and groundwater;
- b) to represent the interests of ratepayers and customers in the authority area to the extent necessary to achieve the authority's objectives;
- c) to engage in water activities outside the Lower Burdekin Water authority area, provided those water activities do not –
 - i. limit the authority's ability to perform its primary function; or
 - ii. financially prejudice the authority or its ratepayers or customers;
- d) to generate revenue, including by levying rates and charges upon ratepayers and customers;
- e) to construct, acquire, own, operate and maintain infrastructure for the purposes of water distribution and aquifer replenishment and recharge;
- f) to establish and maintain services of a commercial or non-commercial nature in accordance with the purposes of the authority;

- g) to carry out research and development in areas that will add value and/or improve the long term sustainability and health of the Burdekin aquifer and Lower Burdekin Water authority area, and inform ratepayers and customers of the best practice for water use for the services provided by the authority;
- h) to borrow money and to secure funds in accordance with all legislative and regulatory requirements for the purposes of the authority and so as to enable the authority to carry out its functions;
- i) to expend money for the purposes of the authority and to enable the authority to carry out its functions.

Lower Burdekin Water is a registered Service Provider under the Queensland Water Supply (Safety and Reliability) Act 2008 holding registration number SPID 571. Lower Burdekin Water makes and levies rates and charges on ratepayers and customers within and outside of its authority area.

Lower Burdekin Water has undergone no machinery of government changes during the reporting period.

Details and copies of the annual report are available on Lower Burdekin Water's website and at Lower Burdekin Water offices.

1.2 Operating Environment

1.2.1 Administration

Summary details of Ordinary and Special Meetings/Inspections

Ordinary Meetings	
Board Meetings	11
Subcommittee Meetings	20
Special Meetings/Inspections	68
Total	99

Details of Attendance at Conferences and Workshops

Staff and directors attended the following workshops during the reporting period.

- AICD - Governance Foundations for Not-for-Profit Directors (full program);
- Salt Water Intrusion Meeting (SWIM); and
- Wetland Treatment System workshop.

Directors and management of Lower Burdekin Water have been actively involved in the Burdekin Water Futures (BWF) group. The BWF group's mission is 'to support a long-term, strategic, whole-of-system approach to understanding and managing the Lower Burdekin water resources and associated systems, and thereby deliver long-term economic, social and environmental outcomes that ensure the region's sustainability'.

Policy

The following new and major amendments to existing policies were implemented by Lower Burdekin Water during the reporting period.

- Strategic Plan 2017/2018 -2020/2021;
- Workplace Health and Safety Manual and Policy;
- Standard employment agreements;
- Related Parties Policy;
- Financial Management Practice Manual;
- Delegations of Authority Policy;
- Accounting Manual;
- Standard Purchase Terms;
- Standard Works Contract; and
- Water Supply Agreement – Outside of Authority Area.

Lower Burdekin Water also reviewed and implemented minor updates, where required, to several existing policies during the reporting period.

Improvements

Lower Burdekin Water's administration team implemented a number of changes to its internal processes after completing a series of process mapping workshops. The refinement of the existing processes ultimately led to a

restructure of the administration team. The new structure of the administration team enables Lower Burdekin Water to address higher priority tasks with its resources.

Lower Burdekin Water also invested in new automated water control gates and pipeline replacements at several locations to improve workplace health and safety, water level and flow control, and operational efficiencies.

1.2.2 General

Lower Burdekin Water employed Cohen Legal for all legal matters including, acquisition of property easements, debt recovery processes, legislation and policy advice, and contractual and industrial relations matters. Specific details of fees paid by Lower Burdekin Water to Cohen Legal during the reporting period are shown in Table 1 below.

Table 1: Fees paid to Barristers and Solicitors

Name of legal firm(s) and Full name(s) & title(s) of <u>each</u> practitioner consulted – please also note if practitioner is a barrister or solicitor (details required for departmental reporting)	No. of briefs paid for and Date(s) briefs were provided	Legal category of service* (please select from list below)	Location of legal service	Amount paid (inc. GST) \$
Cohen Legal Samantha Cohen (Solicitor)	020/8/16	Commercial Law	Townsville	680.00
	02/08/16	Workplace Law		2,480.00
	02/08/16	Litigation		817.09
	02/08/16	Litigation		760.00
	02/08/16	Litigation		3,215.15
	02/08/16	Litigation		2,902.89
	02/08/16	Litigation		760.00
	02/08/16	Commercial Law		3,440.00
	02/08/16	Litigation		800.00
	02/08/16	Litigation		760.00
	02/08/16	Commercial Law		400.00
	12/08/16	Commercial Law		840.00
	05/09/16	Commercial Law		4,280.00
	05/09/16	Native Title		1,800.00
	05/09/16	Commercial Law		12,720.00
	05/09/16	Workplace Law		400.00
	05/09/16	Commercial Law		480.00
	05/09/16	Litigation		632.45
	05/09/16	Litigation		1,280.00
	05/09/16	Litigation		1,120.00
	06/09/16	Commercial Law		1,237.27
	12/09/16	Commercial Law		1,880.00
	14/09/16	Commercial Law		1,080.00
	29/09/16	Litigation		280.00
	29/09/16	Commercial Law		280.00
	29/09/16	Litigation		560.00
	07/10/16	Commercial Law		240.00
	18/10/16	Project and Construction		480.00
	18/10/16	Commercial Law		280.00
	09/11/16	Commercial law		640.00
	09/11/16	Commercial Law		1,360.00
	09/11/16	Commercial law		3,880.00
	09/11/16	Project and Construction		3,280.00
	12/12/16	Native Title		2,200.00
	13/12/16	Commercial Law		2,720.00
	02/03/17	Native Title		2,960.00
	08/03/17	Workplace Law		560.00
	08/03/17	Litigation		492.86
	14/03/17	Commercial Law		2,177.68
	06/04/17	Workplace Law		2,620.00
	06/04/17	Native Title		1,600.00
	06/04/17	Native Title		1,480.00
	08/05/17	Commercial Law		1,360.00
	08/05/17	Native Title		3,754.00
	08/05/17	Workplace Law		1,280.00
	08/05/17	Litigation		400.00

	08/05/17	Project and Construction		680.00
	08/05/17	Litigation		425.09
	07/06/17	Project and Construction		560.00
	07/06/17	Commercial Law		4,840.00
	07/06/17	Native Title		4,040.00
	07/06/17	Litigation		439.18
	07/06/17	Commercial Law		555.27
	07/06/17	Commercial Law		1,145.77
	07/06/17	Commercial Law		992.83
	27/06/17	Native Title		1,780.36
	30/06/17	Litigation		344.55
	30/06/17	Workplace Law		2,960.00
	30/06/17	Commercial Law		720.00
	30/06/17	Project and Construction (60)		2,240.00
Cohen Legal Dan Sampson (Solicitor)	05/12/16	Commercial Law	Townsville	1,680.00
	07/12/16	Commercial Law		1,680.00
	06/02/17	Workplace Law		2,480.00
	06/02/17	Commercial Law		1,400.00
	06/02/17	Workplace Law		4,000.00
	07/06/17	Litigation		444.77
	07/06/17	Litigation (7)		812.59
Sean Kelly (Barrister)	05/09/16	Commercial Law	Townsville	5,243.41
	05/09/16	Commercial Law		1,666.67
	14/09/16	Commercial Law		1,208.00
	09/11/16	Commercial Law		875.00
	19/12/16	Commercial Law		396.00
	02/03/17	Native Title		13,000.00
	19/04/17	Commercial Law		1,062.00
	08/05/17	Native Title (8)		1,125.00
Total				\$138,445.88

***Legal categories:** Litigation, Prosecutions and Advocacy, Commercial Law, Project and Construction, Property, Intellectual Property, Public Law, Administrative Law, Workplace Law, Native Title, Child Welfare, Legal Advice on agency, Management/Corporate, Other legal services (please specify).

1.2.3 Review of Operations

Benefits from Recharge Operations

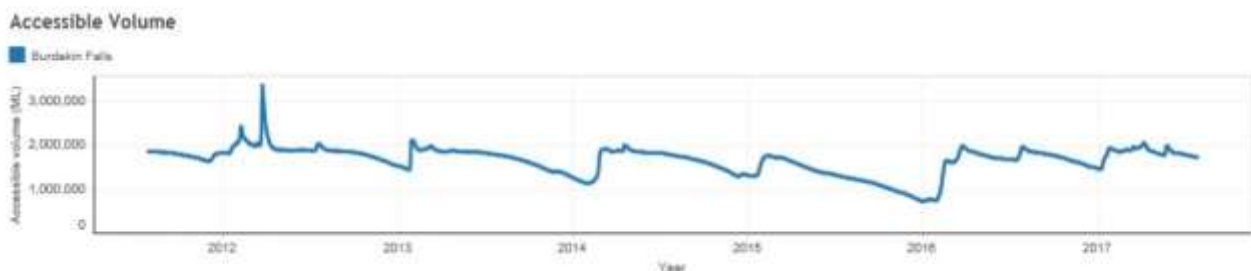
- Lower Burdekin Water maintains a healthy aquifer for bore pumping to establish and sustain crops as well as replenishing source water for the townships of Ayr, Brandon and Home Hill.
- Supply of Open Water is considered by Lower Burdekin Water on a policy basis to improve the quantity and quality of aquifer water available, with added advantage of its use to conserve and manage underground water levels.



Water Distribution Channel

Natural Recharge

Rainfall at the Ayr DPI gauging station and Home Hill depot measured a total of 805mm and 803mm respectively for the full 2016-17 financial year is substantially higher than previous four years and reasonably close to mean yearly rainfall for the region. Despite the increased rainfall the Burdekin remained drought declared during the reporting period. Groundwater levels within the authority area responded to the increased rainfall and reduced irrigation demand and lifted. There were a few events in which water levels within the Burdekin River rose to significant heights increasing the natural recharge into the aquifer. The main events which lifted groundwater levels occurred during the second half of the financial year.



Burdekin Falls Dam - Water Levels (Source Bureau of Meteorology Website)

Artificial Recharge

As depicted in figure 3, the water levels behind the Burdekin Falls Dam remained relatively high throughout the financial year resulting in multiple overtopping events during the same period. Subsequently, water availability from the Burdekin Falls Dam was very high. Lower Burdekin Water's announced Water Allocation (water available) to distribute within its authority area for aquifer replenishment and open water supply was 100% for the financial year.

Although there was plenty of water available from the Burdekin River for use, the turbidity of the water within the Burdekin river remained very high reducing Lower Burdekin Water's ability to undertake artificial aquifer recharge. Recharge activities are halted once turbidity levels are too high. The water levels of the natural lagoons within the area were kept at an acceptable level to benefit the aquifer during the dry periods.

Irrigation demand during the second quarter of the financial year was high as the seasonal sugarcane harvesting period came to an end and temperatures within the region increased, which impacted on water usage, pumping costs and groundwater levels.

The river pumping summaries shown in Table 2 and 3 below confirms a total of 206,357 megalitres (ML) of water diverted from the Burdekin River through Lower Burdekin Water's pumping infrastructure during the financial year. Open water pumped by ratepayers with access to channel water totals 107,253ML for the full financial year.

Table 2: Pumping Summary - Northern Division

Month	Rocks	Plantation	Rita Island	2016 2017	2015 2016	2014 2015	2013 2014	2012 2013	2011 2012	2010 2011
Jul	200	299	0	499	6,356	9,386	6,739	0	4,433	11,933
Aug	2,273	5,031	750	8,054	7,779	5,170	11,709	3,733	4,966	4,360
Sep	3,868	6,978	775	11,621	9,685	10,806	8,859	9,058	10,315	6,614
Oct	5,379	7,824	833	14,036	13,414	14,140	21,284	11,216	10,745	8,634
Nov	7,778	12,453	1,403	21,634	15,968	20,390	15,442	16,644	14,788	2,305
Dec	8,986	13,730	1,674	24,390	18,164	22,183	26,474	17,890	18,878	0
Jan	2,893	5,105	557	8,555	17,297	11,726	14,485	8,861	8,461	0
Feb	6,013	10,155	1,320	17,488	16,835	16,042	4,896	3,869	3,191	0
Mar	1,668	2,928	510	5,106	5,920	17,628	12,804	7,727	0	0
Apr	3,570	5,984	695	10,249	14,513	17,942	3,714	8,902	8,724	
May	3,115	4,948	756	8,819	16,706	13,934	10,069	7,073	6,066	7,252
Jun	1,105	545	549	2199	6,805	8,215	4,649	2,283	212	4,842
Totals	46,848	75,980	9,822	132,650	149,442	167,562	141,124	97,256	90,780	45,940

Table 3: Pumping Summary - Southern Division

Month	Warrens Gully	McDowells	Down River	2016 2017	2015 2016	2014 2015	2013 2014	2012 2013	2011 2012	2010 2011
Jul	0	0	0	0	4,836	7,451	6,520	0	4,777	5,358
Aug	2,367	2,282	224	4,873	4,618	4,332	6,890	1,911	4,323	1,911
Sept	2,661	4,062	449	7,172	6,020	7,329	7,969	5,500	6,343	1,416
Oct	3,504	3,599	788	7,891	7,955	8,814	9,995	8,706	6,795	4,018
Nov	3,796	3,447	2,087	9,330	10,035	10,187	8,312	9,974	7,425	7,53
Dec	3,941	4,933	1,925	10,799	10,239	11,741	12,485	12,297	8,938	0
Jan	2,332	3,431	994	6,757	7,808	4,771	12,327	8,224	6,023	0
Feb	3,241	4,485	1,371	9,097	9,421	9,810	3,636	4,496	4,046	0
Mar	2,664	3,433	903	7,000	4,740	12,454	8,161	4,073	400	0
Apr	3,000	3,473	507	6,980	10,198	9,692	1,415	5,967	3,824	0
May	1,822	0	496	2,318	9,453	10,555	6,002	7,388	4,569	2,604
Jun	1,262	0	228	1490	5,145	2457	1,884	6,728	444	2,920
Totals	30,590	33,145	9,972	73,707	90,468	99,593	85,596	75,733	57,907	18,980

Lower Burdekin Water continued to utilize mechanical cleaning methods within the water delivery system employing excavators and rakes to remove aquatic weeds from the water ways. The reporting period again provided opportunity for the Board to participate in waterway management in partnership with the Burdekin Shire Council, NQ Dry Tropics and riparian landholders.



Channel Cleaning Using Mechanical Methods

New Initiatives

Lower Burdekin Water continued working with the local NRM group NQ Dry Tropics on the system repair project. The system repair project is about improving water quality and rehabilitating areas where the ecological condition is in decline. The objective of the project is to return the wetting and drying cycle, where feasible and appropriate, to the shallow wetlands in the lower Burdekin's coastal catchments. The system targeted by this work during the reporting period was Kalamia Creek. The activities completed were the installation of three new automated gates, two fish ladders and weed removal activities.



Capital Works Infrastructure Project: Beach Road and Lilliesmere Road automated water control gates and fish ladders installation



Delivery of new Hitachi 360LC hydraulic excavator

Opportunities and Challenges

During the 16-17 financial year, Lower Burdekin Water's authority area was recovering from a severe El-Nino and where a little more than half the average rainfall fell during the previous financial year. The groundwater levels within the aquifer beneath the authority area started low, however, showed signs of improvement towards the end of the financial year rising to two meters in some areas. Despite the improvements in groundwater levels, further rainfall will be required during the 17-18 financial year to ensure the improvements can be maintained.

Lower Burdekin Water experienced a number of significant unscheduled maintenance outages at two of its pump stations within the Southern Division. The causes of the unscheduled maintenance outages included mechanical pump failures, pipeline joint failures and electrical burn-outs. Disappointingly, some of the breakdowns coincided with the peak irrigation demand period forcing Lower Burdekin Water to implement significant water rostering of its customers within its Southern Division. The necessary repair works were safely completed and pumping resumed shortly after. Lower Burdekin Water are reviewing its maintenance programs to reduce the likely hood of future unscheduled maintenance outages and improve the reliability of its assets.

During the 16-17 financial year, Lower Burdekin Water successfully completed over four million dollars' worth of capital projects while maintaining water delivery services throughout its authority area. This level of capital expenditure is well above normal levels. Lower Burdekin Water will continue to invest in upgrading its water delivery infrastructure over the coming years and will be seeking co-contributions from government to assist in delivering the new infrastructure. The infrastructure investment amongst other things will allow an increase in irrigated agriculture, improvement in improved health and safety, standards of service, operational efficiencies and improved ecological function within the system.

Matters of Interest

Native Title Claim

Lower Burdekin Water has joined as a party to the Bindal People #2 Native Title determination application to the federal court as it owns and operates water distribution infrastructure on lands within the application area. Lower Burdekin Water will continue to work through this process over the coming years.

Riparian Growers

Lower Burdekin Water continued discussions with a group of riparian growers on the banks of the Burdekin River within the authority area, SunWater Limited, the Department of Natural Resources and Mines and the Department of Energy and Water Supply regarding the management and administration of the individual water allocations within Lower Burdekin Water authority area. This matter has been on-going since the introduction of the Resource Operations Plan (ROP) in 2009.

Bulk Water Pricing

Lower Burdekin Water were informed that the Queensland Government had finalized its consideration of Lower Burdekin Water's bulk water pricing arrangements and Lower Burdekin Water will continue to receive the 185,000ML of bulk water free-of-charge for resource management purposes, and in consideration of the public benefits this provides.

1.2.4 Capital Works



Capital Infrastructure Project: McDowell Pipeline Section Replacement

The capital projects and expenditure items for Lower Burdekin Water during the reporting period are set out below.

Infrastructure

Lower Burdekin Water completed a significant list of during the 2016-2017 financial year. The infrastructure projects undertaken were:

- Kilrie Gully weir and automated water control gate installation;
- Beach Road and Lilliesmere Road automated water control gates and fish ladders installation;
- McDowell pipeline section replacement;
- Lilliesmere pump station and control room upgrade;
- Plain Road culvert replacement; and
- Red Lilly access culvert upgrade.

These individual projects were undertaken to address a range of issues including but not limited to workplace health and safety issues, replacement of aged infrastructure, improve water control and ecological function within the distribution system and reduce energy consumption and water usage.

Lower Burdekin Water finalized the business case for the Warrens Gully System Capacity Upgrade project and moved the project to the detailed design phase during the financial year. Lower Burdekin Water intends to make an application for grant funding (as a co-contribution) to ensure adequate capital is available to successfully complete the project. This project will enable an increase in irrigated agriculture within and around the authority area, an improvement of existing standards of services (aquifer recharge) and future replacement of aging infrastructure.



Capital Infrastructure Project: Plain Road Culvert Replacement

Plant and Equipment

Two new replacement four-wheel drive vehicles, a new replacement Hitachi ZX360LC-5 hydraulic excavator, a new Flygt (PL7101.835) 175ML per day submersible pump, new GPS equipment and 42 new open water meters were purchased and commissioned by Lower Burdekin Water during the reporting period as part of its asset renewals. A new replacement JCB JS220NLC hydraulic excavator was also purchased, however was not yet delivered as at 30 June 2017.

Asset Maintenance Management Program

Lower Burdekin Water is committed to the long-term maintenance of its assets for sustainable service provision. Reflecting this commitment, the Lower Burdekin Water will develop a strategic asset management plan during the 2017-2018 financial year. The asset management plan will ensure service standards are either maintained or improved over the long-term while keeping as low as reasonably possible. As part of the budgeting process, future asset maintenance and refurbishment programs are reviewed and planned accordingly into Lower Burdekin Water's rolling five-year capital plan.

Research and Development

Lower Burdekin Water continually monitors the groundwater levels and quality within its authority area and engages appropriately qualified consultants to assist in reviewing the available information and data to improve its understanding of the system, identify knowledge gaps and opportunities.

Lower Burdekin Water applied to the CRC for developing northern Australia with a project to better define and manage the fresh and saltwater interface within the authority area. If successful, Lower Burdekin Water will partner with Burdekin Productivity Services and James Cook University to deliver the project.

1.2.5 Review of Proposed Forward Operations

The operational activities during the coming twelve months will be generally similar to previous years. Erection of sand dams within the Burdekin River, ongoing channel maintenance, aquifer recharge activities, reporting,

pumping and distribution of river water throughout the authority area will remain the main focus of the operational staff at Lower Burdekin Water.

The low groundwater levels within the authority area will continue to be the key focus for Lower Burdekin Water and recharge activities will be prioritized when turbidity levels allow.

If Lower Burdekin Water is successful in its national water infrastructure development fund application, the safe and successful execution of the Warrens Gully System Capacity upgrade project will be priority for the business.

Lower Burdekin Water's four-year strategic plan 2017/2018-2020/2021 was developed and implemented during reporting period. The objectives of Lower Burdekin are:

1. Safety and wellbeing of people;
2. Engaged and productive workforce;
3. Manage aquifer heights and water delivery to prevent salt water intrusion;
4. Engaged and informed stakeholders;
5. Proactive and transparent governance;
6. Financial sustainability while delivering services at the lowest possible cost;
7. Manage assets and infrastructure to ensure reliable services; and
8. System health and ecological function

To meet its objectives, Lower Burdekin Water will be executing the strategies set out in its strategic plan.

Lower Burdekin Water has two applications for proposed borrowings from the Queensland Treasury Corporation, both are for major capital infrastructure projects and its budgeting process has taken into account all expenses to maintain the services and complete the capital works.

Lower Burdekin Water has reviewed and approved its rates and charges for the next twelve months and believes the current revenue regime is sufficient to cover all anticipated expenses and the entity has adequate reserve funds to cover unforeseen/urgent expenditure. There was a 2.12% increase to the existing area rates and charges in the Northern Division and a 4% increase to the existing area rates and charges in the Southern Divisions. The area rates are levied on ratepayers on a per hectare basis who undertake irrigated agriculture and sugar millers within the authority area of the Board.

Lower Burdekin Water will continue to assess the best institutional arrangement for the organization taking into account its operating environment.

2. Non-Financial Performance

2.1 Government Objectives for the Community

Lower Burdekin Water continues to provide essential services to its ratepayers and the wider community which underpin the long term sustainability and prosperity of the region. Lower Burdekin Water engages in regular consultation with ratepayers and the community within its authority area.

The water authority provides services that meet the government objective of protecting the environment, such as ensuring sustainable management of natural resources.

The Government's full objectives for the community can be found at:

<http://www.premiers.qld.gov.au/publications/categories/plans/governments-objectives-for-the-community.aspx>

2.2 Other Whole-of-Government Plans/Specific Initiatives

Where applicable, the water authority provides services that are consistent with whole-of-government plans and specific initiatives addressing particular issues for Queensland.

2.3 Objectives and Performance Indicators

Lower Burdekin Water's objectives, for the 2016-17 as listed in its 2015-16 strategic plan, are:

- Maintain the aquifer heights at a manageable level within the authority area, which prevents seawater intrusion;
- Safely and reliably distribute water throughout the authority area at the lowest sustainable price for stakeholders;
- Maintain assets and infrastructure to ensure reliable water supply for the future;

- Provide proactive and transparent governance and management of the authority's operations;
- Develop and implement fair and equitable policies;
- Provide leadership and innovation within water industry;
- Expand the managed area; and
- Ecological sustainability (maintaining environmental flows, native fish passage and system health).

Lower Burdekin Water measures its achievement of these objectives by reviewing the strategies and key performance indicators, consistent with method outlined in strategic plan.

Lower Burdekin Water met a number of key performance indicators and objectives for the 2016–17 reporting period, as follows:

- Safe distribution of water throughout the authority area;
- Review of key existing policies;
- Budget developed and approved on time;
- Governance training for directors completed;
- Skills matrix developed and maintained;
- Reporting deadlines and milestones met;
- Capital planning meetings held with assistance from consultants;
- Financial and option analysis incorporated into capital approvals process;
- Extensive analysis performed on existing data to determine location of saltwater interface;
- Aquifer heights continually monitored throughout reporting period;
- Stakeholder meetings completed for review of draft strategic plan;
- Business case developed to increase system capacity to support growth in irrigated agriculture; and
- Significant investment in new infrastructure to improve reliability, health and safety, water and energy efficiency and ecological function within system.

With regard to the entity's longer-term objectives, where performance targets were not achieved this reporting period, Lower Burdekin Water reports that progress will be monitored more closely and additional resources deployed over the 2017-18 financial year. Areas of focus for the 2017-2018 financial year include development and implementation of an overarching risk management system and strategic asset management plan.

As Lower Burdekin Water is self-funded its objectives are achieved with a value for money approach.



McDowells Pump station on the Burdekin River



Sand dam located on the Burdekin River

2.4 Outputs and Output Performance Measures

This entity is self-funded and therefore funding 'outputs' and 'output performance measures' are not applicable.

3. Financial Performance

3.1 Summary of Financial Performance

The primary source of the water authority's funding during the reporting period was from its ratepayers, customers, Wilmar Sugar (local sugarcane milling company) and the Burdekin Shire Council. During the reporting period, the water authority was financially viable and had sufficient funds to service its debts.

The external funding details received by Lower Burdekin Water during the reporting period are set out in Table 5 below.

Table 4: External Funding Details

Organisation Providing Funds	Amount	Purpose - Grant
NQ Dry Tropics	\$111,000	SRM14-026 Work completed in relation to the System Repair Project
NQ Dry Tropics	\$37,500	SRM14-039 Inkerman Station Rd Culvert Upgrades

Lower Burdekin Water received approval to draw down on a \$2,500,000 Queensland Treasury Corporation ("QTC") master facility for loan and investment during the reporting period. The QTC master facility for loan and investments was to ensure Lower Burdekin Water had adequate funds to successfully complete a capital project to replace a 1,100m long section of a large diameter pipeline due to leakage problems with the existing pipeline. As at 30 June 2017, Lower Burdekin Water had successfully completed the project however had not drawn down on the QTC master facility for loan and investment, therefore was never in a situation for loan indebtedness.

Lower Burdekin Water submitted an additional application for borrowings with the Department of Natural Resources and Mines to complete another capital infrastructure project. The second project is to construct a new river pumping station on the southern bank within the Burdekin River.

See required attachments 8 and 9 for all other information required for this section.

4. Governance-Management Structure

4.1 Organisational Structure

Composition of Lower Burdekin Water:

- As detailed in Lower Burdekin Water's constitution, a total of seven directors may be appointed to the board.
- Of the above directors, four are to be first elected by the water authority's ratepayers, two are to be first nominated by a specific body (Wilmar Sugar) and one is to be first nominated by a specific body (Burdekin Shire Council).
- If approved, directors are then appointed by the Minister for Natural Resources and Mines for a term of three years.

Directors appointed at 30 June 2017 are listed in Table 6 below:

Table 5: Directors appointed at 30 June 2017

Name	Position	Current Term	First Appointed
Mr Michael Caspanello	Chair	16 Jun 2016 - 30 Jun 2017	18 Feb 2015*
Mrs Tracey Garzotto		16 Jun 2016 - 30 Jun 2017	18 Feb 2015*
Vacant	BSC Nominee		
Mr Peter Larsen		16 Jun 2016 - 30 Jun 2017	18 Feb 2015*
Mr Con Christofides	Deputy Chair	16 Jun 2016 - 30 Jun 2017	18 Feb 2015*
Mr Mark Castelanelli		16 Jun 2016 - 30 Jun 2017	18 Feb 2015*
Mr Murray Cannavan		16 Jun 2016 - 30 Jun 2017	18 Feb 2015*

* Appointed to the LBW interim board at change-over day from the former North Burdekin and South Burdekin Water Boards to Lower Burdekin Water.

During the 2016–17 reporting period, the following director left his position on the board:

- Ross Lewis.

4.2 Executive Management

Lower Burdekin Water employs a management team to run the operations, maintenance and administration of the water authority.

The details associated with the management team are set out in Table 7 below.

Table 6: Lower Burdekin Water Current Management Team

Name	Position
Mr David Sartori	Executive Officer
Mr Charles Papale	Operations Manager - Southern Division
Mr Peter Piotto	Operations Manager - Northern Division
Mr Elliott Gullotta	Finance Officer
Mr Brendan Farr	Technical Officer

4.3 Government bodies (statutory bodies and other entities)

Attachment 4 outlines meeting and remuneration information for the water authority for the 2016–17 reporting period. DNRM will make this information available on its website alongside the 2016–17 summary annual report of Queensland's category 2 water authorities.

4.4 Public Sector Ethics Act 1994

Lower Burdekin Water has in place a Code of Conduct and has complied with the Public Sector Ethics Act 1994.

When appointed, directors to the board are reminded of their obligations to the water authority and are given access to the publication, *Welcome Aboard: A Guide for Members of Queensland Government Boards, Committees and Statutory Authorities*.

4.5 Public Interest Disclosures Act 2010

The water authority has adopted by resolution the procedures accessible at the following website of the Department of Natural Resources & Mines:

<http://www.dnrm.qld.gov.au/water/authorities>

5. Governance – Risk Management and Accountability

5.1 Risk Management (see Attachment 8)

Lower Burdekin Water utilizes its Finance and Technical Committees to review data and operational aspects of the organisation and to develop and recommend strategies, policy position, budgets and insurance to the Board.

The Committees ensure that financial, health and safety and service delivery matters as well as asset valuations are considered and issues arising are addressed to ensure the organisation has the means and finances to accommodate the abovementioned areas.

Workplace Health and Safety and other Operational risks are managed in accordance with LBW's Workplace Health and Safety Manual and addressed by Lower Burdekin Water's management and operational staff.

Lower Burdekin Water intends to develop and implement an overarching risk management system in the 2017-2018 financial year.

5.2 Audit Committee

The water authority undertakes the role of the audit committee ensuring the appropriate accounting standards are used and that there is proper examination of the water authority's financial arrangements.

5.3 Internal Audit

When required, the water authority undertakes internal audit functions. There is nothing in this regard to report for 2016-17.

5.4 External Scrutiny

The water authority has not been reviewed by any external entities (apart from the Auditor-General's report on the financial statements) during the reporting period.

6. Governance – Human Resources

6.1 Workforce Planning and Performance (staffing)

Lower Burdekin Water has a number of policies in place to assist the organisation in administration and management of human resource issues. The appropriateness of the Boards remuneration strategy is assessed utilising community and industry standards and other external information. Lower Burdekin Water operates under the Federal Water Industry Award 2010. Lower Burdekin Water employs an external service provider to assist in human resource activities such as policy review and development, recruitment and external benchmarking of salaries. Lower Burdekin Water replaced all existing NBWB and SBWB employment agreements with new Lower Burdekin Water standard employment agreements during the reporting period.

Lower Burdekin Water employed seventeen (17) staff during the 2016-2017 financial year, each working 38 hours per week. Lower Burdekin Water employed three (3) staff members during the 2016-2017 financial year on a casual basis. There was one resignation and one position made redundant during the 2016-2017 financial year.

Staff received training in AICD - Governance Foundations for Not-for-Profit Directors (full program), Australian Groundwater School, Participation in Rescue Operations, new and updated policies where necessary and participated in workshops with the local natural resources management (NRM) organisation. Lower Burdekin Water also pay costs associated with staff undertaking post graduate study and had one staff member studying a Graduate Diploma in Science (Groundwater Hydrology) during the reporting period.

Lower Burdekin Water is an Equal Opportunity Employer who employs a multi-skilled workforce such as trades people, construction, machine operators, administration, engineers and management.

6.2 Early Retirement, Redundancy and Retrenchment

During the period, one employee received a redundancy package at a cost of \$14,671.80. No other positions were made redundant and redundancy packages offered and paid during the period. There were also no early retirements or retrenchments paid during the reporting period.

7. Governance – Operations

7.1 Consultancies

Table 7: Monies Paid To Consultants by Lower Burdekin Water

Consultancy category	Expenditure
Consultants - Management	\$ 16,088.27
Consultants - Human resources management	\$ 10,464.18
Consultants - Communications	0.00
Consultants - Finance/accounting	\$ 3,950.00
Consultants - Professional/technical	\$ 90,470.50
Total cost of consultancies	\$120,972.95

7.2 Overseas Travel

No overseas travel on water authority business was undertaken by directors of the water authority.

7.3 Information Systems and Recordkeeping

Lower Burdekin Water has complied with all of its obligations under the Public Records Act 2002, including making, managing, keeping and preserving public records. The records management system of the water authority utilises both hard and electronic filing processes.

Note: Lower Burdekin Water did not lose any records due to natural disaster or other reasons during the reporting period.

7.4 Open Data

In accordance with the Annual Report Requirements 2016–17, a number of annual reporting requirements will be published by DNRM on behalf of the water authority through Queensland Government Open Data including consultancies, overseas travel, Queensland language services policy, and government bodies.

8. Financial Statements

In accordance with the Financial Accountability Act 2009 and the Financial and Performance Management Standard 2009, general purpose financial statements have been prepared by the water authority, certified by the chairperson and secretary and submitted to the Queensland Audit Office for audit. A copy of the auditor's report will be submitted to the Department of Natural Resources and Mines as soon as it is available.

8.1 Remuneration Disclosures

Remuneration paid to chairperson	\$ 29,700.00
Remuneration paid to directors	\$ 35,600.00
Total Paid	\$ 65,300.00

Further information on remuneration and meetings is provided at Attachment 4.

Michael Caspanello
Board Chairman
Lower Burdekin Water

Dated _____