

Letter of Compliance

The Honourable Mr Glenn Butcher MP
Minister for Regional Development and Manufacturing
Minister for Water
PO Box 15009
CITY EAST QLD 4002

27 August 2021

Dear Minister

I am pleased to submit for presentation to the Parliament, the Annual Report 2020–21 and financial statements for Lower Burdekin Water.

I certify that this Annual Report complies with:

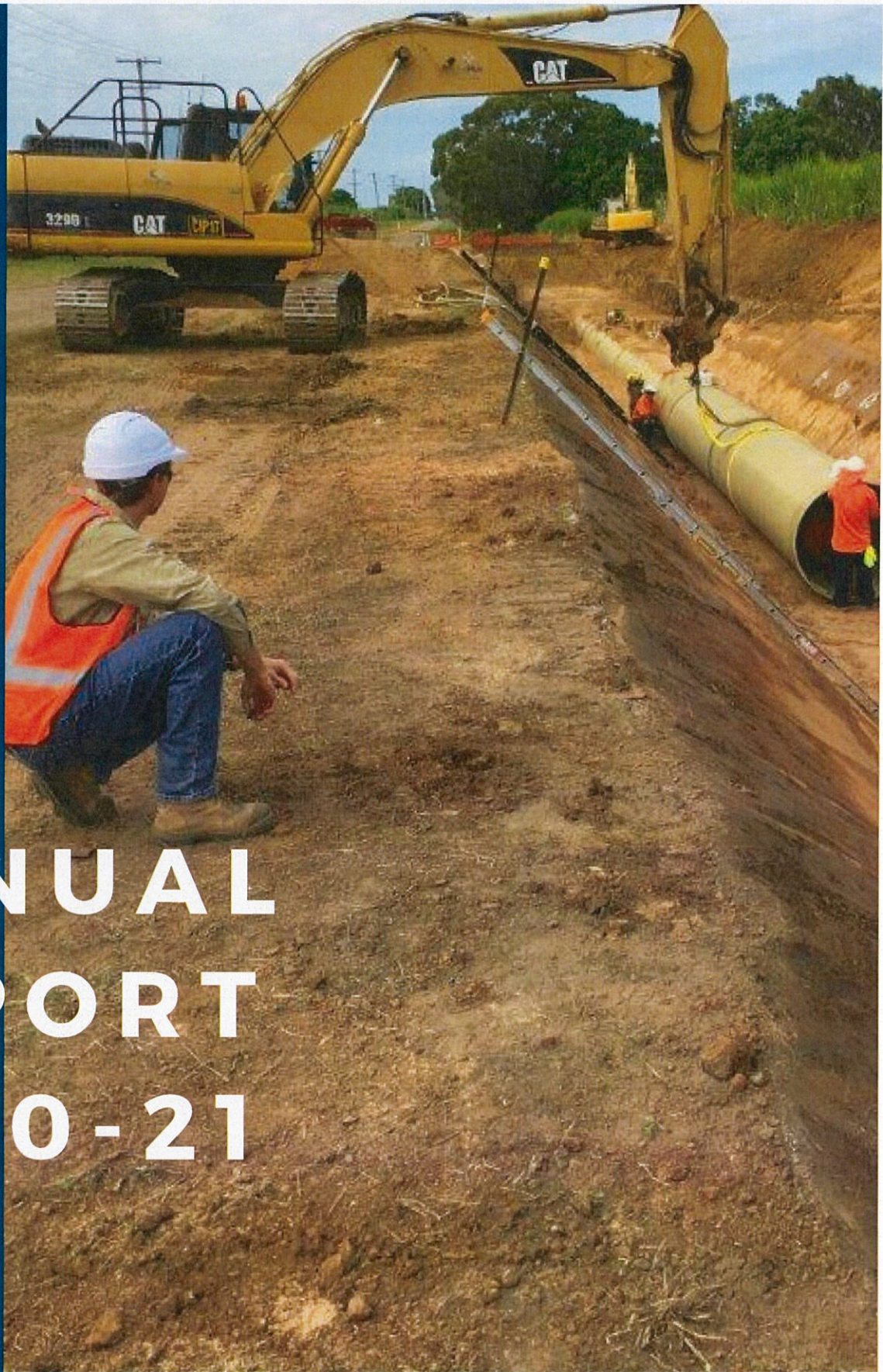
- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*, and
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be accessed at: <http://www.forgov.qld.gov.au/manage-government-performance#prepare-annual-reports>

Yours sincerely



Michael Caspanello
Chairperson
Lower Burdekin Water



ANNUAL REPORT 2020-21

LOWER BURDEKIN WATER

The information contained in this annual report is for general information purposes only and is not to be used as an official copy. A hard copy can be obtained from Lower Burdekin Water's office situated at 112 Airdmillan Road, Ayr.

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1. General Information

1.1 Introductory Information

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 18 February 2015.

LBW's vision is to be a progressive water service provider delivering sustainable water resources for stakeholder and environmental benefit through collaborative partnerships.

LBW's purpose is to sustainably manage water resources within and around the authority area.

1.2 Agency Role and Main Functions

Lower Burdekin Water
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Phone Number: 07 4783 1988
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Contact Officer: David Sartori, Executive Officer, Lower Burdekin Water

LBW has an authority area of approximately 76,000 hectares, is shown on plan AP22327 and is comprised of a northern and southern division.

LBW was formed from an amalgamation of the 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 Water Areas and Boards to construct, maintain and administer proposed works to fulfil the purpose of the Boards. The North and South Burdekin Water Board Areas were shown on plans AP7349 and AP6512 respectively. The 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 objectives of LBW as set out in the LBW Governance Policy are:

- a) Safety and wellbeing of people.
- b) Engaged and productive workforce.
- c) Manage aquifer heights and water delivery to prevent saltwater intrusion.
- d) Engaged and informed stakeholders.
- e) Proactive and transparent governance.
- f) Financial sustainability while delivering services at the lowest possible cost.
- g) Manage assets and infrastructure to ensure reliable services.
- h) System health and ecological function.

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

- i) to primarily replenish, recharge, manage, distribute and protect groundwater and surface water in the LBW 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;
- j) to represent the interests of ratepayers and customers in the authority area to the extent necessary to achieve the authority's objectives;
- k) to engage in water activities outside the LBW 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;
- l) to generate revenue, including by levying rates and charges upon ratepayers and customers;

- m) to construct, acquire, own, operate and maintain infrastructure for the purposes of water distribution and aquifer replenishment and recharge;
- n) to establish and maintain services of a commercial or non-commercial nature in accordance with the purposes of the authority;
- o) 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 LBW authority area, and inform ratepayers and customers of the best practice for water use for the services provided by the authority;
- p) 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;
- q) to expend money for the purposes of the authority and to enable the authority to carry out its functions.

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

Due to machinery of government changes occurring during the year, LBW now reports to the Department of Regional Development, Manufacturing and Water ("DRDMW").

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

1.3 Operating Environment

1.3.1 Administration

Summary details of Ordinary and Special Meetings/Inspections

Ordinary Meetings	
Board Meetings	10
Board Committee Meetings	18
Special Meetings/Inspections	24
Total	52

Details of Attendance at Conferences and Workshops

Staff and directors attended the following conferences and workshops during the reporting period:

- Fine scale water monitoring workshop – Department of Agriculture and Fisheries.
- Our Coast - Coastal Hazard Assessment Strategy Stakeholder Advisory Group – Burdekin Shire Council.
- NRM Plan Advisory Panel – NQ Dry Tropics.
- Ramsar Management Advisory Panel – NQ Dry Tropics.
- Customer Reference Group – SunWater.
- Burdekin Customer Advisory Committee – SunWater.
- Burdekin Falls Dam Raising Project Community Reference Group – SunWater.
- Industry Breakfasts – Burdekin Shire Council.
- Burdekin Basin Seminar – North Queensland Conservation Council.
- Governance for Directors – TP Human Capital.

The Chairman and Executive Officer of LBW also participate 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 LBW 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 policies were implemented by LBW during the reporting period.

- Human Rights Policy
- Fitness for Work Policy

LBW also reviewed and implemented updates, where required, to various existing policies during the reporting period.

Improvements

During the 2020-21 financial year LBW continued to review and improve its existing Workplace Health and Safety systems. An independent consultant was engaged to assist with the review process. LBW also completed the injury prevention and management (IPaM) program run by Workplace Health and Safety Queensland during the 2020-21 financial year.

LBW continued to invest in new automated water control gates within its water delivery system during the 2020-21 financial year. This investment is aimed at reducing operational hazards and improving water level and flow control within the water delivery system to enhance service standards and operational efficiencies.

1.3.2 General

LBW employed Cohen Legal for most legal matters including acquisition and disposal of easements, debt recovery processes, commercial, native title, legislation and policy advice as well as contractual and industrial relations matters. The total amount paid to Cohen Legal during the 2020-21 financial year was \$132,624.92 (inc. GST). Specific details of fees paid by LBW to Cohen Legal during the reporting period are shown in Appendix 3.

1.3.3 Review of Operations

Benefits from Recharge Operations

LBW pumped its water allocation entitlements from the Burdekin River and distributed it throughout its authority area via pipelines, water channels and natural lagoons. The water was diverted into modified natural and artificial recharge systems to replenish the large coastal, unconfined aquifer which lies beneath LBW's authority area. The water contained in the aquifer is pumped by irrigators to establish and sustain crops, residents for stock and domestic purposes and industry. The Burdekin Shire Council also sources water from the aquifer for its potable water supply to the townships of Ayr, Brandon and Home Hill. The volumes of water pumped by LBW are set out in Tables 1 and 2.

Additional to the aquifer recharge operations, LBW customers also pump open water directly from LBW channels and lagoons under either a permit, licence or water supply agreement. Supply of open water to customers reduces demand on the aquifer and assists in conserving and managing underground water levels and improving the quantity and quality of water available within the aquifer.



Figure 1: Water Distribution Channel

Natural Recharge

Rainfall at the Burdekin Shire Council gauging station measured a total of 1,236mm for the 2020-21 financial year and is above the mean (1054mm) and median (999mm) annual rainfall for the region. Approximately 91% of the rain was received between January 2021 and April 2021. The above average rain enabled large quantities of water to soak into the ground recharging the aquifer. The increased natural recharge from the rainfall and reduced irrigation demand from the aquifer during the second half of the financial year allowed groundwater levels within the authority area to recover to healthy levels as shown in **Figure 2**.

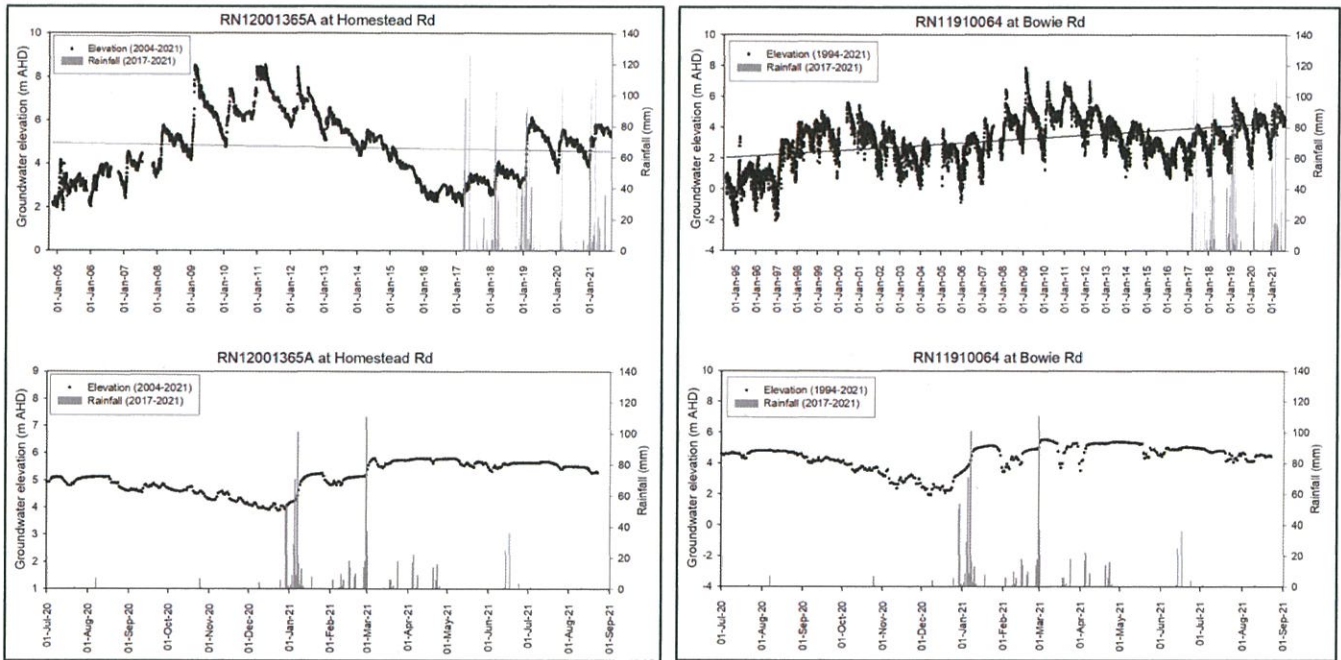


Figure 2: Ground Water Level vs Rainfall Within LBW Authority Area - Homestead Rd and Bowie Rd

LBW's authority area and the Burdekin River catchment was affected by the convergence of a trough and ex-Tropical Cyclone Imogen in January 2021. The rainfall received during this event was mainly coastal, however, sufficient rainfall fell within the catchment to cause water levels within the Burdekin River to rise to just below 10 metres at the Clare gauging station. The highest peak volume discharge within the Burdekin River at the Clare gauging station during the financial year was measured at approximately 625,000 megalitres ("ML") per day. It is believed that the elevated river levels also contributed to replenishment of the aquifer within the authority area during the reporting period. The river levels and daily flow rates with the Burdekin River measured by the Queensland Government at the Clare Gauge Station are shown in Figure 3.

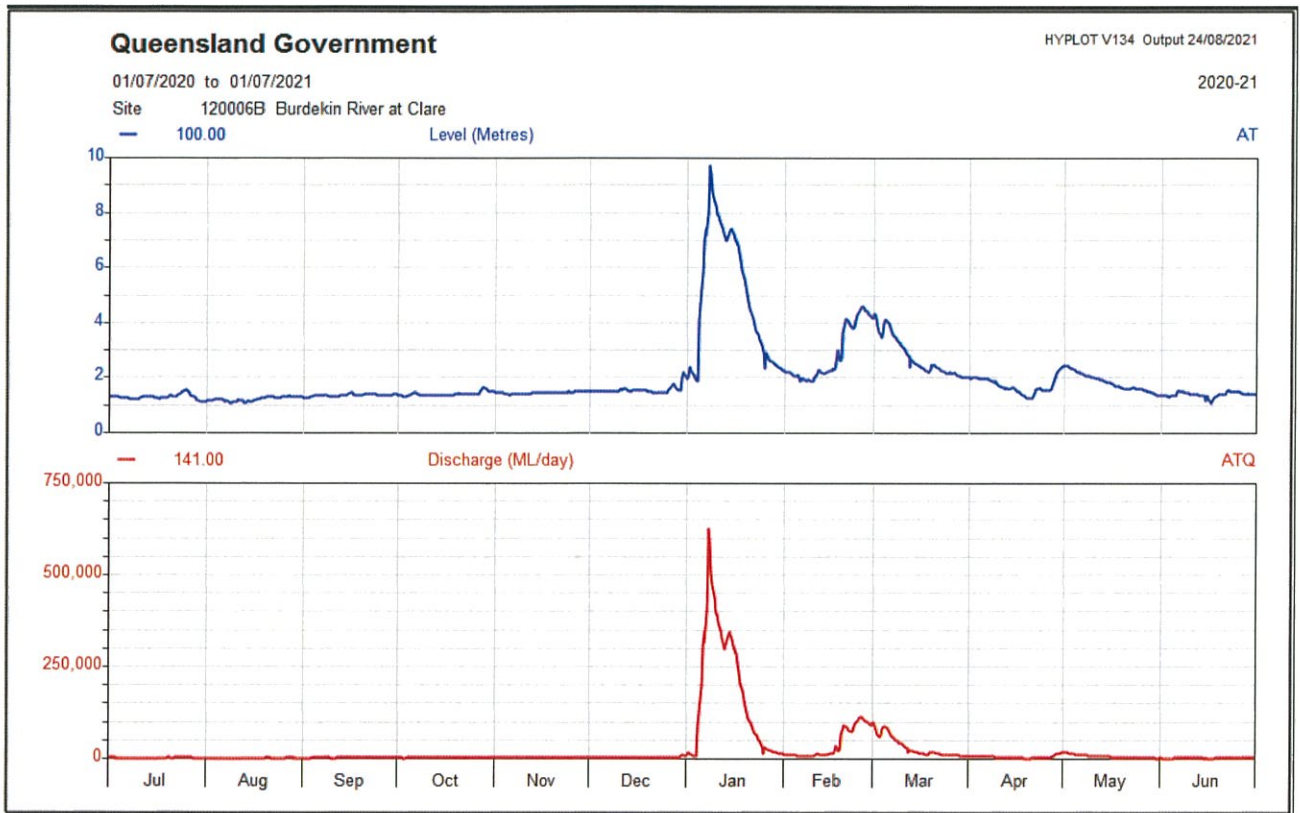


Figure 3: Burdekin River - Water Levels and Discharge (Source Queensland Government Water Monitoring Information Portal)

Burdekin River - Water Levels and Discharge (Source Queensland Government Water Monitoring Information Portal)

Artificial Recharge

Figure 4 shows that water levels behind the Burdekin Falls Dam (“BFD”) steadily fell during the first half of the financial year, rose sharply and over topped the spillway in early January 2021. Water levels behind BFD remained high and above the spillway for most of the remainder of the financial year. LBW’s announced Water Allocation entitlement (water available) to distribute within its authority area for aquifer replenishment and open water supply was 100% for the financial year.

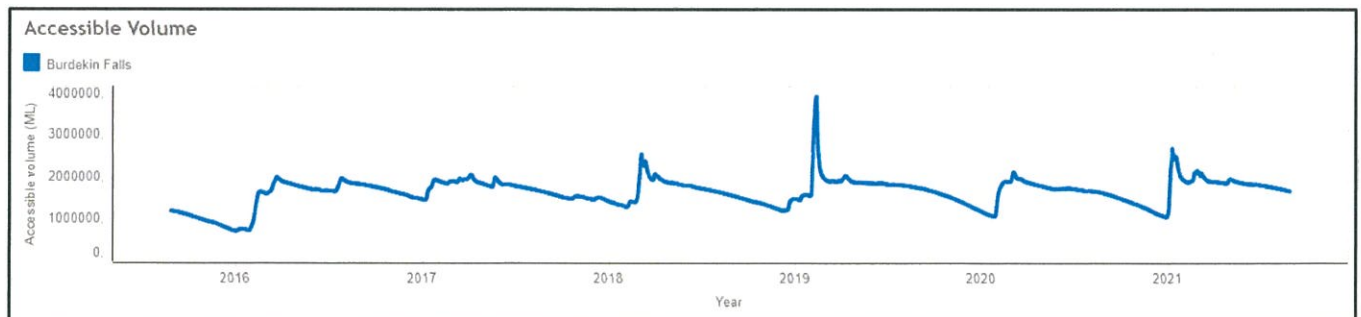


Figure 4: BFD Water Levels (Source Bureau of Meteorology Website)

Turbidity levels within the Burdekin River varied during the financial year and effected LBW’s artificial aquifer recharge operations. Recharge activities are halted once turbidity levels are too high.

LBW’s ability to pump water from the Burdekin River was negatively impacted by elevated river levels in January, late February, and early March 2021. Despite the impacts on pumping ability during these months, local rainfall assisted in maintaining adequate water levels within channel systems and natural lagoons within the area.

Irrigation demand within the authority area during the first half of the financial year was very high, due to the hot and dry conditions, and groundwater levels fell during this period. Irrigation demand during the second half of the

financial year was reduced with the onset of the wet season and was significantly lower than normal. Groundwater levels rose following the onset of the wet season in January 2021 and remained high for the rest of the financial year.

The river pumping summaries shown in Table 1 and 2 below confirms a total of 177,379 ML of water was diverted from the Burdekin River through LBW's pumping infrastructure during the financial year. Open water pumped by ratepayers and other customers with access to channel water totalled 120,333 ML for the full financial year.

Table 1: Pumping Summary - Northern Division Individual Pump Stations and Totals

Month	Rocks	Plantation	Rita Island	2020 2021	2019 2020	2018 2019	2017 2018	2016 2017	2015 2016	2014 2015
Jul	2,005	4,003	988	6,996	9,025	9,452	10,442	499	6,356	9,386
Aug	2,703	3,252	684	6,639	9,789	10,630	11,517	8,054	7,779	5,170
Sep	4,372	6,016	1,193	11,580	11,205	15,065	10,196	11,621	9,685	10,806
Oct	5,740	10,048	1,821	17,609	19,623	15,961	8,332	14,036	13,414	14,140
Nov	7,027	11,062	2,145	20,234	18,039	20,238	18,490	21,634	15,968	20,390
Dec	7,547	9,589	2,284	19,419	28,323	10,485	18,157	24,390	18,164	22,183
Jan	282	583	180	1,045	17,415	12,372	13,972	8,555	17,297	11,726
Feb	3,391	3,828	0	7,219	5,225	1,654	13,666	17,488	16,835	16,042
Mar	2,406	2,990	279	5,675	4,996	3,500	5,440	5,106	5,920	17,628
Apr	1,035	685	476	2,197	10,410	4,787	8,678	10,249	14,513	17,942
May	1,785	1,852	735	4,372	6,591	7,159	11,180	8,819	16,706	13,934
Jun	1,581	2,844	936	5,360	711	5,803	5,901	2,199	6,805	8,215
Totals	39,874	56,751	11,721	108,346	141,352	117,106	135,971	132,650	149,442	167,562

Table 2: Pumping Summary - Southern Division Individual Pump Stations and Totals

Month	Warrens Gully	McDowells	Down River	2020 2021	2019 2020	2018 2019	2017 2018	2016 2017	2015 2016	2014 2015
Jul	1,604	1,372	1,088	4,064	5,045	7,585	5,974	0	4,836	7,451
Aug	1,661	2,861	167	4,689	4,173	5,399	5,170	4,873	4,618	4,332
Sept	3,334	4,684	827	8,845	6,659	7,721	6,892	7,172	6,020	7,329
Oct	3,614	4,740	1,530	9,884	8,510	8,240	4,087	7,891	7,955	8,814
Nov	3,564	5,657	2,498	11,719	11,708	10,917	9,924	9,330	10,035	10,187
Dec	3,571	5,619	2,289	11,479	11,143	7,087	12,930	10,799	10,239	11,741
Jan	301	1,309	384	1,994	10,316	7,036	10,888	6,757	7,808	4,771
Feb	1,511	3,418	581	5,510	3,054	1,534	7,991	9,097	9,421	9,810
Mar	1,308	2,402	225	3,935	4,582	2,037	1,203	7,000	4,740	12,454
Apr	780	542	0	1,322	6,870	2,704	3,436	6,980	10,198	9,692
May	1,675	1,715	280	3,670	5,204	2,450	6,261	2,318	9,453	10,555
Jun	996	725	201	1,922	667	4,334	4,287	1,490	5,145	2,457
Totals	23,919	35,044	10,070	69,033	77,931	67,044	79,043	73,707	90,468	99,593

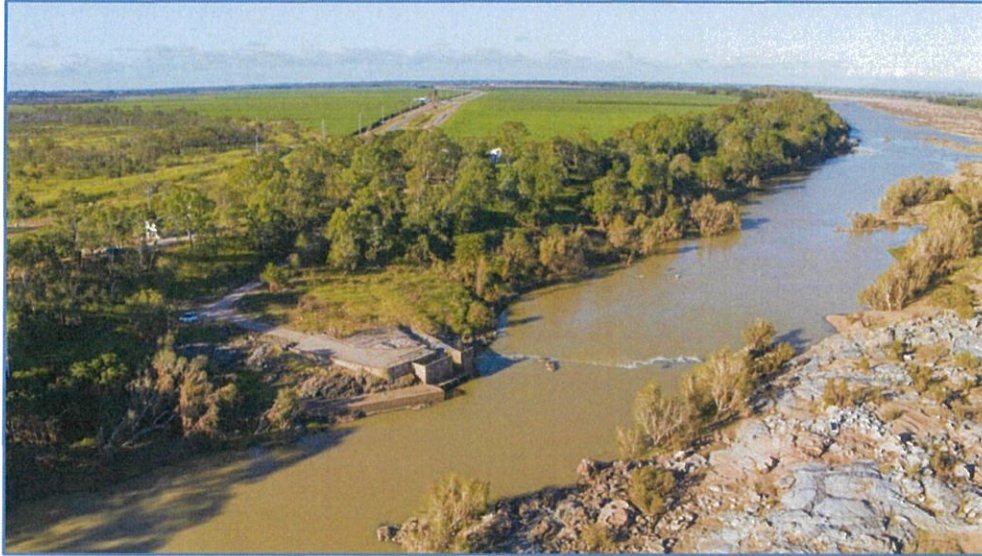


Figure 5: The Rocks Pumpstation on the Burdekin River

Opportunities and Challenges

LBW faced several challenges throughout the 2020-21 financial year. These challenges were:

- Responding to draft terms of references for Environmental Impact Statements (“EIS”) for several large dam projects in the Burdekin River catchment. Various proponents are completing investigation and planning activities to either construct a new dam or raise the wall height of existing dams along the Burdekin River or its tributaries. The projects include the Hells Gate dam, Urannah dam, Big Rocks Weir and raising of the Burdekin Falls dam. LBW are concerned with the individual and cumulative impacts of the proposed dams on the natural river flows, water allocation reliability and environment in the Lower Burdekin Delta. LBW will continue to actively engage and participate in the consultation process for the projects.
- Introducing a new process for nominating directors to the Board. Since the inception of LBW and the former North and South Burdekin Water Boards in 1965, an election process has been undertaken to select ratepayer representative directors to the board. LBW amended its governance policy in April 2021 to incorporate a new nomination and selection process for ratepayer directors. The changes made to the nomination process complement changes made to the board composition by the Queensland Government in January 2020. LBW enacted the new process in April 2021 following the resignation of a sitting director and provided a nominee to the DRDMW minister for his consideration and appointment.
- The removal of the Code for Self-assessable Development Temporary Waterway Barrier Works from the state planning regulation with no consultation from relevant authorities. The removal of this code created a major problem for LBW and the ongoing construction of the temporary sand diversion structures. LBW submitted a development application for the non-tidal structures and continues to work with the State Assessment and Referral Agency and Department of Agriculture and Fisheries to resolve the issue. The final resolution of this issue remains unclear and will continue into the 2021-22 financial year. A common-sense outcome needs to prevail to enable LBW to deliver its primary functions.
- COVID19 – Managing the numerous restrictions and health risks associated with the Coronavirus (COVID19) pandemic while continuing to supply services and complete major capital projects has been a major effort during the financial year.
- Capital Works. LBW delivered numerous capital infrastructure projects during the 2020-21 financial year. The works associated with the capital projects were additional to the normal operational activities and were successfully completed while maintaining water delivery services throughout its authority area.

- LBW applied to the Nation Water Grid Authority under the National Water Grid Connections program for a 50% contribution towards the costs of the Warrens Gully System Capacity Upgrade Project. This project will enable an increase in irrigated agriculture within and around the authority area as well as improving existing standards of services and aquifer recharge and storage capabilities during periods of peak flow demand. If successful, this project will commence during the 2021-22 financial year. Further details are provided in section 1.3.5.
- LBW have partnered with Flinders University in a five-year agreement to undertake groundwater research within the Burdekin Delta. The research project will cover four main research areas:
 1. Influence of seawater intrusion on the Delta groundwater resource and the risk to this resource from sea-level rise and changing rainfall patterns;
 2. Predicting groundwater response (particularly for that part of the Authority Area influenced by seawater intrusion) to different irrigation allocation scenarios (i.e., exclusive surface water allowance/use vs. exclusive groundwater allowance/use vs. conjunctive use);
 3. Influence of the Burdekin River on groundwater recharge and potential impacts to recharge as a result of the modification of existing (Burdekin Falls) / construction of new dams (Urannah and Hell's Gate) in upstream areas;
 4. Efficacy on LBW infrastructure (e.g. recharge pits, delivery channels, sand dams) on groundwater recharge including estimates of the benefitted area of recharge.

Matters of Interest

Native Title Claim

LBW is a party to an application for Native Title filed by the Bindal People #2 in the Federal Court. LBW owns and operates water distribution infrastructure on Queensland Government State lands within the relevant claim. Granting of Native Title (the connection to the land remains at issue at this stage) will require LBW to obtain access to continue its operations either by Court or preferably by an indigenous land use agreements. LBW will remain involved in the proceedings until either the application is dismissed or granted as the Court sees fit.

PFAS

On 25 May 2018, Queensland Health received results from water samples taken from groundwater bores located in Ayr which supplied part of the town's drinking water. Those results showed levels of polyfluoroalkyl substances ("PFAS") contamination above Australian drinking water quality guidelines. The Burdekin Shire Council undertook further testing with the results of that testing being received on 30 May 2018. The Queensland Government website (www.qld.gov.au/environment/pollution/management/disasters/investigation-pfas/sites/ayr) states that as at 10 September 2020 further water sampling was being conducted to "better understand the situation".

LBW made an application under the Right To Information Act for information regarding the water sampling and any other investigations undertaken into the location, cause and possible movement of the PFAS contamination identified in or about May 2018 and any other testing and investigations undertaken since that time so that it could consider the contamination and any potential effect it may have on its stakeholders. The application was successful and received relevant information from the Department of Environment and Science ("DES") as well as the Queensland Fire and Emergency Services ("QFES") in relation to this matter. LBW considers this a watching brief with the responsibility for further investigation work and communications currently resting with DES and QFES.

Burdekin Water Plan

The current Water Plan (Burdekin Basin) 2007 is due to expire on 1 September 2023. It is anticipated that the current plan will undergo a review and consultation process prior to its expiry. LBW will actively engage and participate in the review process during the coming years.

These matters remain ongoing at 30 June 2021.

1.3.4 Capital Works

The capital projects undertaken by LBW during the 2020-21 financial year are set out below.

Infrastructure

A number of large capital infrastructure projects were undertaken to address a range of issues including but not limited to workplace health and safety, replacement of aged infrastructure, improving water control and ecological function within the distribution system, and reducing energy consumption and water usage. The infrastructure projects were:



Figure 6 Capital works infrastructure project: Construction of the replacement McDowell Pipeline.

Replacement of the existing McDowell pipeline

Stage two of the existing McDowell pipeline project involved the procurement and installation of 1.4 km's of DN1300 PN6 GRP pipes and was the final section of the pipeline to be replaced. A new outlet structure and several farmers off takes were also constructed as part of the project scope. This project successfully reached practical completion in July 2020.

Saltwater Creek – Final works were undertaken to procure and install the final automated water control gates, structures and fish ladder installation as part of the Saltwater Creek project. Practical completion of the construction works for the final two gates was achieved on 11 September 2020. This was the final part of a four-year multistage project within the Saltwater Creek system.



Figure 7: Capital works infrastructure project: Construction of the Saltwater Creek automated water control gates, channel crossing and fish ladder.



Figure 8: Installing new culverts at McAllister Road

McAllister Road Automated Gate and Fish Ladder

This project involves replacing the existing timber flow control structure and culvert structure with a new, aluminum gate from AWMA Water Control Solutions and an associated fish ladder to provide better control of water flow, fish connectivity and reduce occupational health and safety hazards.

Plant and Equipment

A new replacement Hitachi ZX360LC- 5 and a new Volvo EC220D hydraulic excavator, a new CAT 444 backhoe loader, and a number of replacement four-wheel drive vehicles and multiple new open water meters were purchased and commissioned by LBW during the reporting period as part of its asset renewals.

1.3.5 Review of Proposed Forward Operations

LBW has developed and approved the 2020-21 to 2024-25 strategic plan for the organisation. The objectives for the organisation are:

1. Safety and wellbeing of people;
2. Engaged and productive workforce;
3. Manage aquifer heights and water delivery to prevent saltwater 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

The objectives are supported by a number of strategies set out in LBW's 2020-21 to 2024-25 strategic plan which is published on LBW's website at <http://lowerburdekinwater.com.au>

Operationally, the business will continue with its routine water delivery, aquifer recharge and maintenance activities. Service delivery activities will remain similar to previous years with the erection of temporary sand diversion structures within the Burdekin River, ongoing channel maintenance, aquifer recharge activities, reporting, administration, pumping and distribution of river water throughout the authority area will remain the focus of the operational staff at LBW.

On 30 June 2021, LBW had one application for \$3.1M proposed borrowings in the 2021-22 financial year from the Queensland Treasury Corporation ("**QTC**"). The proposed borrowings for the 2021-22 financial year are additional to LBW's existing QTC loans. The proposed borrowings are to ensure sufficient funds are available to complete the Warrens Gully System Capacity Upgrade project. The aim of the project is to increase the peak flow capacity of water within the Warrens Gully system by constructing a new river pump station, inverted siphon and replacing ten existing culvert structures. The additional water will improve aquifer recharge capabilities and existing service as well as supporting new irrigated agriculture within and around the authority area. LBW have applied to the National Water Grid Authority to contribute 50% or \$4.76M towards the project.

LBW's budgeting process has considered all expenses to maintain the services and complete the capital works. LBW has reviewed and approved its rates and charges for the next twelve months. The current revenue regime is sufficient to cover all anticipated expenses and the entity has adequate reserve funds to cover unforeseen/urgent expenditure.

2. Non-Financial Performance

2.1 Government Objectives for the Community

During the 2020-21 financial year, LBW continued to provide essential aquifer recharge and water distribution services for its ratepayers, customers and the wider community. These services are critical to local industry and underpin the long-term sustainability and prosperity of the community and region.

LBW 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:

<https://www.qld.gov.au/about/how-government-works/objectives-for-the-community>

2.2 Other Whole-of-Government Plans/Specific Initiatives

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

2.3 Objectives and Performance Indicators

LBW's objectives, for the 2020-21 financial year as listed in its 2020-21 to 2024-25 strategic plan, are:

1. Safety and wellbeing of people;
2. Engaged and productive workforce;
3. Manage aquifer heights and water delivery to prevent saltwater 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

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

LBW met the majority of its performance targets for the 2020-21 financial year for the following objectives:

- Safety and wellbeing of people.
- Engaged and productive workforce.
- Manage aquifer heights and water delivery to prevent saltwater intrusion.
- Engaged and informed stakeholders.
- Proactive and transparent governance.
- Financial sustainability while delivering services at the lowest possible cost.
- System health and ecological function.

LBW did not meet its performance targets set for the 2020-21 financial year for the following objectives:

- Manage assets and infrastructure to ensure reliable services.

While the performance targets for this objective were not met, there were no significant unplanned outages in service delivery during the reporting period.

The performance targets for the objective which was not achieved related specifically to:

- Development of maintenance strategies for critical assets using Reliability Centred Maintenance methodologies.
- Review of the five and ten-year asset renewal program.
- Asset condition assessments for major and critical non-current assets.

With regard to the entity's longer-term objectives, where performance targets were not achieved this reporting period, LBW has reviewed its existing strategies and resources and made necessary adjustments. The strategic plan for the 2021-22 financial year is in development and will be finalised and adopted by the Board in the coming period.

LBW is self-funded and operates on a cost recovery basis and pursues its objectives with a value for money approach.



Figure 9: Capital Works: pipeline replacement

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 LBW's funding during the reporting period was from its ratepayers, customers, Wilmar Sugar (local sugarcane milling company) and the Burdekin Shire Council. Further financial information is contained in LBW's audited 2020-21 financial statements and Appendix 4.

During the 2020-21 financial year, LBW increased its borrowings from QTC with a second loan as part of the State Borrowing Program to complete the final construction stage of the McDowell Pipeline. The term of the QTC loans are 20 years. Further borrowings will be required during the 2021-22 financial year to commence construction for the Warrens Gully System Capacity Upgrade project. The additional proposed borrowings for the 2021-22 financial year are detailed in section 1.3.5 of this report.

As at 30 June 2021, LBW's loan indebtedness was \$2,758,539. During the reporting period, LBW was financially viable and had sufficient funds to service its debts.

The external funding details received by LBW during the reporting period are set out in Table 3.

Table 3: External Funding Details

Organisation Providing Funds	Amount	Purpose - Grant
NQ Dry Tropics	\$125,000	RWQ18-001 Lower Burdekin Water - Upgrade of culvert structures (Saltwater Creek Project fourth milestone payment).

NQ Dry Tropics	\$70,000	RWQ18-022 Lower Burdekin Water – Upgrade of culvert structures (McAllister Road first milestone payment).
NQ Dry Tropics	\$82,500	BGB19-003 Lower Burdekin Water – Upgrade of culvert structures.

Further details are provided in Appendix 4 - Budget for the Financial Year Commencing 1 July 2021, 6 - Prudential Assessment Questionnaire, 7 - Certified Entity Indebtedness Statement and audited financial statements.



Figure 10: Lower Burdekin Water Board of Directors

4. Governance-Management and Structure

4.1 Organisational Structure

Composition of LBW:

- As per LBW's constitution, a total of seven directors may be appointed to the board.
- Of the above directors, LBW's Governance Policy stipulates that the board be comprised of four persons nominated from and by ratepayers of the authority, two persons nominated by the owners of the sugar milling operations which contribute financially to the operations of the authority (Wilmar Sugar) and one person nominated by the Burdekin Shire Council.
- If approved, directors are then appointed by the Minister for Regional Development, Manufacturing and Water for a term of three years.

Directors appointed at 30 June 2021 are listed in Table 4.

Table 4: Directors appointed at 30 June 2021

Name	Position	Current Term	First Appointed
Mr Michael Caspanello	Chair	15 Oct 2019 – 14 Oct 2022	18 Feb 2015
Mrs Lisa Parker	Deputy Chair	15 Oct 2019 – 14 Oct 2022	15 Oct 2019
Mrs Neomi Butler		15 Jul 2019 – 14 Jul 2022	15 Jul 2019
Mr Peter Larsen		15 Oct 2019 – 14 Oct 2022	18 Feb 2015
Mrs Glenis Jones		15 Oct 2019 – 14 Oct 2022	15 Oct 2019
Cr Kaylee Boccalatte		5 Aug 2020 – 4 Aug 2023	5 Aug 2020
	Vacant		

During the 2020–21 reporting period, the following directors left their position on the board are set out in Table 5.

Table 5: LBW Directors who left their position during 2020-21 financial year

Name	Position	Term	First Appointed
Cr Sue Perry		17 Jul 2017 – 16 Jul 2020	17 Jul 2017
Mr Murray Cannavan		5 Aug 2020 – 26 Mar 2021	18 Feb 2015

4.2 Executive Management

LBW employs a management team to run the operations, maintenance, projects and administration of the water authority.

The details associated with the management team are set out in Table 6.

Table 6: LBW Current Management Team

Name	Position
Mr David Sartori	Executive Officer
Mr Charles Papale	Operations Manager
Mr Peter Piotto	Technical Services Manager
Mr Elliott Gullotta	Finance Officer

4.3 Government bodies (statutory bodies and other entities)

Appendix 2 outlines meeting and remuneration information for the water authority for the 2020–21 reporting period. DRDMW will make this information available on its website alongside the 2020–21 summary annual report of Queensland’s category 2 water authorities.

4.4 Public Sector Ethics Act 1994

LBW has in place a Code of Conduct approved on 22/08/2019 and has complied with the Public Sector Ethics Act 1994.

When appointed, directors to the board are advised of their obligations to the water authority and are provided a copy of LBW’s Code of Conduct and the publication, *Welcome Aboard: A Guide for Members of Queensland Government Boards, Committees and Statutory Authorities*.

4.5 Human Rights

In accordance with its obligations under s97 of the Human Rights Act 2019 Lower Burdekin Water advises that in respect of the 2020-2021 financial year it has received no human rights complaints.

LBW developed and adopted its Human Rights Policy which accords with the requirements of the Act during the 2020-21 financial year.

5. Governance – Risk Management and Accountability

5.1 Risk Management

LBW’s Board uses a comprehensive Risk Management Framework which is compliant with the requirements set out in ISO31000:2018 and Financial and Performance Management Standard 2009.

The Board established a Risk and Governance Committee to assist it with its role in managing operational and strategic risks. The Risk and Governance Committee operates under its own charter and its role is to assist the Board in fulfilling its corporate governance responsibilities by:

- Monitoring LBW’s compliance with its obligation to establish and maintain an internal control structure and systems of risk for non-financial matters.
- Oversight of the establishment and implementation of LBW’s Risk Management Framework.
- Advising the Board on matters of non-financial risk management.
- Reviewing the effectiveness of the Risk Management Framework in identifying and managing non-financial risks and controlling internal processes.
- Ensuring that information about risks and their management is effectively communicated.

- Reviewing LBW’s Annual Report prior to certification by Board Chair.
- Review RM002 Risk Management Framework risk at every meeting.
- Addressing matters referred to it by the Board or another Committee.

The Risk and Audit Committee met on five occasions during the 2020-21 financial year.

During the period the current term of the Risk and Government committee independent chair position expired. The board reviewed the guidelines set out in the standard and resolved not to reappoint an independent chair to the committee.

Financial Risk management is reviewed and monitored by LBW’s Finance and Audit Committee. Further details regarding the Finance and Audit Committee are set out in section 5.2 of this report.

The Prudential Assessment Questionnaire is provided at Appendix 6.

5.2 Audit Committee

The Board established a Finance and Audit Committee to assist it with its role. The Finance and Audit Committee operates under its own charter.

The purpose of the Finance and Audit Committee is to provide assistance to the Board in fulfilling the Board’s responsibilities relating to LBW’s budgeting, accounting and financial management and reporting processes including the review of LBW’s financial statements. To that end, the Committee oversees management’s processes and activities relating to:

- maintaining the reliability and integrity of LBW’s accounting policies, financial reporting practices and financial statements;
- the independent auditor’s qualifications and independence;
- compliance with applicable laws and regulations;
- preparation of annual and other budgets for Board review;
- financial risk management and the internal control environment; and
- analysing financings and capital transactions being considered by LBW and the adequacy of its capital structure.

There were seven Finance and Audit Committee meetings held during the 2020-21 financial year. Members of LBW’s Finance and Audit Committee are set out in Table 7:

Table 7: Finance and Audit Committee Members during 2020-21 financial year

Name	Position
Mrs Neomi Butler	Chair
Cr Kaylee Boccalatte	Member
Mr Michael Caspanello	Member
Mrs Glenis Jones	Member

The Finance and Audit Committee has observed the terms of its charter and had due regard to Queensland Treasury’s *Audit Committee Guidelines*.

5.3 Internal Audit

When required, LBW undertakes internal audit functions. LBW does not have an internal audit unit, however, engages consultants to perform reviews and checks as part of self-initiated audits. During 2020-21 financial year LBW engaged external entities to examine and report on the following activities: workplace health and safety management system, risk management framework and IT cyber security. The Risk and Governance Committee conducted a field inspection in October 2020.

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.

5.5 Information systems and recordkeeping

The water authority has complied with all of its obligations under the Public Records Act 2002, including making, managing, keeping and preserving public records.

The water authority did not lose any records due to natural disaster or other reasons, during 2020–21 financial year. Nor were any damaged records identified, as a result of insect infestation, pests or mould.



Figure 11: Irrigating Sugar Cane

6. Governance – Human Resources

6.1 Workforce Planning and Performance

LBW has a range of human resource policies in place to guide the behavior and performance within the workplace. LBW uses its Fitness for Work policy to assist in managing and supporting employee mental and physical well-being.

LBW operates under the Federal Water Industry Award 2020 and utilises an external service provider from time to time to assist in human resource activities including policy review and development, recruitment and benchmarking of salaries.

LBW employed nineteen (19) staff during the 2020-21 financial year. Fifteen (17) were employed on a full-time permanent basis each working 38 hours per week and (1) one staff member was employed on a part time permanent basis with an FTE of (0.79). There were also one (1) staff member employed on a casual basis with an FTE of (0.47) during the 2020-21 financial year.

There was one (1) retirement during the 2020-21 financial year.

Staff received training in crocodile and snake awareness, MYOB Advance, working safely with overhead powerlines, various Office of Industrial Relation virtual short courses relating to WHS, applied hydrology, leadership essentials, cyber security, manual handling, first aid, Certificate IV –Work Health and Safety, Certified Meter Installer & Validator, respiratory fitment test, fire safety training and emergency evacuation, effective Leadership, verification of competencies for operating plant, chemical safety and CORES community response to eliminating suicide.

Staff and directors also participated in various workshops with NQ Dry Tropics (the local natural resources management organisation) and Burdekin Shire Council.

Directors received governance training from the Australian Institute of Company Directors and TP Human Capital.

LBW 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

No redundancy / early retirement / retrenchment packages were paid during the period.

7. Open Data

In accordance with the Annual Report Requirements 2020–21, several annual reporting requirements will be published by DRDMW on behalf of the water authority through Queensland Government Open Data including:

- consultancies
- overseas travel
- Queensland language services policy

More information: <https://data.qld.gov.au>

7.1 Consultancies

Monies paid to consultants by LBW during the 2020-21 financial year are set out in Table 8. Legal consultancies are not included in these figures, however, are disclosed in Appendix 3.

Table 8: Monies Paid to Consultants by LBW

Consultancy category	Expenditure
Consultants - Management	\$0.00
Consultants - Human resources management	\$0.00
Consultants - Communications	\$0.00
Consultants - Finance/accounting	\$73,177.22
Consultants - Professional/technical	\$58,595.00
Total cost of consultancies	\$131,772.22

7.2 Overseas Travel

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

7.3 Queensland Language Services Policy (QLSP)

No interpreter services were undertaken by directors of the water authority.

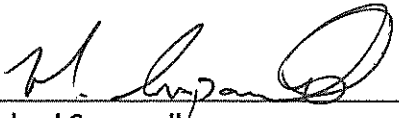
8. Financial Statements

In accordance with the Financial Accountability Act 2009 and the Financial and Performance Management Standard 2019, 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 Regional Development, Manufacturing and Water as soon as it is available.

8.1 Remuneration Disclosures

Remuneration paid to chairperson	\$ 16,380.00
Remuneration paid to directors	\$ 21,600.00
Total Paid	\$ 37,980.00

Further information on remuneration and meetings is provided at Appendix 2.



Michael Caspanello
Board Chairman
Lower Burdekin Water

Dated 27-08-2021

Annual Reporting 2020–21

**CATEGORY 2 WATER AUTHORITIES STATISTICAL INFORMATION
AS AT 30 JUNE 2021**

Name of entity: Lower Burdekin Water

<p>1. Number of rural and urban properties serviced by the water authority.</p>	<p><u>Urban:</u></p> <ul style="list-style-type: none"> • Commercial: Sugar Mills, Burdekin Shire Council groundwater sourced urban supply (underground bores) • Residential: N/A <p><u>Rural:</u></p> <ul style="list-style-type: none"> • 627 farms
<p>2. Total hectares within the water authority's authority area.</p>	<ul style="list-style-type: none"> • 76,028 hectares
<p>3. Length in kilometres of all drains/pipelines/ channels (whichever is applicable) under the water authority's control.</p>	<p><u>Drains:</u></p> <ul style="list-style-type: none"> • 0 km <p><u>Pipelines & Channels:</u></p> <ul style="list-style-type: none"> • 334km
<p>4. Description of other infrastructure owned by the water authority, e.g. weirs, pumps</p>	<p><u>River Pump Stations:</u></p> <ul style="list-style-type: none"> • 6 <p><u>Relift Stations:</u></p> <ul style="list-style-type: none"> • 12
<p>5. Total volume (megalitres) of water supplied (if applicable).</p>	<p><u>Total water pumped from river:</u></p> <ul style="list-style-type: none"> • 177,379 ML
<p>6. The rate or charge structure levied by the water authority in 2020–21.</p>	<p><u>Northern Division:</u></p> <ul style="list-style-type: none"> • \$ 19.75 per ML (Volumetric) • \$ 144.09 per hectare (Rates) • Other, Other, Excess \$15.68 per ML <p><u>Southern Division:</u></p> <ul style="list-style-type: none"> • \$ 16.48 per ML (Volumetric) • \$ 140.43 per hectare (Rates) • Other, Other, Excess \$15.68 per ML

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GOVERNMENT BODIES (STATUTORY BODIES AND OTHER ENTITIES)

Lower Burdekin Water						
Act or instrument	Water Act 2000					
Function	To replenish subterranean water supplies within its authority area on the coastal fringe of the lower Burdekin Delta.					
Achievements	<p>Lower Burdekin Water was able to successfully meet the irrigation requirements of ratepayers. A total 177,379 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 120,333 ML for the full financial year. An increase in aquifer heights from the beginning of the year to the end was achieved.</p> <p>Additional to the ongoing water distribution, Lower Burdekin Water successfully delivered over \$2.69 million of major capital works during the reporting period. A sizable portion of the capital works was to replace aging infrastructure and to improve the ecological function and system health.</p>					
Financial reporting	<p>Not exempted from audit by the Auditor-General.</p> <p>Transactions of the entity are accounted for in the financial statements, which are audited by distance audit procedures.</p>					
Remuneration						
Position	Name	Meetings attended (insert number)		Approved annual or daily fee (half daily fee paid if under 4 hrs)	Approved sub-committee fees if applicable	Actual fees received
Chair	Michael Caspanello	over 4 hrs	14	\$520.00	\$520.00	\$16,380.00
		under 4 hrs	35	\$260.00	\$260.00	
Director (Deputy Chair)	Lisa Parker	over 4 hrs	6	\$400.00	\$400.00	\$3,800.00
		under 4 hrs	7	\$200.00	\$200.00	
Director	Glenis Jones	over 4 hrs	6	\$400.00	\$400.00	\$6,000.00
		under 4 hrs	18	\$200.00	\$200.00	
Director	Murray Cannavan	over 4 hrs	3	\$400.00	\$400.00	\$2,000.00
		under 4 hrs	4	\$200.00	\$200.00	
Director	Neomi Butler (Wilmar Representative)	over 4 hrs	4	\$400.00	\$400.00	\$4,600.00 ¹
		under 4 hrs	15	\$200.00	\$200.00	
Director	Peter Larsen	Over 4 hrs	9			\$5,200.00 ²

¹ Director Meeting Fees (remuneration) paid to Wilmar Sugar Australia Limited not individual director.

² Director Meeting Fees (remuneration) paid to Wilmar Sugar Australia Limited not individual director.

	(Wilmar Representative)	<i>Under 4 hrs</i>	8	\$400.00 \$200.00	\$400.00 \$200.00	
Director	Kaylee Boccalatte (Burdekin Shire Council Representative)	<i>over 4 hrs</i>	3	\$400.00	\$400.00	\$0.00
		<i>under 4 hrs</i>	13	\$200.00	\$200.00	
No. scheduled meetings	Board Meetings – 10 Board Committee Meetings – 18 Special Meetings / Inspections - 24 Total - 52					
Total out of pocket expenses	\$ NIL					

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FEES PAID TO BARRISTERS AND SOLICITORS

Name of entity: Lower Burdekin Water

Name of portfolio: Regional Development, Manufacturing and Water

Name of legal firm(s) and Full name(s) & title(s) of each 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 (Principal Solicitor) Melanie Richards (Solicitor) Sean Kelly (Barrister)	(74)		Townsville	
	07/08/20	Native Title		473.00
	07/08/20	Litigation		3,094.65
	07/08/20	Workplace Law		2,986.50
	07/08/20	Workplace Law		1,650.00
	07/08/20	Administrative Law		913.00
	10/08/20	Commercial Law		1,360.00
	02/09/20	Workplace Law		4,170.10
	07/09/20	Commercial Law		598.40
	07/09/20	Legal Advice on Agency		675.40
	07/09/20	Workplace Law		778.80
	03/10/20	Property		2,542.10
	03/10/20	Workplace Law		3,275.80
	03/10/20	Native Title		580.80
	06/10/20	Commercial Law		629.20
	06/10/20	Legal Advice on Agency		1,749.00
	04/11/20	Commercial Law		884.30
	04/11/20	Commercial Law		7,211.60
	04/11/20	Commercial Law		484.00
	04/12/20	Property		542.71
	04/12/20	Property		1,777.85
	04/12/20	Litigation		1,952.90
	04/12/20	Property		702.90
	04/12/20	Workplace Law		2,791.80
	04/12/20	Workplace Law		3,253.80
	04/12/20	Management/Corporate		2,204.40

	04/12/20	Commercial Law		2,297.90
	04/12/20	Workplace Law		1,210.00
	06/01/21	Project and Construction		594.18
	06/01/21	Workplace Law		360.80
	06/01/21	Property		711.90
	06/01/21	Property		580.80
	06/01/21	Commercial Law		1,113.20
	06/01/21	Litigation		308.00
	11/01/21	Litigation		1,100.00
	01/02/21	Commercial Law		6,371.20
	01/02/21	Commercial Law		13,464.00
	01/02/21	Property		828.10
	17/02/21	Workplace Law		447.70
	02/03/21	Workplace Law		488.40
	02/03/21	Workplace Law		203.50
	02/03/21	Commercial Law		2,904.00
	09/04/21	Property		1,213.71
	09/04/21	Property		707.30
	09/04/21	Native Title		1,645.60
	09/04/21	Workplace Law		1,597.20
	09/04/21	Workplace Law		2,420.00
	09/04/21	Property		1,218.60
	09/04/21	Property		2,071.31
	09/04/21	Property		228.80
	09/04/21	Property		224.40
	09/04/21	Property		727.10
	09/04/21	Workplace Law		649.00
	09/04/21	Property		594.00
	01/05/21	Project and Construction		1,760.00
	01/05/21	Commercial Law		4,183.30
	28/05/21	Workplace Law		952.60
	28/05/21	Workplace Law		700.70
	04/06/21	Property		819.10
	04/06/21	Property		1,027.11
	04/06/21	Property		484.00
	04/06/21	Property		668.70
	04/06/21	Property		1,403.60
	04/06/21	Property		1,448.60
	04/06/21	Management/Corporate		290.40
	04/06/21	Commercial Law		1,887.60
	04/06/21	Litigation		290.40
	04/06/21	Litigation		484.00
	04/06/21	Litigation		242.00
	04/06/21	Legal Advice on Agency		484.00
	25/06/21	Property		1,430.00
	29/06/21	Commercial law		338.80
	30/06/21	Project and Construction		976.80

	30/06/21	Workplace Law		5,000.60
	30/06/21	Workplace Law		702.90
Queensland Government Smart Service	(1)			
	16/04/21	Project and Construction		13,486.00
Total				\$132,624.92

***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).

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BUDGET FOR THE FINANCIAL YEAR COMMENCING 1 JULY 2021

Name of Entity: Lower Burdekin Water

		Estimated 2021-22	Actual 2020-21
		\$	\$
	Opening Balance	- 2,102,469 *	
Revenue			
	Rates and Charges	8,905,234	8,390,298
	Interest Earned	46,105	51,277
	Other Income	262,550	498,683
	Transfers from Other Funds		
	GST collected on sales		
	GST Input Tax Credits Received		
	Sub Total	9,213,889	8,940,258
Expenditure			
	Administration Expenses	2,072,159	1,879,532
	Operation and Maintenance	5,199,813	4,236,544
	Interest on Loans	85,906	25,184
	Loan Redemptions		
	Transfer to Other Funds		
	Purchase of Land and Buildings		
	Purchase of Plant, Equipment and Motor Vehicles	370,000	1,281,060
	GST paid on purchases		
	GST remitted to ATO		
	Other Costs	1,298,825	3,620,407
	Sub Total	9,026,703	11,042,727
	Closing Balance	187,186	- 2,102,469

*Please ensure the Closing Balance 2020-21 (preferably the audited figure) is the Opening Balance for 2021-22 budget

a. See Notes on next page

Notes:

1 Other Income

- **Details source and amount from each source:** Figures relate to sale of surplus equipment, council water usage levies, licence fees, administration charges, grants, fuel tax credits, sundry income and gain on sale of plant and equipment, infrastructure and land.

2 Include details of where Funds have been transferred from

- Refer information in financial statements

3 Administration Expenses -

	Estimated 2021- 22	Actual 2020-21
Authority members' fees and allowances -		
• Remuneration fees	54,560	37,980
• Travel allowances		199
Secretary's allowance		
Salaries and wages for employees	1,572,514	1,415,125
Authority contributions – Employees' Superannuation Scheme		
Insurances	188,325	174,619
Rates and charges	94,772	93,673
Bank charges	500	132
Interest charges		
Audit fees	39,488	39,022
Legal fees	120,000	122,071
Miscellaneous	2,000	- 3,290
Total	2,072,159	1,879,532

4 Include details of where Funds have been transferred to

5 Has the Authority given the Minister a Section 580 Notice (Notice of Proposed Significant Action)? -
Yes.

6 Specify as Note if material - Figures relate to depreciation expense, loss on sale of plant and equipment and land revaluation impairment losses

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NOTICE OF PROPOSED SIGNIFICANT ACTION

Section 580 Water Act 2000¹

Name of entity: Lower Burdekin Water

Please tick ✓ statements applicable to the water authority:

	The water authority has nil proposed significant actions to report to the Minister.
--	-------------------------------------------------------------------------------------

or

The water authority gives notice² to the Minister of the proposed significant action below, proposed to be undertaken by the board in the 2021-22 financial year:

✓	Activities that the water authority believes may prevent or have a significant adverse effect on the Authority performing its main function— (a) <i>Unexpected weather activities like cyclones, floods, excessive and minimal rainfall</i>
✓	The water authority proposes to purchase the following property for more than \$100 000— (a) <i>Lower Burdekin Water does not intend to purchase a property for more than \$100,000 for the 2021-22 financial year.</i>
✓	The water authority proposes to sell the following water authority property for more than \$100 000— (a) <i>Lower Burdekin Water does not intend to sell any property for more than \$100,000 for the 2021-22 financial year.</i>

Signed:



Chairperson

Lower Burdekin Water

Date: 27-08-2021¹ Extract attached.² To be given before undertaking the proposed significant action.

Water Act 2000 — reporting requirements

580 Notice of Proposed significant action

- (1) This section applies if—
 - (a) a water authority proposes to do anything that may prevent, or have a significant adverse effect on, the authority performing its main function; or
 - (b) a category 2 water authority proposed to sell or buy property for more than \$100 000.
- (2) Before doing anything (the *proposed significant action*) mentioned in subsection (1), and as soon as practicable after proposing to do it, the water authority must give the Minister notice of the proposed significant action.

Note: the Treasurer's prior approval and Departmental authorisation may be required before borrowing funds or purchasing land.

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PRUDENTIAL ASSESSMENT QUESTIONNAIRE

Name of entity: Lower Burdekin Water

In order to assess the entity's financial position, the entity is required to complete **ALL SECTIONS** in the following statement which is to be signed and dated by the Chairperson of the entity at the relevant time.

The statement must accompany the annual financial statements of the entity, prepared and submitted to the QAO, as soon as possible after 30 June in each financial year.

If the entity is required to state reasons or provide written commentary, the entity is asked to please attach all written responses and return with completed statement.

No.	Question	Yes/No/Other
1	<p>Has the entity developed <i>and attached</i> its budget for the next financial year¹?</p> <ul style="list-style-type: none"> • If not, please provide reasons and forward a copy of the budget documentation as soon as possible. • If yes, was there a material variation of actual results recorded in the financial statements compared with the budget forecasts made at the beginning of the financial year? 	<ul style="list-style-type: none"> • Yes • No
2	<p>Did the entity prepare monthly bank reconciliation statements during the financial year?</p> <ul style="list-style-type: none"> • If not monthly, how frequently were they prepared and why? • If not at all, why not? 	<ul style="list-style-type: none"> • Yes • Not Applicable (N/A) – Bank reconciliations are prepared monthly
3	<p>At any stage during the financial year was the entity overdrawn at the bank²?</p> <ul style="list-style-type: none"> • If yes, state reasons why. • Is the entity aware that it requires the Treasurer's approval to operate an account with an overdraft facility³? • Does the entity need to seek the Treasurer's approval⁴? 	<ul style="list-style-type: none"> • No • Yes • No

¹ A copy of the entity's budget should be returned to the department with the completed Prudential Statement.

² Note a director's duty concerning insolvent trading at section 615 of the *Water Act 2000*.

³ Also, note section 31 of the *Statutory Bodies Financial Arrangements Act 1982*.
<http://www.legislation.qld.gov.au/LEGISLTN/CURRENT/S/StatutryBodA82.pdf> and "Overdraft Facilities—Operational Guidelines for the Public Sector": <https://www.treasury.qld.gov.au/publications-resources/overdraft/index.php>

A statutory body may operate a deposit and withdrawal account to the extent necessary or convenient for its day to day operations. However, the account may only be operated with an overdraft facility with the prior approval of the Treasurer.

⁴ The entity should contact the Manager, Natural Resources Programs, for advice on procedure.

No.	Question	Yes/No/Other
4	<p>Did the entity draw down any loan borrowings during the financial year?</p> <ul style="list-style-type: none"> • If DRDMW authorised loan borrowings and the entity has subsequently drawn down funds from the QTC, did the entity meet all its loan repayments on time? • Did the entity draw down any further debt during the year? • Was the further draw down approved by DRDMW? • If so, how much (\$) and note the terms) and when approved. 	<ul style="list-style-type: none"> • Yes – correspondence was received on the 1st of February 2021 from the DRDMW advising that the requested loan amount of \$2,027,774 had been approved • Of the approved amount a total of \$1,824,567.66 was drawn down from the QTC on the 24th of May 2021. The reason for the variance was that the project the borrowings were obtained for was completed under budget. As Lower Burdekin Water signed a direct debit request service agreement all repayments were paid on time • There were no further loan borrowings drawn down • N/A – there was no further loan borrowings drawn down • N/A – No further loans borrowings were obtained from QTC
5	<p>Considering the nature and scope of its operations and its size, has the entity undertaken a risk management assessment to ensure the entity is protected from unacceptable costs or losses?</p> <ul style="list-style-type: none"> • If the entity has discovered it is exposed to risk, has the entity taken action or put plans in place to avoid, minimise, control and manage the risk? • If yes, please outline the actions taken and/or the key elements of these plans in an attachment to this questionnaire. 	<ul style="list-style-type: none"> • Yes – Major financial risks are investigated during the annual budgeting process • Any major variances to budget are reported to the board monthly. For capital expenditure, as per the authority's policy Capital Expenditure Approvals need to be passed by the board before any project or development is approved. As per section 580 the authority always gives notice to the minister before carrying out any significant action
6	<p>Does the entity have current cover for public liability and professional indemnity insurance?</p> <ul style="list-style-type: none"> • Are the entity's insurance premiums paid up to date? • Is the current level of insurance cover appropriate? • Has the entity recently reviewed the adequacy of its insurance cover? (A copy of current policy may be requested) 	<ul style="list-style-type: none"> • Yes - public liability insurance and no for professional indemnity insurance • Yes • Yes – the insurance cover amounts are reviewed annually to cover against a potential loss event • Yes

Note

If the entity is to respond with a written statement to any of the matters mentioned above, the entity must also include in the written statement the action taken by it to remedy the situation.

If the entity has not taken any action to remedy the situation, the entity must state the reasons for its inaction.

(Prudential assessment questionnaire continues over page)

Accrual Accounting

If your entity has a total gross revenue of \$1 000 000 or more—

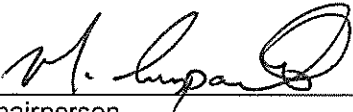
No	Question	Yes/No/Other
7	For how many years in succession has your entity's gross revenue exceeded \$1 000 000?	Six – The entity was established on the 19/02/15
8	<p>Are there any specific and exceptional factors that account for gross revenue exceeding \$1 000 000 that are unlikely to occur on an ongoing basis in future years (e.g. a special two-year subsidy program that is not expected to be ongoing)?</p> <ul style="list-style-type: none"> If so, please outline the nature of these exceptional revenue factors and state when these factors will no longer have an observable effect on gross revenue in your balance sheets. 	No
9	Has the entity, as part of its annual financial planning, assessed the growth in its operations and evaluated the impacts of cash accounting versus the accrual accounting framework?	No - The authority already uses accrual accounting
10	<p>If not already transitioned from cash accounting, is the entity preparing for the introduction of accrual accounting into its operations?</p> <ul style="list-style-type: none"> If yes, by which date does the entity anticipate to have fully implemented accrual accounting methods? If not, why not? (noting that this is a requirement under the <i>Financial reporting requirements for Queensland Government agencies</i> published by the Treasury department) 	N/A – The authority already uses accrual accounting

Note:

If the entity is required to provide reasons in response to questions 8 and 10 above, please **attach a written statement**.

When responding to question 10 above, the entity must **state reasons for its inaction**, if any.

Signed:



 Chairperson

Lower Burdekin Water

Date:

27 - 08 - 2021

Annual Reporting 2020–21

ENTITY INDEBTEDNESS STATEMENT

Name of entity: Lower Burdekin Water

An entity that has outstanding loans is required to prepare an entity indebtedness statement to accompany its end of year financial statements presented for audit.

Does the entity have outstanding loans?

(Indicate with a tick - ✓)

Yes

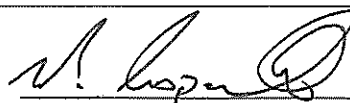
No

This statement must be dated and signed by the entity's Chairperson.

If YES above is ticked, please address the following:

1	The term of the loan when it was taken out and when final payment is due: The loan commenced on the 24 th of May 2021 and as per Queensland Treasury Corporation's (QTC) loan pricing schedule the final payment is due on the 15 th of March 2041.
2	The level of debt at the beginning of the current financial year (1 July): The balance as of the 1 st of July 2020 was \$990,867.
3	The level of debt at the close of the current financial year (30 June): The balance as of the 30 th of June 2021 was \$2,758,539.
4	State how the debt will be serviced in the coming financial year: The repayments will be paid from Lower Burdekin Water's cash reserves in line with the fixed rate loan pricing schedule as provided by QTC.
5	How will payments be split between interest and principal: As per the Australian Accounting Standards, all associated fees and interest charges are expensed to the relevant section in the Statement of Comprehensive Income. Principal payments will be deducted from the relevant liability section in the Statement of Financial Position.
6	Other commitments the entity may have for the current and coming financial years (e.g. financial commitments the entity might have under existing or proposed contractual arrangements): There are currently two projects that have current contractual arrangements that will be finalised early in the 2021/22 financial year. As of the 30 th of June 2021, there were \$316.339 of estimated costs remaining to be paid on these projects.
7	Additional information if required:

Signed:


 Chairperson

Lower Burdekin Water

Date:

27-08-2021