

# ANNUAL REPORT 2019-20

— LOWER BURDEKIN WATER

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# 1. Introduction

## 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 the 18<sup>th</sup> February 2015.

LBW's vision is to be a progressive water service provider through collaborative partnerships, delivering sustainable water resources for the benefit of stakeholders and the environment.

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

## 1.2 Agency Role and Main Functions

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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 13<sup>th</sup> May, 1965 and 31<sup>st</sup> 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 purpose of LBW is to carry out water activities at its discretion designed to manage and maintain the Burdekin aquifer and the water supply needs of the LBW 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 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;
- 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 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;
- 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 LBW 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.

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.

LBW has undergone no machinery of government changes during the reporting period. 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	9
Board Committee Meetings	20
Special Meetings/Inspections	37
<b>Total</b>	<b>66</b>

#### Details of Attendance at Conferences and Workshops

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

- Regional Parliament - State Reception Commemorating the Sitting of Queensland Parliament in North Queensland.
- Regional Breakfast - Premier Business Breakfast.
- Industry Breakfasts – Townsville Enterprise Limited.
- Australasian Ground Water Conference.
- Department of Natural Resources and Mines – strengthening non-urban water measurement.
- Burdekin Shire Council - Our coast our lifestyle project.
- Burdekin Shire Council - Economic Development Strategy - Focus Group Workshop
- Irrigation Pricing Review Regional Workshop – Queensland Competition Authority.
- Foundations of Directors course – Australian Institute of Company Directors.
- Social Media Planning Workshop – Burdekin Shire Council;
- Department of Agriculture and Fisheries (“DAF”) Wetland Treatment System workshop.

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.

- Technical Committee Charter
- Acknowledgment of debt and agreement to pay by instalments
- Recruitment and Selection Policy
- Workplace Rehabilitation Policy and Procedures
- Inspection and Test Plan - Temporary Sand Diversions
- Routine Inspection Checklist - Temporary Sand Diversion Structures

LBW also reviewed and implemented minor updates, where required, to approximately twenty-five existing policies during the reporting period.

### **Improvements**

During the 2018-19 financial year LBW made a commitment to improve the diversity of its Board and to achieve the Queensland Government's Women on Boards initiative target of 50% women on its Board. LBW surpassed the gender target of 50% in October 2019 following the triannual nomination and appointment process. This was a significant achievement for the organisation which is already providing benefits to the business.

LBW undertook a significant review of its existing Workplace Health and Safety systems during the 2019-20 financial year. One element of the review process included participation in the injury prevention and management (IPaM) program run by Workplace Health and Safety Queensland.

A significant change was made to LBW's existing operational management structure during the 2019-20 financial year. Two new supervisory positions were introduced to LBW's organisation chart to oversee and manage the day-to-day operational activities of the business. One of the existing Operations Manager positions was removed, and a new Technical Services Manager position was introduced as part of the restructure. The changes were deemed necessary to ensure the business continues to meet its regulatory obligations, while running efficiently and remaining financially viable into the future.

LBW continued to invest in new automated water control gates and variable speed drives for its pumps within its water delivery system during the 2019-20 financial year. This investment is aimed at improving workplace health and safety, water level and flow control and operational efficiencies.

### **1.3.2 General**

LBW employed Cohen Legal for most legal matters including acquisition and disposal of property and 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 2019-20 financial year was \$140,841.35 (inc. GST). Ruddy, Tomlins Baxter was also paid \$1,555.40 (inc. GST) during the 2019-20 financial year. Specific details of fees paid by LBW to Cohen Legal during the reporting period are shown in Attachment 5.

### **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 utilises 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 2 and 3.

Additional to the aquifer recharge operations, LBW allowed customers to pump open water directly from its channel systems and lagoons under either a permit, licence or water supply agreement. Supply of open water to customers reduced demand on the aquifer and assisted in conserving and managing underground water levels and improving the quantity and quality of water available within the aquifer.

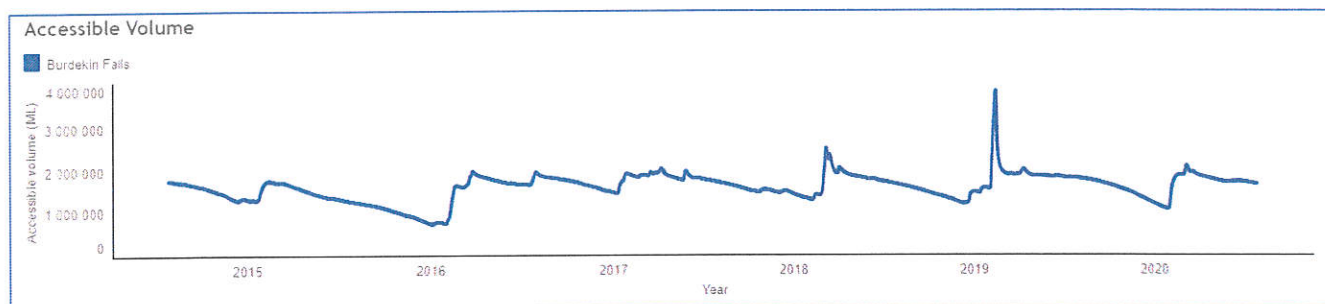


*Water Distribution Channel*

### Natural Recharge

Rainfall at the Burdekin Shire Council gauging station measured a total of 934mm for the 2019-20 financial year and is close to the mean (1054mm) and median (999mm) annual rainfall for the region. As is generally experienced, the majority (approximately 97%) of the rain was received between January 2020 and May 2020 and allowed vast 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.

LBW's authority area and the Burdekin River catchment was affected by a Tropical Low which was situated in the Gulf Country in late January 2020. During this event, Rita Island received more than 500mm of rain within a 24-hour period and water levels within the Burdekin River rose to around 4 metres at the Clare gauging station. The highest peak volume discharge within the Burdekin River during a following weather event in the catchment in February/March was measured at approximately 115,000 megalitres ("ML") per day at the Clare gauging station. It is believed that the elevated river levels also contributed to replenishment of the aquifer within the authority area during the reporting period.



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

### Artificial Recharge

As depicted in the above chart, the water levels behind the Burdekin Falls Dam steadily fell during the first half of the financial year, rose sharply again in late January 2020 and remained high for 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.

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 from the Burdekin River was impacted by elevated river levels in late January and February 2020.

Despite the impacts on pumping ability, water levels in the natural lagoons within the area were kept at an acceptable level to benefit the aquifer during the dry periods.

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. The northern division pumped 28,325ML during December 2019 which is the highest monthly volume of water ever pumped in its 55 years of operation. Irrigation demand during the second half of the financial year reduced with the onset of the wet season and was lower than normal. Groundwater levels rose significantly following the onset of the wet season in January 2019 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 219,283 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 144,019 ML for the full financial year.

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

Month	Rocks	Plantation	Rita Island	2019 2020	2018 2019	2017 2018	2016 2017	2015 2016	2014 2015	2013 2014
Jul	3,632	5,060	333	9,025	9,452	10,442	499	6,356	9,386	6,739
Aug	3,635	5,571	583	9,789	10,630	11,517	8,054	7,779	5,170	11,709
Sep	4,200	6,475	530	11,205	15,065	10,196	11,621	9,685	10,806	8,859
Oct	6,610	11,069	1,944	19,623	15,961	8,332	14,036	13,414	14,140	21,284
Nov	6,379	9,567	2,093	18,039	20,238	18,490	21,634	15,968	20,390	15,442
Dec	10,849	14,778	2,696	28,323	10,485	18,157	24,390	18,164	22,183	26,474
Jan	5,246	10,281	1,888	17,415	12,372	13,972	8,555	17,297	11,726	14,485
Feb	2,142	2,858	225	5,225	1,654	13,666	17,488	16,835	16,042	4,896
Mar	2,086	2,370	540	4,996	3,500	5,440	5,106	5,920	17,628	12,804
Apr	3,387	5,709	1,314	10,410	4,787	8,678	10,249	14,513	17,942	3,714
May	2,191	3,675	725	6,591	7,159	11,180	8,819	16,706	13,934	10,069
Jun	313	321	77	711	5,803	5,901	2199	6,805	8,215	4,649
<b>Totals</b>	<b>50,670</b>	<b>77,734</b>	<b>12,948</b>	<b>141,352</b>	<b>117,106</b>	<b>135,971</b>	<b>132,650</b>	<b>149,442</b>	<b>167,562</b>	<b>141,124</b>

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

Month	Warrens Gully	McDowells	Down River	2019 2020	2018 2019	2017 2018	2016 2017	2015 2016	2014 2015	2013 2014
Jul	1,571	2,999	475	5,045	7,585	5,974	0	4,836	7,451	6,520
Aug	2,499	1,377	297	4,173	5,399	5,170	4,873	4,618	4,332	6,890
Sept	2,370	3,320	969	6,659	7,721	6,892	7,172	6,020	7,329	7,969
Oct	2,521	4,320	1,669	8,510	8,240	4,087	7,891	7,955	8,814	9,995
Nov	2,739	6,517	2,452	11,708	10,917	9,924	9,330	10,035	10,187	8,312
Dec	2,471	6,038	2,634	11,143	7,087	12,930	10,799	10,239	11,741	12,485
Jan	2,579	5,305	2,432	10,316	7,036	10,888	6,757	7,808	4,771	12,327
Feb	1,087	1,933	34	3,054	1,534	7,991	9,097	9,421	9,810	3,636
Mar	1,704	2,738	140	4,582	2,037	1,203	7,000	4,740	12,454	8,161
Apr	2,369	4,075	426	6,870	2,704	3,436	6,980	10,198	9,692	1,415
May	1,562	3,228	414	5,204	2,450	6,261	2,318	9,453	10,555	6,002
Jun	435	0	232	667	4,334	4,287	1490	5,145	2457	1,884
<b>Totals</b>	<b>23,907</b>	<b>41,850</b>	<b>12,174</b>	<b>77,931</b>	<b>67,044</b>	<b>79,043</b>	<b>73,707</b>	<b>90,468</b>	<b>99,593</b>	<b>85,596</b>





*Channel Cleaning Using Mechanical Methods*

## **Opportunities and Challenges**

LBW faced several challenges throughout the 2019-20 financial year. These challenges were:

- The unexpected expiry of director appointments on 15 June 2019 leaving six of seven positions vacant until Acting Directors were appointed to the Board on 15 July 2019 for a period of three months. The unexpected lapse in the five director appointments was caused by amendments to Section 604 of the Queensland Water Act which came into force on the 24 of May 2019. While operations continued under existing delegations of authority, decisions requiring Board approval were unable to be made.
- The removal of the Code for Self-assessable Development Temporary Waterway Barrier Works from the state planning regulation with no consultation from the relevant authorities. The removal of this code created a major problem for the construction of the temporary sand diversion structures. LBW continues to work with the Department of Agriculture and Fisheries to resolve the issue. The final resolution of this issue will continue into the 2020-21 financial year. Management also worked closely with consulting engineers to improve the design and documentation of temporary sand diversion structures (sand dams) within the Burdekin River. The construction of the sand dams within the Burdekin River by LBW is an important and well-established practice. LBW is authorised under its Distribution Operations License to create necessary temporary pumping pools to enable water to be pumped from the river and distributed throughout the authority area. The design work undertaken will allow LBW more effectively manage the risks and safety associated with these structures.
- 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 second half of the financial year.
- A major rain event was experienced in late January 2020 which resulted in substantial damage to channels and channel crossings. The total money spent on repairing flood damage was approximately \$83,300.
- Capital Works. Once again, LBW completed a number of large capital infrastructure projects during the 2019-20 financial year. The works associated with the capital projects were additional to the normal operational activities and in many instances completed while maintaining water delivery services throughout its authority area. This level of capital expenditure is above normal levels and stretched LBW resources.

## **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 area. 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 agreement. 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 results are not publicly available.

The Queensland Government website ([www.qld.gov.au/environment/pollution/management/disasters/investigation-pfas/sites/ayr](http://www.qld.gov.au/environment/pollution/management/disasters/investigation-pfas/sites/ayr)) states that as at 20 September 2019 further water sampling was being conducted to “better understand the situation”.

LBW is preparing to make an application under the Right To Information Act for information regarding the water sampling and any other investigations undertaken into the location and cause of the PFAS contamination identified in or about May 2018 and any other testing and investigations undertaken since that time so that it may consider the contamination and any potential effect it may have on its stakeholders. LBW considers this a watching brief with the responsibility for groundwater currently resting with the Department of Natural Resources and Mines.

Both of these matters remain ongoing at 30 June 2020.

### 1.3.4 Capital Works

The capital projects undertaken by LBW during the 2019-20 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:



*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 is scheduled to reach practical completion in August 2020.



### Rocks Pump Station Energy Reduction

The existing 1.3MW electrical and motor control systems were replaced with new ultra-low harmonic variable speed drives to reduce the electricity consumption at the pump station and to improve water delivery control.

**Capital works infrastructure project: Rocks Pump station Energy Reduction**

Saltwater Creek – Further 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. The final construction works will be completed in the first half of the 2020-21 financial year.



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



### Oats Gate

Existing timber flow control gates were replaced with new aluminum gates from AWMA Water Control Solutions to provide better control of water flow and reduce occupational health and safety hazards.

LBW were advised by DNMRE that it had been unsuccessful with its application to the National Water Infrastructure Development Fund (“NWIDF”) Capital Component for a co-contribution to construct a new river pumping station, increase the capacity of ten existing culverts and an inverted siphon within the existing Warrens Gully scheme. LBW are currently investigating alternative options to finance the project. This project will enable an increase in irrigated agriculture within and around the authority area as well as an improvement of existing standards of services and aquifer recharge abilities during periods of peak flow demand.

### **Comprehensive Asset Revaluation**

The five-year comprehensive asset valuation was completed during the second half of the 2019-20 financial year. This activity was awarded to and undertaken by Assetic Australia Pty Ltd. Movements in the asset values are set out in LBW’s 2019-20 audited financial statements which will be published on LBW’s website at <http://lowerburdekinwater.com.au/>

### **Plant and Equipment**

A new replacement Hitachi ZX360LC- 5 hydraulic excavator, a number of new replacement four-wheel drive vehicles and thirty-six new open water meters were purchased and commissioned by LBW during the reporting period as part of its asset renewals. As at 30 June 2020 the new hydraulic excavator had not yet been delivered due to delays associated with the COVID-19 pandemic.

### **Research and Development**

LBW is currently investigating the possibility of undertaking a large groundwater research project within its authority area with Flinders University. The research project will investigate:

1. The 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. The 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 catchment areas;
4. The efficacy of LBW infrastructure (e.g. recharge pits, delivery channels, sand dams) on groundwater recharge including estimates of the benefitted area of recharge.

These four project themes are referred hereafter as: **1. Seawater intrusion, 2. Allocation scenarios, 3. River-aquifer interaction, and 4. Recharge, respectively.**

### **1.3.5 Review of Proposed Forward Operations**

LBW has developed and approved the 2020-21 to 2024-25 strategic plan for the organisation. Similar to previous years, 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

A number of strategies will be deployed to meet the objectives during the 2020-21 financial year. These strategies are 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 the implementation of its management restructure. Further recruitment and training activities are required in the coming year to ensure vacancies created by the changes are

filled by suitably qualified people. LBW will continue working with Workplace Healthy and Safety Queensland on the Injury Prevention and Management (IPaM) program and the LEAD safety culture model.

Service delivery activities will remain similar to previous years. 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.

LBW has one application for proposed borrowings in the 2020-21 financial year from the Queensland Treasury Corporation ("QTC"), which will be additional to the \$1,000,000 QTC loan drawn down by LBW during the 2019-20 financial year. The additional proposed borrowings is for \$2,027,774 and relates to the McDowell Pipeline replacement 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 2019-20 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.ourfuture.qld.gov.au/gov-objectives.aspx>

### 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 2019-20 financial year as listed in its 2019-20 to 2023-24 strategic plan, were:

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 its performance targets for the 2019-20 financial year for the following objectives:

- 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 2019-20 financial year for the following objectives:

- Safety and wellbeing of people.
- Manage assets and infrastructure to ensure reliable services.

While the performance targets for these objectives were not met, no medical treatment injuries or significant incidents were recorded during LBW's operational activities during the reporting period. There were also no significant unplanned outages in service delivery during the reporting period.

The performance targets which were not achieved related specifically to:

- the implementation to the LEAD Model implementation which was delayed due to the management restructure.
- Development of a new groundwater monitoring strategy; maintenance strategies for critical assets using Reliability Centred Maintenance methodologies; and a literature review on the mitigation of hypoxia (low dissolved oxygen) in key wetlands/lagoons which were all delayed due to resourcing constraints.
- External director governance training due to the appointment of new directors during the first half of the financial year and the outbreak of the COVID-19 pandemic during the second half of the financial year.

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 2020-21 financial year has been developed and adopted by the Board. Areas where LBW did meet its targets during the 2019-20 financial year are included in LBW's strategic plan for the 2020-2021 financial year.

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



*McDowells Pump station on the Burdekin River*



*Temporary Sand Diversion Structure 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 LBW's funding during the reporting period was from its ratepayers, customers, Wilmar Sugar (local sugarcane milling company) and the Burdekin Shire Council.

During the 2019-20 financial year, LBW drew down \$1,000,000 in borrowings from QTC as part of the State Borrowing Program to commence construction of the McDowell Pipeline. The term of the QTC loan is 20 years. Further borrowings

will be required during the 2020-21 financial year to properly fund the project. The additional proposed borrowings for the 2020-21 financial year are detailed in section 1.3.5 of this report.

As at 30 June 2020, LBW's loan indebtedness was \$988,207. 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	\$315,000	RWQ18-001 Lower Burdekin Water - Upgrade of culvert structures (second and third milestone payment).

Further details are provided in Attachments 6 - Budget for the Financial Year Commencing 1 July 2020, 8 - Prudential Assessment Questionnaire, 9 - Certified Entity Indebtedness Statement and audited financial statements.

## 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, two persons from ratepayers in each of the two divisions, nominated or elected by ratepayers in the way approved by the Chief Executive. 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 Natural Resources and Mines for a term of three years.

Directors appointed at 30 June 2020 are listed in Table 4.

**Table 4: Directors appointed at 30 June 2020**

Name	Position	Current Term	First Appointed
Mr Michael Caspanello	Chair	15 Oct 2019 – 14 Oct 2022	18 Feb 2015
Mr Peter Larsen	Deputy Chair	15 Oct 2019 – 14 Oct 2022	18 Feb 2015
Cr Sue Perry		17 Jul 2017 – 16 Jul 2020	17 Jul 2017
Mrs Neomi Butler		15 Jul 2019 – 14 Jul 2022	15 Jul 2019
Mrs Lisa Parker		15 Oct 2019 – 14 Oct 2022	15 Oct 2019
Mrs Glenis Jones		15 Oct 2019 – 14 Oct 2022	15 Oct 2019
	Vacant		

During the 2019–20 reporting period, the following directors left their position on the board:

**Table 5: LBW Directors who left their position during 2019-20 financial year**

Name	Position	Term	First Appointed
Mr Con Christofides	Deputy Chair	15 Jul 2019 - 14 Oct 2019*	18 Feb 2015
Mr Mark Castelanelli		15 Jul 2019 - 14 Oct 2019*	18 Feb 2015
Mr Murray Cannavan		16 Jul 2019 – 15 Oct 2019*	18 Feb 2015

\* Expiry of three-month term as acting director.

### 4.2 Executive Management

LBW 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 6.

**Table 6: LBW Current Management Team**

<b>Name</b>	<b>Position</b>
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)**

Attachment 4 outlines meeting and remuneration information for the water authority for the 2019–20 reporting period. DNRME will make this information available on its website alongside the 2019–20 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 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 Human Rights**

In accordance with its obligations under s97 of the Human Rights Act 2019 Lower Burdekin Water advises that in respect of the 2019-2020 financial year it has received no human rights complaints. No review of policies, procedures, practices and services were undertaken in relation to their compatibility in relation to human rights. However, LBW polices, procedures, practices and services are drafted to ensure equal opportunities and rights for all stakeholders. In July 2020, LBW engaged a consultant to draft a human rights policy that accords with the requirements of the Act and following implementation of that policy, will undertake a review to ensure that all policies, procedures, practices and services are compatible with that policy.

## **5. Governance – Risk Management and Accountability**

### **5.1 Risk Management (see Attachment 8)**

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

The Board established a Risk and Governance Committee and appointed an independent chair 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 advise the Board, in respect to risk, on:

- 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.

The Risk and Audit Committee met on four occasions during the 2019-20 financial year.

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.



## 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 ten Finance and Audit Committee meetings held during the 2019-20 financial year. Members of LBW's Finance and Audit Committee are set out in Table 7:

Table 7: Finance and Audit Committee Members during 2019-20 financial year

Name	Position
Mrs Neomi Butler	Chair
Cr Sue Perry	Member
Mr Michael Caspanello	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, but engages consultants to perform reviews and checks as part of self-initiated audits. During 2019-20 financial year the following activities were examined: asset valuations, workplace health and safety as part of the IPaM program as well as the sand dam construction and design. The Risk and Governance Committee conducted a field inspection in August 2019.

## 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 2019–20 financial year. Nor were any damaged records identified, as a result of insect infestation, pests or mould.

# 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. Most of LBW's human resource management policies were reviewed and approved by the board during the 2019-20 financial year.

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 2019-20 financial year. Fifteen (15) 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. There were also three (3) staff members employed on a casual basis during the 2019-20 financial year.

LBW undertook a restructure of its operational management during the 2019-20 financial year. The changes were deemed necessary to ensure the business continue meeting its regulatory obligations, while running efficiently and remaining financially viable into the future. The restructure introduced two new supervisor positions, one new management position and removed an existing management position from LBW's organisational structure. The existing manager was successfully redeployed from the redundant position to the new management position.

Staff received training in verification of competencies for operating plant, first aid and CPR, working at heights, fire safety, incident reporting, hazards associated with silicosis and correct fitment of face masks, workshop safe work procedures, working safely near live electrical lines and apparatus, Mad Bad Sad Tears Abuse and Threats –Dealing with Unwelcome Behaviours, The Basics of Facebook for Business, Social Media Planning, LinkedIn Marketing for Business, Staff Use of Internet, Email and Social Media Policy, Essential Supervisory Skills and Minutes in the Spotlight.

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

Directors received governance and board minute taking training from the Australian Institute of Company Directors.

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 2019–20, a number of annual reporting requirements will be published by DNRME 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 2019-20 financial year are set out in Table 8. Legal consultancies are not included in these figures, however, are disclosed in Attachment 5.

**Table 8: Monies Paid to Consultants by LBW**

Consultancy category	Expenditure
Consultants - Management	\$913.38
Consultants - Human resources management	\$1,000.00
Consultants - Communications	\$4,200.00
Consultants - Finance/accounting	\$98,730.00
Consultants - Professional/technical	\$30,864.05
<b>Total cost of consultancies</b>	<b>\$135,707.43</b>

## 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 Natural Resources and Mines as soon as it is available.

### 8.1 Remuneration Disclosures

Remuneration paid to chairperson	\$ 19,260.00
Remuneration paid to directors	\$ 23,000.00
<b>Total Paid</b>	<b>\$ 42,260.00</b>

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



Michael Caspanello  
Board Chairman  
Lower Burdekin Water

Dated 31-07-2020