



"Replenishing Groundwater Since 1965"

Lower Burdekin Water ABN: 42 671 751 039

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Lower Burdekin Water

1 July 2015 to 30 June

2016 Annual Report

Disclaimer

The information contained in this annual report is for general information purposes only and are not to be used as an official copy. A hard copy can be obtained from either the Lower Burdekin Water Ayr Office at 112 Airdmillan Road, Ayr Queensland, 4807 or the Lower Burdekin Water Home Hill Office at 28 Ninth Street, Home Hill Queensland, 4806.

Letter of Compliance

The Honourable Dr Anthony Lynham MP
Member for Stafford
Minister for State Development and
Minister for Natural Resources & Mines
PO Box 15216
CITY EAST QLD 4002

29 July 2016

Dear Minister

I am pleased to present the 2015–16 annual report and financial statements for the 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 2009*, 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.premiers.qld.gov.au/publications/categories/guides/annual-report-guidelines.aspx>.

Yours sincerely



Michael Caspanello

Chairperson

Lower Burdekin Water

Lower Burdekin Water Annual Report

2015-2016

Reporting Period
1 July 2015 - 30 June 2016

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1. Introduction

1.1 Agency Role and Main Functions

Lower Burdekin Water

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Contact Officer: David Sartori, Executive Officer, Lower Burdekin Water

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

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

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

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

- a) to primarily replenish, recharge, manage, distribute and protect groundwater and surface water in the Lower Burdekin Water authority area to the extent permitted by law for the purpose of maintaining ground water levels and to restrict/limit salt water intrusion by the promotion of the conjunctive use of surface water and groundwater;
- b) to represent the interests of ratepayers and customers in the authority area to the extent necessary to achieve the authority's objectives;

- c) to engage in water activities outside the Lower Burdekin Water authority area, provided those water activities do not –
 - i. limit the authority’s ability to perform its primary function; or
 - ii. financially prejudice the authority or its ratepayers or customers;
- d) to generate revenue, including by levying rates and charges upon ratepayers and customers;
- e) to construct, acquire, own, operate and maintain infrastructure for the purposes of water distribution and aquifer replenishment and recharge;
- f) to establish and maintain services of a commercial or non-commercial nature in accordance with the purposes of the authority;
- g) to carry out research and development in areas that will add value and/or improve the long term sustainability and health of the Burdekin aquifer and Lower Burdekin Water authority area, and inform ratepayers and customers of the best practice for water use for the services provided by the authority;
- h) to borrow money and to secure funds in accordance with all legislative and regulatory requirements for the purposes of the authority and so as to enable the authority to carry out its functions;
- i) to expend money for the purposes of the authority and to enable the authority to carry out its functions.

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

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

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

1.2 Operating Environment

1.2.1 Administration

Summary details of Ordinary and Special Meetings/Inspections

Daily Meetings	50
Sub Committees	31
Total	81

Details of Attendance at Conferences and Workshops

Staff attended the following workshops during the reporting period.

- AICD - Governance Foundations for Not-for-Profit Directors (full program);
- QCA Electricity Workshop; and
- Taxation & Payroll Workshop.

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

Policy

Lower Burdekin Water implemented the following new policies for the organisation during the reporting period.

- Workplace Health and Safety Manual and Policy;
- Related Parties Policy;
- Depreciation Standard;
- Open Water Licence Application;
- Water Supply Agreement;
- Water transfer Agreement; and
- Meter Installation and Modification Policy.

Lower Burdekin Water also reviewed and updated, where required, a number of existing policies during the reporting period.

Improvements

Lower Burdekin Water implemented a number of changes in its administration and operational functions to better track water usage, remove duplicate processes and to streamline the water meter reading and invoicing process. These measures allowed Lower Burdekin Water to provide more regular and accurate water usage information to its customers utilising its existing resources.

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

1.2.2 General

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

Table 1: Fees paid to Barristers and Solicitors

Name of legal firm(s) and	No. of briefs paid for and	Legal category of service*	Location of legal service	Amount paid (inc. GST) \$
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Full name(s) & title(s) of each practitioner consulted – please also note if practitioner is a barrister or solicitor (details required for departmental reporting)	Date(s) briefs were provided			
Boulton Cleary & Kern Lawyers Ms Jade Connor (Solicitor)	9/07/15 22/07/15 (2)	Management/Corporate Management/Corporate	Townsville	15,906.00 1,870.00
Boulton Cleary & Kern Lawyers Ms Samantha Cohen (Solicitor)	9/07/15 9/07/15 22/07/15 24/07/15 24/07/15 4/09/15 4/09/15 4/09/15 4/09/15 4/09/15 4/09/15 4/09/15 8/10/15 8/10/15 8/10/15 8/10/15 8/10/15 28/10/15 28/10/15 28/10/15 4/12/15 4/12/15 4/12/15 11/12/15 18/12/15 1/02/16 1/02/16 1/02/16 1/02/16 14/03/16 16/03/16 16/03/16 16/03/16 16/03/16 16/03/16 16/03/16 4/04/16 4/04/16 4/04/16 4/04/16 4/04/16 4/04/16 5/04/16 5/04/16 5/04/16 5/04/16 5/04/16 5/04/16 5/04/16 6/05/16 6/05/16 1/06/16	Commercial Law Commercial Law Litigation Commercial Law Litigation Commercial Law Commercial Law Commercial Law Commercial Law Commercial Law Commercial Law Commercial Law Litigation Commercial Law Commercial Law Commercial Law Commercial Law Commercial Law Commercial Law Property Management/Corporate Commercial Law Commercial Law Commercial Law Commercial Law Management/Corporate Management/Corporate Management/Corporate Commercial Law Property Commercial Law Litigation Litigation Litigation Litigation Litigation Commercial Law Litigation Property Litigation Litigation Litigation Litigation Property Commercial Law Property Commercial Law Commercial Law Management/Corporate Property Commercial Law Commercial Law	Townsville	794.20 6,395.40 203.70 209.00 459.80 1,307.90 710.60 1,226.50 1,045.00 3,059.10 81.87 541.20 451.00 180.40 135.30 225.50 180.40 1,398.10 315.70 315.70 496.10 1,307.90 1,713.80 2,074.60 360.80 631.40 404.14 1,127.50 2,525.60 4,059.00 338.25 338.25 1,375.55 608.85 360.80 270.60 451.00 9,240.00 676.50 496.10 451.00 451.00 451.00 5,186.50 3,021.70 2,480.50 496.10 4,104.10 583.00 992.20 541.20 1,037.30 1,321.20

	(53)			
Boulton Cleary & Kern Lawyers Mr Martin Smith (Solicitor)	23/11/16	Workplace Law	Townsville	1,485.00
	5/02/16	Workplace Law		704.00
	9/02/16	Workplace Law		1,177.00
	23/02/16	Workplace Law		1,375.00
	1/06/16	Workplace Law		154.00
	1/06/16	Workplace Law		605.00
	(6)			

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

1.2.3 Review of Operations

Benefits from Recharge Operations

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



Figure 1: Water Distribution Channel

Natural Recharge

Rainfall at the Ayr gauging station and Home Hill depot measured a total of 511.5mm and 511mm respectively for the full 2015-16 financial year and is a little more than half of the area's average rainfall for the period. Prior to 2015-16 below average rainfall was received for the previous 3 years – as detailed on page 10 under "Opportunities & Challenges". The Burdekin was drought declared during this reporting period. Subsequently, there were significant declines in groundwater levels during the financial year. The majority of the groundwater declines occurred during the first half of the financial year due to the lack of rainfall and high demand for irrigation within the authority area.

As depicted in figure 3, the Burdekin Falls Dam water level declined to approximately 40% during the first half of the financial year, however filled to capacity in March, 2016. The low water level within Burdekin Falls Dam was due to the lack of rainfall and drought conditions over Northern Australia and resulted in severe water restrictions being implemented within the authority area in the first half of the financial year. There were no major river outflows in the area during the reporting period.

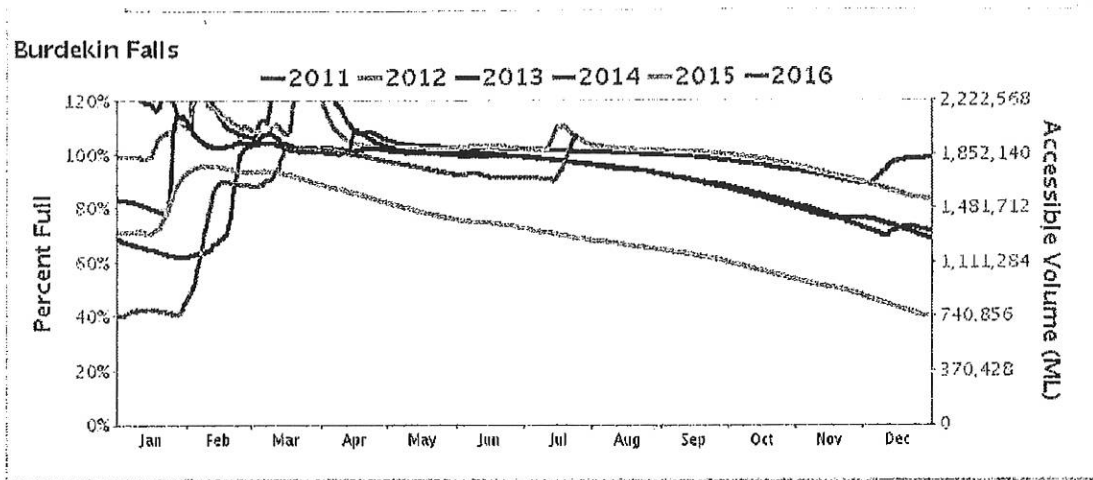


Figure 2: Burdekin Falls Dam - Water Levels (Source Bureau of Meteorology Website)

The second half of the financial year has provided a greater frequency of rain events and opportunity for natural recharge, artificial recharge as well as a reduction in the water demand from irrigation.

Artificial Recharge

Lower Burdekin Water's announced Water Allocation (water available) to distribute within its authority area for aquifer replenishment and open water supply was significantly reduced in the first half of the financial year due to the low levels within the Burdekin Falls Dam. Lower Burdekin Water introduced water supply restrictions to its open water supply in response to the reduced water allocation to ensure it had adequate volumes of water to continue with its artificial recharge activities and account for its water losses. The open water supply restrictions were progressively reduced throughout the financial year as more water became available from SunWater and better than budgeted performance, in relation to internal water efficiencies.

Irrigation demand in the first half of the financial year was well above normal levels due to the lack of rainfall and an early finish to the seasonal sugarcane harvesting period, which impacted on water usage, pumping costs and groundwater levels.

Artificial recharge pits were used throughout the reporting period and accepted varying amounts of water dependant on the turbidity levels of the river water. Recharge activities are halted once turbidity levels are too high. The water levels of the natural lagoons within the area were kept at an acceptable level to benefit the aquifer during the dry periods. The suspended solids (turbidity) in the river water stayed low during the first half of the financial year and increased to very high levels following the rain events during the second half of the financial year. Artificial recharge was restricted during the first half of the reporting period due to the reduced SunWater announced water allocation (63%), which affected the overall groundwater recharge for the year. Despite the elevated suspended solids in the river water in the second half of the reporting period, Lower Burdekin Water continued to pump river water into its artificial recharge pits in response to the low aquifer levels.

The river pumping summaries shown in Table 2 and 3 below confirms a total of 239,910 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 141,690ML for the full financial year.

Table 2: Pumping Summary - Northern Division

Month	Rocks	Plantation Creek	Rita Island	2015 2016	2014 2015	2013 2014	2012 2013	2011 2012
Jul	1,8683	3,710	783	6,356	9,386	6739	0	4433
Aug	3,066	3,995	718	7,779	5,170	11709	3733	4966
Sep	3,982	5,078	625	9,685	10,806	8859	9058	10315
Oct	4,192	8,145	1,077	13,414	14,140	21284	11216	10745
Nov	4,987	10,056	925	15,968	20,390	15442	16644	14788
Dec	6,618	10,071	1,475	18,164	22,183	26474	17890	18878
Jan	5,423	10,542	1,332	17,297	11,726	14485	8861	8461
Feb	5,611	10,497	727	16,835	16,042	4896	3869	3191
Mar	2,390	3,119	411	5,920	17,628	12804	7727	0
Apr	5,514	7,887	1,112	14,513	17,942	3714	8902	8724
May	6,473	8,919	1,314	16,706	13,934	10069	7073	6066
Jun	2,389	3,894	522	6,805	8,215	4649	2283	212
Totals	52,508	85,913	11,021	149,442	167,562	141,124	97,256	90,780

** Water harvest amounts have not been deducted. Water Harvest = 3,396ML

Table 3: Pumping Summary - Southern Division

Month	W/Gully	McDowell's	D/River	2015 2016	2014 2015	2013 2014	2012 2013	2011 2012
Jul	2,031	2,389	416	4,836	7,451	6,520	0	4,777
Aug	2,182	2,167	269	4,618	4,332	6,890	1,911	4,323
Sept	2,976	2,596	448	6,020	7,329	7,969	5,500	6,343
Oct	3,939	3,118	898	7,955	8,814	9,995	8,706	6,795
Nov	4,094	4,121	1,820	10,035	10,187	8,312	9,974	7,425
Dec	3,818	4,595	1,726	10,239	11,741	12,485	12,297	8,938
Jan	2,596	3,491	1,721	7,808	4,771	12,327	8,224	6,023
Feb	3,418	4,814	1,189	9,421	9,810	3,636	4,496	4,046
Mar	1,693	2,402	645	4,740	12,454	8,161	4,073	400
Apr	3,824	5,053	1,321	10,198	9,692	1,415	5,967	3,824
May	3,979	4,667	807	9,453	10,555	6,002	7,388	4,569
Jun	2,261	2,816	68	5,145	2457	1,884	6,728	444
Totals	36,911	42,229	11,328	90,468	99,593	85,596	75,733	57,907

** Water harvest amounts have not been deducted. Water Harvest = 1,629ML

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

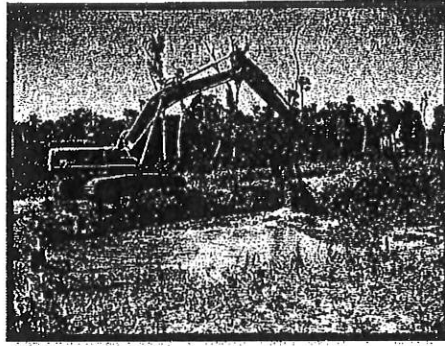


Figure 3: Channel Cleaning Using Mechanical Methods

New Initiatives

Lower Burdekin Water continued working with the local NRM group NQ Dry Tropics on the system repair project. The system repair project is about improving water quality and rehabilitating areas where the ecological condition is in decline. The objective of the project is to return the wetting and drying cycle, where feasible and appropriate, to the shallow wetlands in the lower Burdekin's coastal catchments.

Lower Burdekin Water implemented a new water transfer agreement in which customers could access and utilize unused capacity within Lower Burdekin Water's water delivery system to transfer third party water to their pumping outlets. The transfer agreement was implemented by Lower Burdekin Water to assist growers in accessing additional water allocation during the water constrained period. Appropriate safeguards were included in the agreements to ensure there were no detrimental impacts on LBW and ratepayers of the authority.

Opportunities and Challenges

During the 2015-16 financial year, the Lower Burdekin Water authority area was impacted by a severe El-Nino and received a little more than half the average rainfall, with the majority of the rainfall falling in the second half of the financial year. This follows three previous years of lower than average rainfall coupled with a lack of flood events in the Burdekin River. These two factors have reduced the natural recharge of the groundwater system within the authority area. The hot and dry conditions also increased the irrigation demand within the authority area. Subsequently, groundwater levels within the authority area and water levels in the Burdekin Falls Dam continued to decline during the first half of the reporting period.

Lower Burdekin Water monitored the situation and data during the reporting period. Based on the information reviewed, Lower Burdekin Water implemented water restrictions early in the 2015-16 financial year. Groundwater levels within the authority area declined rapidly in the first half of the financial year and were closely monitored throughout 2015-16. Lower Burdekin Water engaged industry stakeholders including growers, millers, productivity boards, the Burdekin Shire Council and the general public with a series of shed meetings, presentations, newsletters, letters and articles in the local newspaper to articulate the seriousness of the situation and risks associated with the drought and water shortages. The communication continued throughout the financial year. This situation placed a lot of pressure on Lower Burdekin Water infrastructure, Directors and Staff.

Work continued on improving ecological functionality within Lower Burdekin Water's distribution system and natural lagoons within the authority area. This work is being completed in partnership with the Burdekin Shire Council and NQ Dry tropics. Lower Burdekin Water will continue to actively identify areas which can be improved and will endeavor to work with research institutions to ensure investment decisions will deliver ecological improvements and value for money.

Lower Burdekin Water continued investigations into renewing some of their major pumping infrastructure in the Southern Division. The existing infrastructure has been in service for 50 years and peak flow water demand has outstripped Lower Burdekin Water's ability to supply in certain areas of the water authority. Lower Burdekin Water has committed to developing a robust business case to evaluate the renewal of infrastructure to address the age of the assets, levels of service within the existing authority area as well as potential expansion of the area serviced.

Matters of Interest

Bulk Water Pricing

Any significant changes to the current bulk water pricing arrangements would detrimentally impact the authority's ability to service its authority area to the same service standards and to meet its environmental mandate.

Native Title Claim

The Bindal people have filed a native claim over land which includes land within the authority area. Lower Burdekin Water is concerned to ensure continued access too and use of state owned land upon which its infrastructure is located.

Riparian Growers

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

Groundwater Monitoring

Lower Burdekin Water has continued to collect data from their groundwater meters to better understand groundwater consumption and water usage for crops within the area. This initiative is to utilise local knowledge and collect data on groundwater consumption. The exercise will take into consideration, soil type, hectares and other issues deemed necessary for water monitoring. During this reporting period there were a total of 13 groundwater meters in operation within Lower Burdekin Waters area.

1.2.4 Capital Works

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

Infrastructure

The capital expenditure approvals were obtained for the major refurbishment of the existing Lilliesmere Pump Station located in the Northern Division. All major components such as the pumps, pump tubes, switchboard and switch-house were ordered ready for the construction phase of the project due to commence in the 2016-17 financial year. The purpose of the project

is to address fundamental problems associated with the existing pump station as well as a requirement to increase its capacity. The major problems with the existing pump station being addressed by the project are:

- Out dated and hazardous electrical system and motor control room;
- Non-compliant and hazardous access system to motors and motor control room;
- Inability to access spare components for pumps and pump tubes;
- Total loss lubrication system;
- Inadequate capacity; and an
- Inability to measure flow rate and perform condition monitoring functions.

Capital expenditure approvals were obtained for the replacement of a 1,100m section of pipeline along Mann Road within the Southern Division. The detailed design and supply tenders for the components and pipes for the new section of pipeline were also completed. The installation of the new pipeline will be complete during 2016-2017.

Two new AWMA flow control gates were installed into Lower Burdekin Water channel systems. The two gates were installed into structures located along Sheepstation Creek in the Northern Division. The new gates will be used to:

- Eliminate existing workplace health and safety hazards;
- Improve control of water within the system;
- Improve drainage capacity within the system; and
- Reduce labour input to operate the system.

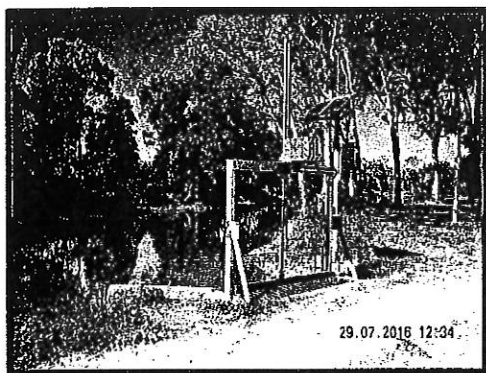


Figure 4: New automated gate installations

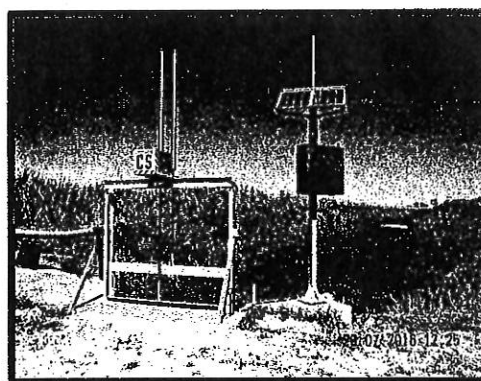


Figure 5: New automated gate installations

Plant and Equipment

Four new replacement four-wheel drive vehicles, a new Komatsu PC300LC-8MO hydraulic excavator, a new computer system, a new workshop gantry crane and 56 new open water meters were purchased and commissioned by Lower Burdekin Water during the reporting period as part of its asset renewals.

Asset Maintenance Management Program

Lower Burdekin Water is committed to the long-term maintenance of its assets for sustainable service provision. Reflecting this commitment, the Board will refine the current asset maintenance and refurbishment program during the 2016-17 financial year. The program must

ensure that customers continue to receive the current high standards of service over the long-term, but at the minimum possible cost. As part of the budgeting process, asset maintenance and refurbishment programs are reviewed and planned accordingly.

A five-year capital plan has been developed by Lower Burdekin Water and will be reviewed and refined each year. The future renewals of existing infrastructure will be directly linked and incorporated into the five and ten year capital plans.

1.2.5 Review of Proposed Forward Operations

The operational activities during the coming twelve months will be generally similar to previous years. Erection of sand dams within the Burdekin River, ongoing channel maintenance, aquifer recharge activities, reporting, pumping and distribution of river water throughout the authority area will remain the main focus of the operational staff at Lower Burdekin Water.

The low groundwater levels within the authority area will be key focus for Lower Burdekin Water and recharge activities will be prioritized when turbidity levels allow. Lower Burdekin Water will endeavor to better utilize the groundwater model whenever possible to assist in its decision making.

Lower Burdekin Water has a number of large infrastructure projects moving into construction phases during the 16-17 financial year. Safe and successful execution of each of the project will be another key focus area for the business.

While the formal 2016-17 strategic plan is still under development by the new board, some of the main goals for Lower Burdekin Water in the 2016-17 financial year include:

- Delivery of the capital works program;
- Review and updates to the Boards risk management system;
- Research and development to better understand the groundwater systems;
- Development of a ground water policy in preparation for a groundwater ROL;
- Development of the Warren's Gully Upgrade project;
- Development of the Strategic Asset Management Plan and condition assessment reports to move to a renewals annuity structure;
- Refine the current 5 and 10-year capital management plans; and
- Development and implementation of the memorandum of understanding between Lower Burdekin Water and the Burdekin Shire Council regarding shared assets.

Lower Burdekin Water has submitted two applications for proposed borrowings in the 2016-17 financial year to undertake two major infrastructure projects and our budgeting process has taken into account all expenses to maintain the services and complete the capital works.

Lower Burdekin Water has reviewed and approved its rates and charges for the next twelve months and believes the current revenue regime is sufficient to cover all anticipated expenses and the entity has adequate reserve funds to cover unforeseen/urgent expenditure. There was a 2.36% increase to the existing area rates and charges in the Northern Division and a 4% increase to the existing area rates and charges in the Southern Divisions. The area rates are levied on ratepayers on a per hectare basis who undertake irrigated agriculture and sugar millers within the authority area of the Board.

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

2. Non-Financial Performance

2.1 Government Objectives for the Community

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

Lower Burdekin Water provides services that meet the government objective of protecting the environment, such as ensuring sustainable management of natural resources.

2.2 Other Whole-of-Government Plans/Specific Initiatives

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

2.3 Objectives and Performance Indicators

Lower Burdekin Water objectives, as listed in its 2015-16 strategic plan, are:

- Maintain the aquifer heights at a manageable level within the authority area, which prevents seawater intrusion;
- Safely and reliably distribute water throughout the authority area at the lowest sustainable price for stakeholders;
- Maintain assets and infrastructure to ensure reliable water supply for the future;
- Provide proactive and transparent governance and management of the authority's operations;
- Develop and implement fair and equitable policies;
- Provide leadership and innovation within water industry;
- Expand the managed area; and
- Ecological sustainability (maintaining environmental flows, native fish passage and system health).

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

Lower Burdekin Water met a number of key performance indicators and objectives for the 2015–16 reporting period, as follows:

- Safe distribution of water throughout the authority area;
- Review of key existing policies;
- New Health and Safety system implementation;
- Important staff training completed;
- Reporting deadlines and milestones met;
- Alignment of existing capital approvals process and incorporation of options analysis;
- Extensive analysis performed on existing data in preparation for key policy changes and water restrictions;
- Capital approvals obtained for the refurbishment of critical infrastructure; and

- Stakeholder meetings completed for changes in operations.

With regard to the entity's longer-term objectives, where performance targets were not achieved this reporting period, Lower Burdekin Water reports that progress will be monitored more closely and additional resources deployed over the 2016-17 financial year.

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

<p>Knowledge gaps identified</p> <p>Plan developed to collect missing knowledge</p>		<p>Stakeholders identified and engaged</p> <p>Meeting commenced</p>
<p>Develop and implement an effective risk management system</p> <p>Time made available to staff and board</p> <p>Ensure items are formally discussed</p> <p>Approval milestones of plans and budget met</p>		
<p>Benefit and options analysis incorporated in approval process</p> <p>Number of projects identified with analysis completed</p> <p>Scopes, budgets, schedules and plans developed and reported</p>		
<p>Pre-investment: New technology identified and assessed for : Post-investment: Review outcomes of investment to gauge time, cost and efficiencies achieved).</p> <p>Maintain appropriate skills matrix</p> <p>Staff training requirements identified and training completed</p> <p>Approval milestones of plans and budget met</p> <p>Plan reviewed annually</p>		
<p>Capital planning meeting with staff, board and relevant stakeholders documented each year</p> <p>Report milestones met with correct information presented</p> <p>Number of meetings held with each stakeholder group</p> <p>Gap review completed for key legislation</p> <p>Monitoring program established and stakeholder meetings conducted</p> <p>Risk register reviewed by staff and board annually</p> <p>Training requirements included in performance reviews</p> <p>Relevant consultation meetings documented prior to policy development</p> <p>Active participation in state and national water forums for irrigation</p> <p>Number of practice changes improving water efficiency</p> <p>Evaluation and response completed for formal requests</p>		
<p>Fish migration numbers</p> <p>Water sampling completed</p> <p>Aquifer heights monitored</p>		

2.4 Outputs and Output Performance Measures

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

3. Financial Performance

3.1 Summary of Financial Performance

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

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

Table 5: External Funding Details

Organisation Providing Funds	Amount	Purpose - Grant
NQ Dry Tropics	\$111,000	Work completed in relation to the System Repair Project

Lower Burdekin Water did not have any borrowings during the 2015-2016 financial year therefore was never in a situation for loan indebtedness.

Lower Burdekin Water, however, did submit two separate applications for borrowings with the Department of Natural Resources and Mines in 2016-2017 financial year to complete two separate capital infrastructure projects. The first capital project is to replace a 1,100m long section of a large diameter pipeline due to leakage problems with the existing pipeline. The second project is to construct a new river pumping station within the Burdekin River to replace the existing pumping station.

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

4. Governance-Management Structure

4.1 Organisational Structure

Composition of Lower Burdekin Water:

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

Directors appointed at 30 June 2016 are listed in Table 6 below:

Table 6: Directors appointed at 30 June 2016

Name	Position	Current Term	First Appointed
Mr Michael Caspanello		16 Jun 2016 - 30 Jun 2016	18 Feb 2015*
Mrs Tracey Garzotto		16 Jun 2016 - 30 Jun 2016	18 Feb 2015*
Mr Ross Lewis		16 Jun 2016 - 30 Jun 2016	18 Feb 2015*
Mr Peter Larsen		16 Jun 2016 - 30 Jun 2016	18 Feb 2015*
Mr Con Christofides		16 Jun 2016 - 30 Jun 2016	18 Feb 2015*
Mr Mark Castelanelli		16 Jun 2016 - 30 Jun 2016	18 Feb 2015*
Mr Murray Cannavan		16 Jun 2016 - 30 Jun 2016	18 Feb 2015*

* Appointed to the LBW interim board at change-over day.

In line with the regulation, until the board of Lower Burdekin Water was appointed under section 600 of the Act, Lower Burdekin Water was administered by an interim board made up of each person who, immediately before the amalgamation of the North Burdekin Water Board and the South Burdekin Water Board, was a director of 1 or more of—

- a) the North Burdekin Water Board; or
- b) the South Burdekin Water Board.

Mr Michael Hoey (Chairperson), Mr Michael Caspanello (Deputy Chairperson), Mr Mark Castelanelli, Mr Con Christofides, Mr Murray Cannavan, Mr Lou Loizou, Mr Joe Linton, Mrs Tracey Garzotto, Mr Peter Larsen and Mr Ross Lewis made up the interim board of Lower Burdekin Water.

Lower Burdekin Water completed its first election process of directors to the board in November 2015. The following directors left their position on the board once the new directors were appointed by the Minister on the 16th of June 2016 and the interim board was replaced by the new board of LBW:

- Mr Michael Hoey;
- Mr Lou Loizou; and
- Mr Joe Linton.

The departing directors of Lower Burdekin Water had approximately 41 years of service between them with either the North and South Burdekin Water Boards as well as Lower Burdekin Water. Lower Burdekin Water appreciates and acknowledges the input and leadership of the departing directors over many years of service.

4.2 Executive Management

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

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

Table 7: Lower Burdekin Water Current Management Team

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

Mr David Brooks (Operations Manager of the former North Burdekin Water Board and later the Northern Division of Lower Burdekin Water) retired in July 2015 following a period of long service leave.

4.3 Government bodies (statutory bodies and other entities)

Attachment 4 outlines meeting and remuneration information for the water authority for the 2015–16 reporting period. DNRM will make this information available on its website alongside the 2015–16 summary annual report of Queensland’s category 2 water authorities.

4.4 Public Sector Ethics Act 1994

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

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

4.5 Public Interest Disclosures Act 2010

The water authority has adopted by resolution the procedures accessible at the following website of the Department of Natural Resources & Mines:
<http://www.dnrm.qld.gov.au/water/authorities>

5. Governance – Risk Management and Accountability

5.1 Risk Management (see Attachment 8)

The Finance and Technical Committees meet regularly to review detailed analysis of data and operational aspects of the organisation to develop and recommend budgets, strategies, policy position and insurance to the Board.

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

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

5.2 Audit Committee

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

5.3 Internal Audit

When required, the water authority undertakes internal audit functions. There is nothing in this regard to report for 2015-16.

5.4 External Scrutiny

Lower Burdekin Water employed:

- Hughes Health & Safety to audit Lower Burdekin Water’s existing workplace health and safety system and to provide recommendations to address any shortcomings. The audit and site inspections were completed in the beginning of the reporting period. A new Workplace Health and Safety System and Manual was subsequently developed and implemented by the board as per recommendations from the audit and site inspections. Staff and Directors were familiarized with the new system and manual;

- Mainstream Economics and Policy to review and provide recommendations regarding Lower Burdekin Water's water pricing structure. The recommendations were adopted and implemented by Lower Burdekin Water; and
- Moore Stephens to review and provide recommendations on Lower Burdekin Water's depreciation standard and related party policy. The recommendations were adopted and implemented by Lower Burdekin Water and relevant staff and directors familiarized with the policy.

6. Governance – Human Resources

6.1. Workforce Planning and Performance (staffing)

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

Lower Burdekin Water employed seventeen (17) staff during the 2015-2016 financial year, each working 38 hours per week. Lower Burdekin Water employed two (2) staff members during the 2015-2016 financial year on a casual basis. There were no resignations and one retirement during the 2015-2016 financial year. Staff received training in AICD - Governance Foundations for Not-for-Profit Directors (full program), advanced excel, first aid, tax and payroll, working at heights, confined space entry, workplace health & safety, new and updated policies where necessary and participated in workshops with the local natural resources management (NRM) organisation.

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

6.2. Early Retirement, Redundancy and Retrenchment

No redundancy/early retirement/retrenchment (delete as appropriate) packages were paid during the period.

7. Governance – Operations

7.1 Consultancies

Table 8: Monies Paid To Consultants by Lower Burdekin Water

Consultancy category	Expenditure (\$)
Consultants - Management <ul style="list-style-type: none"> • WH&S 	\$ 8,173.00
Consultants - Human resources management <ul style="list-style-type: none"> • Recruitment and EA work: 	\$ 9,474.67
Consultants – Communications <ul style="list-style-type: none"> • Water Restrictions 	\$ 264.00

Consultants - Finance/accounting <ul style="list-style-type: none"> • Policy review and audit: • Water pricing review: 	\$ 5,087.50 \$ 3,696.00
Consultants - Professional/technical <ul style="list-style-type: none"> • Technical advice: • Water transfer advice: • Asset valuations: 	\$ 2,750.00 \$ 9,119.00 \$ 2,750.00
Total	\$ 41,314.17

7.2 Overseas Travel

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

7.3 Information Systems and Recordkeeping

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

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

7.4 Open Data

In accordance with the Annual Report Requirements 2015–16, a number of annual reporting requirements will be published by DNRM on behalf of the water authority through Queensland Government Open Data including consultancies, overseas travel, Queensland language services policy, and government bodies.

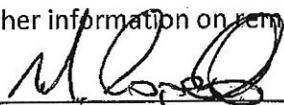
8. Financial Statements

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

8.1 Remuneration Disclosures

Remuneration paid to chairperson	\$ 12,740.00
Remuneration paid to directors	\$ 71,800.00
Total Paid	\$ 84,540.00

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



Signature of chairperson

Dated 29-07-2016

Annual Reporting 2015–16

**CATEGORY 2 WATER AUTHORITIES STATISTICAL INFORMATION
AS AT 30 JUNE 2016**

Name of entity: **Lower Burdekin Water**

<p>1. Number of rural and urban properties serviced by the water authority.</p>	<p>URBAN: Commercial: 3 Sugar Mills, Burdekin Shire Council groundwater sourced urban supply (underground bores) Residential: NA</p> <p>RURAL: 623 farms _____</p>
<p>2. Total hectares within the water authority's authority area.</p>	<p align="center">75,850 hectares</p>
<p>3. Length in kilometres of all drains/pipelines/ channels (whichever is applicable) under the water authority's control.</p>	<p>Drains: 0 km</p> <p>Pipelines and Channels: 333.25 km</p>
<p>4. Description of other infrastructure owned by the water authority, e.g. weirs, pumps</p>	<p>River Pump Stations: 6 Relift Stations: 12</p>
<p>5. Total volume (megalitres) of water supplied (if applicable).</p>	<p>Total water pumped from river: 239,910 ML</p>
<p>6. The rate or charge structure levied by the water authority in 2015–16.</p>	<p>Northern Division</p> <p><input type="checkbox"/> \$ 18.57 per ML (Volumetric)</p> <p><input type="checkbox"/> \$ 129.57 per hectare (Rates)</p> <p><input type="checkbox"/> Other, Excess \$ 14.00 per ML</p> <p>Southern Division</p> <p><input type="checkbox"/> \$ 14.32 per ML (Volumetric)</p> <p><input type="checkbox"/> \$ 122.04 per hectare (Rates)</p> <p><input type="checkbox"/> Other, Excess \$ 14.00 per ML</p>

ATTACHMENT 4

Annual Reporting 2015–16

GOVERNMENT BODIES (STATUTORY BODIES AND OTHER ENTITIES)

LOWER BURDEKIN WATER	
Act or instrument	Water Act 2000
Function	To manage and maintain in a sustainable manner the aquifer and water supply needs for the Board's defined benefited area.
Achievements	Despite reduced water allocation available to distribute within the authority area for the first half of the financial year and above average irrigation demands Lower Burdekin Water was able to successfully meet the irrigation requirements of ratepayers. A total of 239,910 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 141,690ML for the full financial year.
Financial reporting	Not exempted from audit by the Auditor-General. Transactions of the entity are accounted for in the financial statements, which are audited by distance audit procedures.

Remuneration

Position	Name	Meetings attended <i>(Insert number)</i>	Approved annual or daily fee <i>(half daily fee paid if under 4 hrs)</i>	Approved sub-committee fees if applicable	Actual fees received	
Chair	Michael Hoey	<i>over 4 hrs</i>	13	\$520.00	\$520.00	\$6,760.00
		<i>under 4 hrs</i>	23	\$260.00	\$260.00	\$5,980.00
Director (Deputy Chair)	Michael Caspanello	<i>over 4 hrs</i>	29	\$400.00	\$400.00	\$11,600.00
		<i>under 4 hrs</i>	37	\$200.00	\$200.00	\$7,400.00
Director	Murray Cannavan	<i>over 4 hrs</i>	15	\$400.00	\$400.00	\$6,000.00
		<i>under 4 hrs</i>	8	\$200.00	\$200.00	\$1,600.00
Director	Mark Castelanelli	<i>over 4 hrs</i>	11	\$400.00	\$400.00	\$4,400.00
		<i>under 4 hrs</i>	6	\$200.00	\$200.00	\$1,200.00
Director	Constantine Christofides	<i>over 4 hrs</i>	15	\$400.00	\$400.00	\$6,000.00
		<i>under 4 hrs</i>	7	\$200.00	\$200.00	\$1,400.00
Director	Ross Lewis	<i>over 4 hrs</i>	3	\$400.00	\$400.00	\$1,200.00
		<i>under 4 hrs</i>		\$200.00	\$200.00	-
Director	Joseph Linton	<i>over 4 hrs</i>	18	\$400.00	\$400.00	\$7,200.00
		<i>under 4 hrs</i>	7	\$200.00	\$200.00	\$1,400.00
Director	Lou Loizou	<i>over 4 hrs</i>	18	\$400.00	\$400.00	\$7,200.00
		<i>under 4 hrs</i>	5	\$200.00	\$200.00	\$1,000.00
Director	Peter Larsen	<i>over 4 hrs</i>	18	\$400.00	\$400.00	\$7,200.00
		<i>under 4 hrs</i>	8	\$200.00	\$200.00	\$1,600.00
Director	Tracey Garzotto	<i>over 4 hrs</i>	8	\$400.00	\$400.00	\$3,200.00
		<i>under 4 hrs</i>	11	\$200.00	\$200.00	\$2,200.00
Total remuneration paid <i>(add actual fees received column)</i>					\$ 84,540.00	

No. scheduled meetings	Ordinary Meetings – 50 Sub Committee Meetings - 31		
Average duration of meetings held (please tick one) ✓	Daily meetings		Sub-committees (if applicable)
	< 2 hours		< 2 hours
	> 2 to < 4 hours		> 2 to < 4 hours ✓
	> 4 hours ✓		> 4 hours
Total out of pocket expenses	\$ N/A		

LOWER BURDEKIN WATER - Additional information

Appointing authority	Minister for Natural Resources and Mines		
Remuneration category	Regulation, Administration and Advice – Level 2 (Lower Burdekin Water)		
Funding (please tick all applicable) ✓		Qld State Government	(please specify)
	✓	Non-government	(please specify) e.g. Levies / water charges / rates
		Other	(please specify)
Equal employment opportunity census (please indicate numbers, e.g. 3)	Target group	Male	Female
	Aboriginal and Torres Strait Islander People	N/A	N/A
	People with a disability	N/A	N/A
	People with non-English speaking background	N/A	N/A
	Women	—	1

Contact officer & position	David Sartori – Executive Officer
Telephone	07 4783 1988
Email	david.sartori@lowerburdekinwater.com.au
Additional information if required	

ATTACHMENT 5

Annual Reporting 2015–16

FEEES PAID TO BARRISTERS AND SOLICITORS

Name of entity: Lower Burdekin Water

Name of portfolio: Natural Resources & Mines

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) \$
Boulton Cleary & Kern Lawyers Ms Jade Connor (Solicitor)	22/07/15 (1)	Management/Corporate	Townsville	1,870.00
Boulton Cleary & Kern Lawyers Ms Samantha Cohen (Solicitor)	22/07/15 24/07/15 24/07/15 4/09/15 4/09/15 4/09/15 4/09/15 4/09/15 4/09/15 4/09/15 8/10/15 8/10/15 8/10/15 8/10/15 8/10/15 8/10/15 28/10/15 28/10/15 28/10/15 4/12/15 4/12/15 4/12/15 11/12/15 18/12/15 1/02/16 1/02/16 1/02/16 1/02/16 14/03/16 16/03/16 16/03/16 16/03/16 16/03/16 16/03/16 16/03/16 16/03/16 4/04/16 4/04/16 4/04/16 4/04/16 4/04/16 4/04/16 5/04/16 5/04/16 5/04/16 5/04/16	Litigation Commercial Law Litigation Commercial Law Commercial Law Commercial Law Commercial Law Commercial Law Commercial Law Litigation Commercial Law Commercial Law Commercial Law Commercial Law Commercial Law Commercial Law Commercial Law Property Management/Corporate Commercial Law Commercial Law Commercial Law Commercial Law Commercial Law Management/Corporate Management/Corporate Management/Corporate Commercial Law Property Commercial Law Litigation Litigation Litigation Litigation Litigation Commercial Law Litigation Property Litigation Litigation Litigation Litigation Litigation Property Commercial Law Property Commercial Law	Townsville	203.70 209.00 459.80 1,307.90 710.60 1,226.50 1,045.00 3,059.10 81.87 541.20 451.00 180.40 135.30 225.50 180.40 1,398.10 315.70 315.70 496.10 1,307.90 1,713.80 2,074.60 360.80 631.40 404.14 1,127.50 2,525.60 4,059.00 338.25 338.25 1,375.55 608.85 360.80 270.60 451.00 9,240.00 676.50 496.10 451.00 451.00 451.00 5,186.50 3,021.70 2,480.50 496.10

	5/04/16	Commercial Law		4,104.10
	5/04/16	Commercial Law		583.00
	5/04/16	Management/Corporate		992.20
	6/05/16	Property		541.20
	6/05/16	Commercial Law		1,037.30
	1/06/16	Commercial Law		1,321.20
	(51)			
Boulton Cleary & Kern Lawyers Mr Martin Smith (Solicitor)	23/11/16	Workplace Law	Townsville	1,485.00
	5/02/16	Workplace Law		704.00
	9/02/16	Workplace Law		1,177.00
	23/02/16	Workplace Law		1,375.00
	1/06/16	Workplace Law		154.00
	1/06/16	Workplace Law		605.00
	(6)			

*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).

Annual Reporting 2015-16

Budget for the Financial Year Commencing 1 July 2016

Name of Entity: Lower Burdekin Water

		Estimated 2016-17	Actual 2015-16
		\$	\$
	Opening Balance	619,734	
Revenue			
	Rates and Charges	7,905,685	7,796,933
	Interest Earned	134,322	175,607
	Other Income	104,000	386,065
	Transfers from Other Funds		
	GST collected on sales		
	GST Input Tax Credits Received		
	Sub Total	8,763,741	8,358,605
Expenditure			
	Administration Expenses	548,719	343,177
	Operation and Maintenance	6,009,741	6,026,548
	Interest on Loans	73,945	
	Loan Redemptions		
	Transfer to Other Funds		
	Purchase of Land and Buildings	300,000	
	Purchase of Plant, Equipment and Motor Vehicles	493,000	372,663
	GST paid on purchases		
	GST remitted to ATO		
	Other Costs	1,027,043	996,483
	Sub Total	8,452,449	7,738,871
	Closing Balance	311,292	619,734

*Please ensure the Closing Balance 2015-16 (preferably the audited figure) is the Opening Balance for 2016-17 budget

a. See Notes on next page

Notes:

1 Other Income

- **Details source and amount from each source:** Figures relate to plant hire, grants, sale of structures, sundry income and gain on sale of plant and equipment.

2 Include details of where Funds have been transferred from

- Refer paragraph 6 in Attachment 1

3 Administration Expenses -

	Estimated 2016- 17	Actual 2015-16
Authority Members' Fees and Allowances -		
• Meeting Sitting Fees	<u>57,800</u>	<u>70,340</u>
• Travel Allowances		
• Special Assignment Fees		
Secretary's Allowance		
Salaries and Wages	<u>57,800</u>	<u>70,340</u>
Authority Contributions – Employees' Superannuation Scheme		
Insurances	<u>83,791</u>	<u>82,398</u>
Rates and Charges	<u>212,928</u>	<u>19,714</u>
Bank Charges	<u>1,482</u>	<u>1,303</u>
Interest Charges		
Audit Fees	<u>33,918</u>	<u>35,530</u>
Legal Fees	<u>100,000</u>	<u>63,101</u>
Miscellaneous	<u>1,000</u>	<u>452</u>
Total	<u><u>548,719</u></u>	<u><u>343,177</u></u>

4 Include details of where Funds have been transferred to

5 Has the Authority given the Minister a Section 580 Notice? - Yes.

6 Specify as Note if material - Figures relate to depreciation expense and loss on sale of plant and equipment.

Annual Reporting 2015-16

NOTICE OF PROPOSED SIGNIFICANT ACTION

Section 580 *Water Act 2000*¹

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

✓	<p>Activities that the water authority believes may prevent or have a significant adverse effect on the Authority performing its main function—</p> <p>(a) <i>Unexpected weather activities like cyclones, floods, excessive and minimal rainfall.</i></p>
✓	<p>The water authority proposes to purchase the following property for more than \$100,000—</p> <p>(a) <i>Lower Burdekin Water proposes to purchase a property for more than \$100,000 for the 2016-17 financial year. Lower Burdekin Water has budgeted \$300,000 to purchase a parcel of land in the Lower Burdekin Authority Area. The location of the land is unknown at this stage as initial designs and analysis have not yet been performed.</i></p>
✓	<p>The water authority proposes to sell the following water authority property for more than \$100,000—</p> <p>(a) <i>Lower Burdekin Water does not propose to sell any property for more than \$100,000 for the 2016-17 financial year.</i></p>

Signed:


 Michael Caspanello Chairperson Lower Burdekin Water

Date: 29-07-2016

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.

¹ Extract attached.² To be given before undertaking the proposed significant action.

Annual Reporting 2015-16

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 why 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 and attached its budget for the next financial year¹?</p> <ul style="list-style-type: none"> If not, please provide reasons why 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? 	<p>Yes</p> <p>No</p>
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 not²? 	<p>Yes</p> <p>N/A – Bank reconciliations are prepared monthly</p>
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? 	<p>No</p> <p>Yes</p> <p>No</p>

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, Catchment 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 DNRM 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 DNRM? • If so, how much (\$ and note the terms) and when approved. 	<p>No</p> <p>N/A – No loans were obtained from DNRM</p> <p>No</p> <p>N/A – No debt was drawn down</p>
5	<p>Taking into account the nature and scope of its operations⁵ 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. 	<p>Yes – Major financial risks are investigated during the annual budgeting process. Any major variances to budget are reported to the board on a monthly basis. For capital expenditure as per the authority's policy Capital Expenditure Approvals need to be passed by the board before any large project or development is approved. As per section 580 the authority always gives notice to the minister before carrying out any significant action.</p>
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) 	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>

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

As your authority already uses accrual accounting, please answer the following questions and indicate N/A where appropriate.

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?	1 – The authority was established on the 19/02/15
8	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)? <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	If applicable, is the entity preparing for the introduction of accrual accounting into its operations? <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 2 and 4 above, please **attach a written statement**.

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

Signed:


Michael Caspanello Chairperson

Lower Burdekin Water

Date:

29-07-2016

Annual Reporting 2015-16

ENTITY INDEBTEDNESS STATEMENT

Name of Entity: Lower Burdekin Water

An entity which 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

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:
2	The level of debt at the beginning of the current financial year (1 July):
3	The level of debt at the close of the current financial year (30 June):
4	State how the debt will be serviced in the coming financial year:
5	How will payments be split between interest and principal:
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):
7	Additional information if required:

Signed:


 Michael Caspanello Chairperson

Lower Burdekin Water

Date:

29-07-2016