

Lower Burdekin Water



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Reporting Period 1 July 2017 – 30 June 2018

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1. Introduction

1.1 Agency Role and Main Functions

Lower Burdekin Water

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Lower Burdekin Water 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 a northern and southern division.

Lower Burdekin Water was formed from an amalgamation of the North and South Burdekin Water Boards, which were both originally constituted by Orders in Council on the 13th May, 1965 and 31st March, 1966 respectively. The original constitutions of the former North and South Burdekin Water Boards were to constitute Water Areas and Boards to construct, maintain and administer proposed works to fulfil the purpose of the Boards. The North and South Burdekin Water Board Areas were shown on plans AP7349 and AP6512 respectively. The said areas of the Northern and Southern Burdekin Water Boards were constituted to utilise part of the flow of the Burdekin River to replenish the subterranean water supplies of the northern and southern parts of the Burdekin Delta and to thereby increase the quantity and improve the quality of supply available from this source for irrigation, domestic, stock and industrial purposes.

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

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

- a) to primarily replenish, recharge, manage, distribute and protect groundwater and surface water in the Lower Burdekin Water authority area to the extent permitted by law for the purpose of maintaining ground water levels and to restrict/limit salt water intrusion by the promotion of the conjunctive use of surface water and groundwater;
- b) to represent the interests of ratepayers and customers in the authority area to the extent necessary to achieve the authority's objectives;
- c) to engage in water activities outside the Lower Burdekin Water authority area, provided those water activities do not –
 - i. limit the authority's ability to perform its primary function; or
 - ii. financially prejudice the authority or its ratepayers or customers;
- d) to generate revenue, including by levying rates and charges upon ratepayers and customers;
- e) to construct, acquire, own, operate and maintain infrastructure for the purposes of water distribution and aquifer replenishment and recharge;
- f) to establish and maintain services of a commercial or non-commercial nature in accordance with the purposes of the authority;
- g) to carry out research and development in areas that will add value and/or improve the long term sustainability and health of the Burdekin aquifer and Lower Burdekin Water authority area, and inform ratepayers and customers of the best practice for water use for the services provided by the authority;
- h) to borrow money and to secure funds in accordance with all legislative and regulatory requirements for the purposes of the authority and so as to enable the authority to carry out its functions;
- i) to expend money for the purposes of the authority and to enable the authority to carry out its functions.

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

Lower Burdekin Water has undergone no machinery of government changes during the reporting period. Details and copies of the annual report are available on Lower Burdekin Water’s website and at Lower Burdekin Water offices.

1.2 Operating Environment

1.2.1 Administration

Summary details of Ordinary and Special Meetings/Inspections

Ordinary Meetings	
Board Meetings	11
Subcommittee Meetings	23
Special Meetings/Inspections	45
Total	79

Details of Attendance at Conferences and Workshops

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

- Burdekin Water Forum;
- Brisbane’s QUT Business Leaders’ Forum;
- Knowledge Sharing Workshop;
- Notified Data Breach Seminar; and
- Department of Agriculture and Fisheries (“DAF”) Wetland Treatment System workshop.

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

Policy

The following new policies were implemented by Lower Burdekin Water during the reporting period.

- Risk Management Policy and Framework;
- Asset Management Policy and Strategic Asset Management Plan;
- Surface Water Quality Monitoring Plan;
- Operations Plan; and
- Communications Strategy.

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

Improvements

During the 17-18 financial year, Lower Burdekin Water established a risk and audit committee with an independent chair to oversee the implementation of its new risk management framework. The risk and audit committee held its first meeting in June 2018.

Lower Burdekin Water also developed and implemented a new strategic asset management plan during the 2017-18 financial year. This was the first step in developing asset maintenance and renewals plan for its critical non-current assets. Further work in this space is scheduled for completion during 2018-19 financial year.

A focus group worked with an external consultant to develop a strategy to improve internal and external communications at Lower Burdekin Water. The strategy was adopted by the board in June for implementation during the 2018-19 financial year.

Lower Burdekin Water continued investing in new automated water control gates and variable speed drives for its pumps to improve workplace health and safety, water level and flow control and operational efficiencies.

1.2.2 General

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

Table 1: Fees paid to Barristers and Solicitors

Name of legal firm(s) and Full name(s) & title(s) of each practitioner consulted – please also note if practitioner is a barrister or solicitor (details required for departmental reporting)	No. of briefs paid for and Date(s) briefs were provided	Legal category of service* (please select from list below)	Location of legal service	Amount paid (inc. GST) \$
Cohen Legal Samantha Cohen (Solicitor)	20/07/2017	Native Title	Townsville	\$ 6,737.50
	02/08/2017	Commercial Law		\$ 1,804.00
	02/08/2017	Workplace Law		\$ 3,212.00
	02/08/2017	Native Title		\$ 1,452.00
	03/08/2017	Project and Construction		\$11,704.00
	17/08/2017	Project and Construction		\$ 7,128.00
	11/09/2017	Workplace Law		\$ 220.00
	11/09/2017	Administrative Law		\$ 352.00
	11/09/2017	Workplace Law		\$ 1,452.00
	11/09/2017	Project and Construction		\$ 704.00
	11/09/2017	Workplace Law		\$ 1,276.00
	11/09/2017	Property		\$ 220.00
	11/09/2017	Native Title		\$ 1,584.00
	14/09/2017	Litigation		\$ 264.00
	14/09/2017	Litigation		\$ 220.00
	14/09/2017	Litigation		\$ 220.00
	14/09/2017	Litigation		\$ 220.00
	04/10/2017	Property		\$ 2,750.00
	04/10/2017	Commercial Law		\$ 1,056.00
	04/10/2017	Native Title		\$ 1,056.00
	04/10/2017	Property		\$ 604.00
	04/10/2017	Workplace Law		\$ 484.00
	17/10/2017	Commercial Law		\$ 6,864.00
	06/11/2017	Property		\$ 287.30
	06/11/2017	Property		\$ 319.00
	06/11/2017	Property		\$ 541.80
	06/11/2017	Commercial Law		\$ 220.00
	06/11/2017	Native Title		\$ 869.00
	06/11/2017	Commercial Law		\$ 2,948.00
	06/11/2017	Commercial Law		\$ 2,684.00
	05/12/2017	Property		\$ 429.00
	05/12/2017	Litigation		\$ 836.65
	05/12/2017	Property		\$ 385.00
	05/12/2017	Commercial Law		\$ 4,136.00
	05/12/2017	Commercial Law		\$ 4,016.65
	05/12/2017	Property		\$ 1,804.00
	20/12/2017	Commercial Law		\$ 1,012.00
	07/02/2018	Commercial Law		\$ 1,912.00
	07/02/2018	Litigation		\$ 352.00
	07/02/2018	Workplace Law		\$ 704.00
	07/02/2018	Workplace Law		\$ 440.00
07/02/2018	Native Title		\$ 264.00	
05/03/2018	Property		\$ 1,496.00	
05/03/2018	Commercial Law		\$ 1,188.00	
05/03/2018	Litigation		\$ 264.00	

	05/03/2018	Litigation		\$ 220.00
	05/03/2018	Native Title		\$ 528.00
	05/03/2018	Property		\$ 629.97
	05/03/2018	Litigation		\$ 264.00
	05/03/2018	Property		\$ 596.98
	05/03/2018	Commercial Law		\$ 1,496.00
	05/03/2018	Commercial Law		\$ 1,390.54
	09/04/2018	Property		\$ 692.00
	09/04/2018	Property		\$ 641.50
	09/04/2018	Property		\$ 504.00
	09/04/2018	Property		\$ 472.00
	09/04/2018	Property		\$ 564.50
	09/04/2018	Property		\$ 504.00
	09/04/2018	Property		\$ 504.00
	09/04/2018	Litigation		\$ 440.00
	09/04/2018	Litigation		\$ 440.00
	09/04/2018	Property		\$ 518.60
	09/04/2018	Litigation		\$ 440.00
	09/04/2018	Litigation		\$ 440.00
	09/04/2018	Property		\$ 352.00
	09/04/2018	Property		\$ 364.00
	09/04/2018	Property		\$ 296.00
	09/04/2018	Workplace Law		\$ 2,024.00
	09/04/2018	Native Title		\$ 132.00
	09/04/2018	Property		\$ 484.00
	09/04/2018	Litigation		\$ 396.00
	08/05/2018	Workplace Law		\$ 1,540.00
	08/05/2018	Workplace Law		\$ 1,848.00
	08/05/2018	Litigation		\$ 412.50
	08/05/2018	Litigation		\$ 440.00
	08/05/2018	Property		\$ 553.50
	08/05/2018	Property		\$ 412.50
	07/06/2018	Property		\$ 392.95
	07/06/2018	Property		\$ 1,660.00
	07/06/2018	Property		\$ 1,012.00
	07/06/2018	Property		\$ 319.10
	07/06/2018	Property		\$ 220.00
	07/06/2018	Property		\$ 428.00
	07/06/2018	Property		\$ 296.00
	07/06/2018	Commercial Law		\$ 1,232.00
	07/06/2018	Property		\$ 2,128.50
	07/06/2018	Litigation		\$ 264.00
	07/06/2018	Property		\$ 440.00
	07/06/2018	Property		\$ 296.00
	07/06/2018	Property		\$ 472.00
	07/06/2018	Property		\$ 368.50
	30/06/2018	Commercial Law		\$ 880.00
	30/06/2018	Property		\$ 396.00
	30/06/2018	Property		\$ 413.60
	30/06/2018	Property		\$ 280.50
	30/06/2018	Property		\$ 383.90
	30/06/2018	Property		\$ 398.20
	30/06/2018	Property		\$ 308.00
	30/06/2018	Property		\$ 220.00
	30/06/2018	Property		\$ 280.50
	30/06/2018	Property		\$ 368.50
	30/06/2018	Property		\$ 459.80
	30/06/2018	Property		\$ 367.40
	30/06/2018	Property		\$ 341.00
	(106)			
Cohen Legal	17/08/2017	Native Title		\$ 1,512.50
Sean Kelly (Barrister)	06/11/2017	Commercial Law		\$ 1,512.50
	(2)			
Total				\$ 116,883.94

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

1.2.3 Review of Operations

Benefits from Recharge Operations

Lower Burdekin Water pumps its water allocation entitlements from the Burdekin River and distributes it throughout the authority area via pipelines, water channels and natural lagoons. Significant volumes of water are diverted into natural and artificial recharge systems to replenish the large coastal unconfined aquifer which lies beneath the authority area. The water contained in the aquifer is pumped by: irrigators to establish and sustain crops; residents for stock and domestic purposes; industry as well as the Burdekin Shire Council for its potable water supplies for the townships of Ayr, Brandon and Home Hill.

Additional to the aquifer recharge operations, supply of open water directly from channel systems and lagoons is considered by Lower Burdekin Water on a policy basis. Supply of open water to customers reduces demand on the aquifer and assists in conserving and managing underground water levels and improving the quantity and quality of water available within the aquifer.

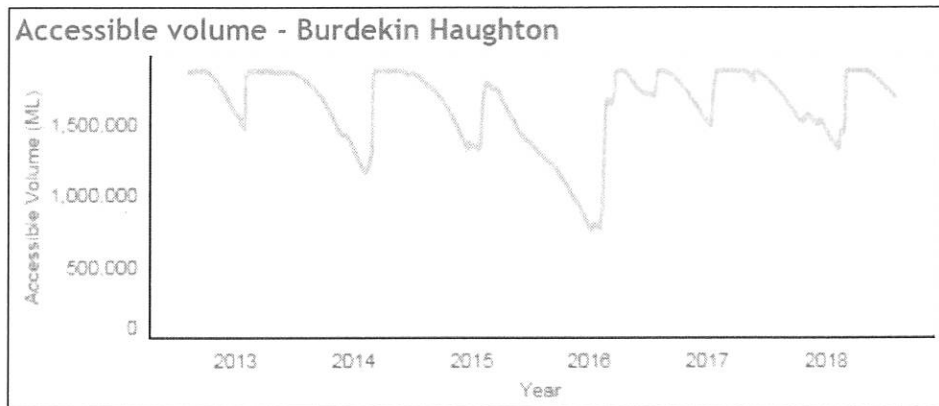


Water Distribution Channel

Natural Recharge

Rainfall at the Burdekin Shire Council gauging station and Home Hill depot measured a total of 907mm and 797mm respectively for the 2017-18 financial year and is below the mean and median yearly rainfall for the region. Despite the below average rainfall volume, the main rain events which occurred in February and March were steady and continuous allowing most of the water to soak into the ground instead of leaving the authority area as runoff. The increased natural recharge from the rainfall and reduced irrigation demand from the aquifer allowed groundwater within the authority area to lift back to healthier levels during that period.

River heights within the Burdekin River were elevated for most of March and reached a maximum height just below eight metres at the Clare gauging station. It is believed that the elevated water levels within the Burdekin River also contributed to the lift in groundwater levels within the authority area during that 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 February 2018 and remained high for the remainder of the financial year. Lower Burdekin Water's announced Water Allocation (water available) to distribute within its authority area for aquifer replenishment and open water supply was 100% for the financial year.

Turbidity levels within the Burdekin River varied during the financial year and effected Lower Burdekin Water's artificial aquifer recharge operations. Recharge activities are halted once turbidity levels are too high. The water levels of the natural lagoons within the area were kept at an acceptable level to benefit the aquifer during the dry periods.

Irrigation demand within the authority area during the first half of the financial year was high, due to the hot and dry conditions, and groundwater levels fell during this period. However, irrigation demand reduced back to relatively normal levels in the second half of the financial year and groundwater levels recovered following the onset of the wet season in February 2018.

The river pumping summaries shown in Table 2 and 3 below confirms a total of 215,014 megalitres (ML) of water was 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 totaled 143,212ML for the full financial year.

Table 2: Pumping Summary - Northern Division

Month	Rocks	Plantation	Rita Island	2017 2018	2016 2017	2015 2016	2014 2015	2013 2014	2012 2013	2011 2012
Jul	4,220	5,856	366	10,442	499	6,356	9,386	6,739	0	4,433
Aug	4,155	6,851	511	11,517	8,054	7,779	5,170	11,709	3,733	4,966
Sep	2,984	6,548	664	10,196	11,621	9,685	10,806	8,859	9,058	10,315
Oct	2,952	5,088	292	8,332	14,036	13,414	14,140	21,284	11,216	10,745
Nov	8,293	9,753	444	18,490	21,634	15,968	20,390	15,442	16,644	14,788
Dec	8,017	9,343	797	18,157	24,390	18,164	22,183	26,474	17,890	18,878
Jan	5,573	7,681	718	13,972	8,555	17,297	11,726	14,485	8,861	8,461
Feb	5,331	7,850	485	13,666	17,488	16,835	16,042	4,896	3,869	3,191
Mar	1,699	2,886	855	5,440	5,106	5,920	17,628	12,804	7,727	0
Apr	3,231	5,244	203	8,678	10,249	14,513	17,942	3,714	8,902	8,724
May	4,954	5,732	494	11,180	8,819	16,706	13,934	10,069	7,073	6,066
Jun	4,312	853	736	5,901	2199	6,805	8,215	4,649	2,283	212
Totals	55,721	73,685	6,565	135,971	132,650	149,442	167,562	141,124	97,256	90,780

Table 3: Pumping Summary - Southern Division

Month	Warrens Gully	McDowells	Down River	2017 2018	2016 2017	2015 2016	2014 2015	2013 2014	2012 2013	2011 2012
Jul	2,068	3,547	359	5,974	0	4,836	7,451	6,520	0	4,777
Aug	2,168	2,654	348	5,170	4,873	4,618	4,332	6,890	1,911	4,323

Sept	2,348	4,077	467	6,892	7,172	6,020	7,329	7,969	5,500	6,343
Oct	1,751	1,958	378	4,087	7,891	7,955	8,814	9,995	8,706	6,795
Nov	3,769	4,719	1,436	9,924	9,330	10,035	10,187	8,312	9,974	7,425
Dec	4,010	5,736	3,184	12,930	10,799	10,239	11,741	12,485	12,297	8,938
Jan	3,631	5,845	1,412	10,888	6,757	7,808	4,771	12,327	8,224	6,023
Feb	2,566	4,306	1,119	7,991	9,097	9,421	9,810	3,636	4,496	4,046
Mar	1,050	0	153	1,203	7,000	4,740	12,454	8,161	4,073	400
Apr	982	2,307	147	3,436	6,980	10,198	9,692	1,415	5,967	3,824
May	2,033	3,947	281	6,261	2,318	9,453	10,555	6,002	7,388	4,569
Jun	1,383	2,710	194	4,287	1490	5,145	2457	1,884	6,728	444
Totals	27,759	41,806	9,478	79,043	73,707	90,468	99,593	85,596	75,733	57,907

Lower Burdekin Water continued to utilise 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 Lower Burdekin Water to participate in waterway management in partnership with the Burdekin Shire Council, NQ Dry Tropics and riparian landholders.



Channel Cleaning Using Mechanical Methods

New Initiatives

Lower Burdekin Water contracted the local Natural Resource Management (“NRM”) group NQ Dry Tropics to assist in developing and implementing a new surface water quality monitoring plan. The purpose of the plan is to document the design of the Surface Water Quality Monitoring Program.

The objectives of the program are:

- Monitor whether the quality of surface waters within the authority area is suitable for supporting aquatic ecosystems and human water uses;
- Communicate sampling results to relevant stakeholders who use or manage the surface water in/downstream of the authority area; and
- Provide information to assist Lower Burdekin Water to deliver activities aimed at maintaining/ improving the quality of surface waters in the authority area.

Lower Burdekin Water continued its work with NQ Dry Tropics on the System Repair Project - Lower Burdekin. The system repair project is about improving water quality and rehabilitating areas where the ecological condition is in decline. The objective of the project is to return the wetting and drying cycle, where feasible and appropriate, to the shallow wetlands in the lower Burdekin's coastal catchments. The system targeted by this work during the reporting period was Saltwater Creek. The activities completed were the installation of a new automated gate, a fish ladder and weed removal activities.

Opportunities and Challenges

At the commencement of the 2017-18 financial year, Lower Burdekin Water's authority area was still drought declared, following successive years of below average rainfall, and groundwater levels within the aquifer were relatively low. Whilst there were recoveries in groundwater levels through the financial year further rainfall is required to see aquifer levels fully recover.

Lower Burdekin Water experienced a number of incidents which resulted in either injuries or equipment damage during the 2017-18 financial year, including one notifiable incident to Workplace Health and Safety Queensland. Additional staff training, verification of competencies, review of operational activities, procedures and safe work method statements were undertaken as a result of the incidents. Improving Lower Burdekin Water's safety systems, behavior and culture remains the priority of the board and management. Lower Burdekin Water has included a full-time permanent position for a Workplace Health and Safety Officer ("WHSO") in its 2018-19 budget to assist the business in improving its safety performance.

During the 2017-18 financial year, Lower Burdekin Water successfully completed nearly \$1.9M worth of capital projects while maintaining water delivery services throughout its authority area. This level of capital expenditure is above normal levels. Lower Burdekin Water will continue to invest in upgrades to its water delivery infrastructure over the coming years and where possible will be seeking co-contributions from government to assist in delivering the new infrastructure. The infrastructure investment will achieve an increase in irrigated agriculture, as well as improvement in: health and safety; standards of service; operational efficiencies and ecological function within the system.

Matters of Interest

Native Title Claim

Lower Burdekin Water is a party to the Bindal People #2 Native Title determination application to the Federal Court. Lower Burdekin Water owns and operates water distribution infrastructure on lands within the application area. Lower Burdekin Water will continue to work through this process over the coming years.

Riparian Growers

Lower Burdekin Water engaged an external consultant who specialises in water policy to review its existing Water Allocation Policy. The review of the existing policy is a follow-on from meetings between Lower Burdekin Water, a group of riparian growers on the banks of the Burdekin River within the authority area, SunWater Limited and the Department of Natural Resources and Mines during the 2016-17 financial year. A range of amendments were made to the existing policy and consultation with stakeholders will be undertaken during the 2018-19 financial year. This matter has been on-going since the introduction of the Resource Operations Plan (ROP) in 2009.

Office Relocation

Lower Burdekin Water is currently investigating options to relocate from its existing offices and depots located in Ayr and Home Hill, to a new greenfield site, more central to both divisions. The sale of the existing land parcels and buildings will assist in financing the relocation. If undertaken, the sales will be completed in accordance with state policy and guidelines.

1.2.4 Capital Works



Capital Infrastructure Project: Cislowski Road automated gate and fish ladder during and after construction

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

Infrastructure

Lower Burdekin Water completed a range of capital infrastructure projects during the 2017-18 financial year. The infrastructure projects undertaken were:

- Lilliesmere pump station and control room upgrade;
- Inkerman Station Road automated water control gate, structure and fish ladder installation;
- Cislowski Road automated water control gate, structure and fish ladder installation;
- Fords and Klondyke Lilliesmere pump station variable speed drive installation;
- Klondyke Lilliesmere pump station automated weed screen installation; and
- Rocks pump station water metering upgrade.



Capital works infrastructure project: Lilliesmere pump station and control room upgrade.

These individual 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.

Lower Burdekin Water made an application to the Nation Water Infrastructure Development Fund 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. The application was unsuccessful and subsequently the design of the new river pumping station is being reviewed to reduce the cost of construction. Lower Burdekin Water is working with the consulting engineers to rework the river pumping station design and intends to progress the project through to construction during the 2018-19 financial year. 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.



Capital works infrastructure project: Klondyke Lilliesmere automated weed screen and variable speed drive.



Capital works infrastructure project: Inkerman Station Road automated water control gate and fish ladder

Plant and Equipment

A new replacement Hitachi ZX360LC-5 hydraulic excavator, a new replacement JCB JS220LC hydraulic excavator, a new replacement Hino FM2628 body truck, two new replacement four-wheel drive vehicles and 54 new open water meters were purchased and commissioned by Lower Burdekin Water during the reporting period as part of its asset renewals. A number of other smaller items such as Davit Recovery System and a dangerous goods container were also purchased during the 2017-18 financial year.



Delivery of the new Hitachi ZX360LC hydraulic excavator and Hino FM2628 body truck.

Asset Maintenance Management Program

Lower Burdekin Water is committed to the long-term maintenance of its assets for sustainable service provision. Reflecting this commitment, Lower Burdekin Water engaged an external consultant to develop a strategic asset management plan (“SAMP”) during the 2017-18 financial year. The SAMP was approved by the board and is currently being implemented by management. Maintenance strategies will be developed for critical assets and a five-year and ten-year renewals program will be developed during the 2018-19 financial year.

Research and Development

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

Lower Burdekin Water applied to the Cooperative Research Centre (“CRC”) for Developing Northern Australia with a project to better define and manage the fresh and saltwater interface within the authority area. The application to the fund was unsuccessful.

1.2.5 Review of Proposed Forward Operations

The three-year term of the current board finishes in June 2019. Lower Burdekin Water will commence the nomination and election process in January 2019 to ensure adequate time is available for the appointment of new directors to the board.

To achieve gender equity targets on the board, Lower Burdekin Water is hosting a number of events in the 2018-19 financial year to familiarise women with its functions and operations and to encourage them to nominate as a director on the board.

Operational activities during the 2018-19 financial year will be similar to previous years. Erection of sand dams within the Burdekin River, ongoing channel maintenance, aquifer recharge activities, reporting, pumping and distribution of river water throughout the authority area will remain the main focus of the operational staff at Lower Burdekin Water.

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

There are a number of capital works projects scheduled for completion during the next twelve months, including the construction of a new major river pumping station, replacement of multiple culvert crossings, duplication of an inverted siphon, installation of variable speed drives and installation of new automated water control gates, structures and fish ladders.

Lower Burdekin Water has two applications for proposed borrowings with a combined total of \$5.5M from the Queensland Treasury Corporation. Both of the proposed borrowings are for major capital infrastructure projects, Lower Burdekin Water's 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. The current revenue regime is sufficient to cover all anticipated expenses and the entity has adequate reserve funds to cover unforeseen/urgent expenditure.

Lower Burdekin Water's 2017-18 to 2020-21 strategic plan is currently being reviewed and updated by the board. The objectives set out in its current strategic plan are:

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

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

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

2. Non-Financial Performance

2.1 Government Objectives for the Community

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

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

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

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

2.2 Other Whole-of-Government Plans/Specific Initiatives

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

2.3 Objectives and Performance Indicators

Lower Burdekin Water's objectives, for the 2017-18 financial year as listed in its 2017-18 to 2020-21 strategic plan, are:

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

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 its objectives for the 2017–18 financial year by:

- Ensuring resource plans were developed for major projects;
- Auditing work sites and improving safety systems;
- Developing its new communication strategy to better engage with its staff and stakeholders;
- Undertaking a staff satisfaction survey;
- Developing, implementing and monitoring key performance indicators for the business;
- Undertaking necessary training and development of staff;
- Completing safe distribution of water throughout the authority area;
- Reviewing existing policies to ensure currency;
- Developing and implementing its new risk management policy and framework and monitoring its 10 highest residual risks (business, safety, operational);
- Maintaining key financial ratios (Liquidity, Equity, Cash, Cash Contingency, Profit and Debtors);
- Developing and implementing its strategic asset management plan; and
- Developing and implementing its surface water quality monitoring plan.

With regard to the entity's longer-term objectives, where performance targets were not achieved this reporting period, Lower Burdekin Water will deploy additional resources to improve the performance in these areas during the 2018-19 financial year. These areas include policy consultation with stakeholders, communication effectiveness with stakeholders and review and improvement of Lower Burdekin Water's groundwater monitoring strategy. These items will be included in Lower Burdekin Water's strategic plan for the 2018-19 financial year.

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



McDowells Pump station on the Burdekin River



Sand dam located on the Burdekin River

2.4 Outputs and Output Performance Measures

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

3. Financial Performance

3.1 Summary of Financial Performance

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

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

Table 4: External Funding Details

Organisation Providing Funds	Amount	Purpose - Grant
NQ Dry Tropics	\$37,500	SRM14-039 Inkerman Station Rd Culvert Upgrades – Second milestone payment.

Lower Burdekin Water applied for Queensland Treasury Corporation ("QTC") borrowings through the Department of Natural Resources, Mines and Energy. The purpose of the application was to secure funds to complete a range of capital works including the construction of a new river pumping station on the southern bank within the Burdekin River. Approval to draw down on the QTC master facility was not received prior to 30 June 2018, therefore Lower Burdekin Water was never in a situation for loan indebtedness during the 2017-18 financial year.

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 2018 are listed in Table 5 below:

Table 5: Directors appointed at 30 June 2017

Name	Position	Current Term	First Appointed
Mr Michael Caspanello	Chair	16 Jun 2016 - 30 Jun 2018	18 Feb 2015*
Mrs Tracey Garzotto		16 Jun 2016 - 30 Jun 2018	18 Feb 2015*
Cr Sue Perry	BSC Nominee	17 Jul 2017 – 30 Jun 2018	17 Jul 2017
Mr Peter Larsen		16 Jun 2016 - 30 Jun 2018	18 Feb 2015*
Mr Con Christofides	Deputy Chair	16 Jun 2016 - 30 Jun 2018	18 Feb 2015*
Mr Mark Castelanelli		16 Jun 2016 - 30 Jun 2018	18 Feb 2015*
Mr Murray Cannavan		16 Jun 2016 - 30 Jun 2018	18 Feb 2015*

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

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 6 below.

Table 6: Lower Burdekin Water Current Management Team

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

4.3 Government bodies (statutory bodies and other entities)

Attachment 4 outlines meeting and remuneration information for the water authority for the 2017–18 reporting period. DNRM will make this information available on its website alongside the 2017–18 summary annual report of Queensland’s category 2 water authorities.

4.4 Public Sector Ethics Act 1994

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

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

4.5 Public Interest Disclosures Act 2010

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

5. Governance – Risk Management and Accountability

5.1 Risk Management (see Attachment 8)

Lower Burdekin Water developed and implemented a new risk management policy and framework during the 2017-18 financial year. The risk management framework complies with the requirements set out in ISO31000:2009 and Financial and Performance Management Standard 2009. The board established a Risk and Audit Committee, a Finance Committee and a Technical Committee. Operational and strategic risks are identified and assessed and listed in the risk registers along with the associated controls. LBW’s risk management framework requires routine monitoring and review of the risk control effectiveness.

Workplace Health and Safety risks are managed in accordance with LBW’s Workplace Health and Safety Manual and addressed by Lower Burdekin Water’s management and operational staff, with oversight by the Risk and Audit Committee.

Lower Burdekin Water’s financial risks and controls are reviewed and updated by the Finance Committee. The Technical Committee reviews and updates non-financial risks associated with Lower Burdekin Water’s operations, projects, research and other matters of a technical nature.

Consistent with its umbrella role, the Risk and Audit Committee monitors the proceedings of the other two committees.

The roles and inter-relationships of all committees should reach maturity during 2018-19.

5.2 Audit Committee

During the 2017-18 financial year, Lower Burdekin Water established a Risk and Audit Committee to oversee risk management activities and audit functions within the business and appointed an independent chair. The Risk and Audit Committee met once during the 17-18 financial year following its establishment and appointment of the independent chair.

Members of LBW’s Risk and Audit Committee are set out in Table 7 below:

Table 7: Risk and Audit Committee Members

Name	Position
Mr Graham Kirkwood	Independent Chair
Mr Peter Larsen	Member
Mr Con Christofides	Member

The role of the Risk and Audit Committee is to advise the Board, in respect to risk, on:

- LBW’s compliance with its obligation to establish and maintain an internal control structure and systems of risk;
- the establishment and implementation of Risk Management Framework;
- matters of risk management; and
- the effectiveness of the Risk Management Framework in identifying and managing risks and controlling internal processes.

The function of the Risk and Audit Committee is to:

Risk Management

- Review whether management has in place a current and comprehensive Risk Management Framework, and associated procedures for effective identification and management of business and financial risks;
- Review whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings;
- Ensure that there is an effective process in place for the management of operational risks;
- Ensure that the risk treatment action plans in the Strategic Risk Register and the Operational Risk Register(s) are effectively and efficiently implemented;
- Audit both the effectiveness and efficiency of the risk treatment action plans at the strategic and operational levels within LBW;
- Evaluate the efficacy of the treatment action plans according to both KPIs and reductions in risk levels;
- Identify potential and emerging risks and recommend incorporation, when necessary, of such new risks into the relevant risk registers; and
- Undertake annual reviews and, when necessary, recommend revisions of the Risk Management Framework.

Governance

- Monitor compliance with legislative and regulatory requirements and promote a culture committed to lawful and ethical behaviour;
- Review whether the board has in place a current and comprehensive governance framework;
- Review whether management has adequate internal controls in place, including controls over external parties such as contractors and advisors;
- Review whether the board and management have in place relevant policies and procedures, and that these policies and procedures are periodically reviewed and updated;
- Progressively review whether appropriate processes are in place to assess compliance with the policies and procedures;
- Review whether appropriate policies and procedures are in place for the management and exercise of delegations; and
- Review the agency's compliance with the performance management and reporting requirements of the Financial Accountability Act 2009, the Financial and Performance Management Standard 2009 and the 'Annual Report Requirements for Queensland Government Agencies'.

Financial Management

- Satisfy itself the annual financial reports comply with applicable Accounting Standards and any other relevant legislation or guidelines, and are supported by appropriate management sign-off on the statements;
- Satisfy itself of the adequacy of internal controls for financial management;
- Review the external audit opinion, including whether appropriate action has been taken in response to audit recommendations and adjustments;
- Consider contentious financial reporting matters in conjunction with LBW Management and external auditors; and
- Review the processes in place designed to ensure financial information included in the annual report is consistent with the signed financial statements.

Internal Audit

- Act as a forum for communication between LBW Management, internal audit and external audit;
- Review the internal audit coverage and Internal Audit Plan, and prior to approving the Audit Plan ensure it has considered LBW's current risk register;
- Consider the adequacy of internal audit resources to carry out its responsibilities, including completion of the approved Internal Audit Plan;
- Review all audit reports and consider significant issues identified in audit reports and action taken on issues raised, including identification and dissemination of better practices;
- Monitor the implementation of internal audit recommendations by management; and
- Periodically review the performance of Internal Audit functions.

The Risk and Audit Committee reports to the board annually on its Charter, its activities during the period under review, a self-assessment of its performance, and its programme for the coming period.

External Audit

- Act as a forum for communication between LBW Management, internal audit and external audit;
- Provide input and feedback on the financial statement and performance audit coverage proposed by the external audit processes, and provide feedback on the external audit services provided;
- Review all external audit plans and reports in respect of planned or completed external audits, and monitor the implementation of audit recommendations by management;
- Consider significant issues raised in relevant external audit reports and better practice guides, and ensure appropriate action is taken.

The Risk 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, Lower Burdekin Water undertakes internal audit functions. Although LBW does not have a dedicated internal audit resource, it does engage outside organisations to conduct financial and non-financial checks from time to time. Such checks will be reported to the Risk and Audit Committee in future. There is nothing in this regard to report for 2017-18.

5.4 External Scrutiny

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

6. Governance – Human Resources

6.1 Workforce Planning and Performance (staffing)

Lower Burdekin Water has numerous human resource policies in place to guide the behavior and performance within the workplace. All of Lower Burdekin Water's human resource management policies were reviewed and approved by the board during the 2017-18 financial year.

Lower Burdekin Water operates under the Federal Water Industry Award 2010 and 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 nineteen (19) staff during the 2017-18 financial year. Fifteen (15) were employed on a full-time permanent basis each working 38 hours per week and (1) one staff member changed from a full-time permanent basis to a part time permanent basis during the course of the year. There were also three (3) staff members employed on a casual basis during the 2017-18 financial year.

There was one resignation during the 2017-18 financial year.

Staff received training in high risk work - dogging, verification of competencies for operating plant, contract management, first aid, intermediate MS Excel, and working near powerlines as well as new and updated policies where necessary. Staff also participated in various workshops with NQ Dry Tropics (the local natural resources management organisation) and Burdekin Shire Council.

Lower Burdekin Water also reimburse costs associated with staff undertaking post graduate study and had one staff member studying a Graduate Diploma in Science (Groundwater Hydrology) during the reporting period.

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

6.2 Early Retirement, Redundancy and Retrenchment

No redundancy / early retirement / retrenchment 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	\$ 23,880.00
Consultants - Human resources management	\$ 3,138.18
Consultants - Communications	\$ 6,145.00
Consultants - Finance/accounting	\$ 1,500.00
Consultants - Professional/technical	\$ 82,216.50
Total cost of consultancies	\$116,879.68

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 2017-18 financial year.

7.4 Open Data

In accordance with the Annual Report Requirements 2017–18, 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	\$ 18,200.00
Remuneration paid to directors	\$ 23,600.00
Total Paid	\$ 41,800.00

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



Michael Caspanello
Board Chairman
Lower Burdekin Water

Dated 31-07-2018