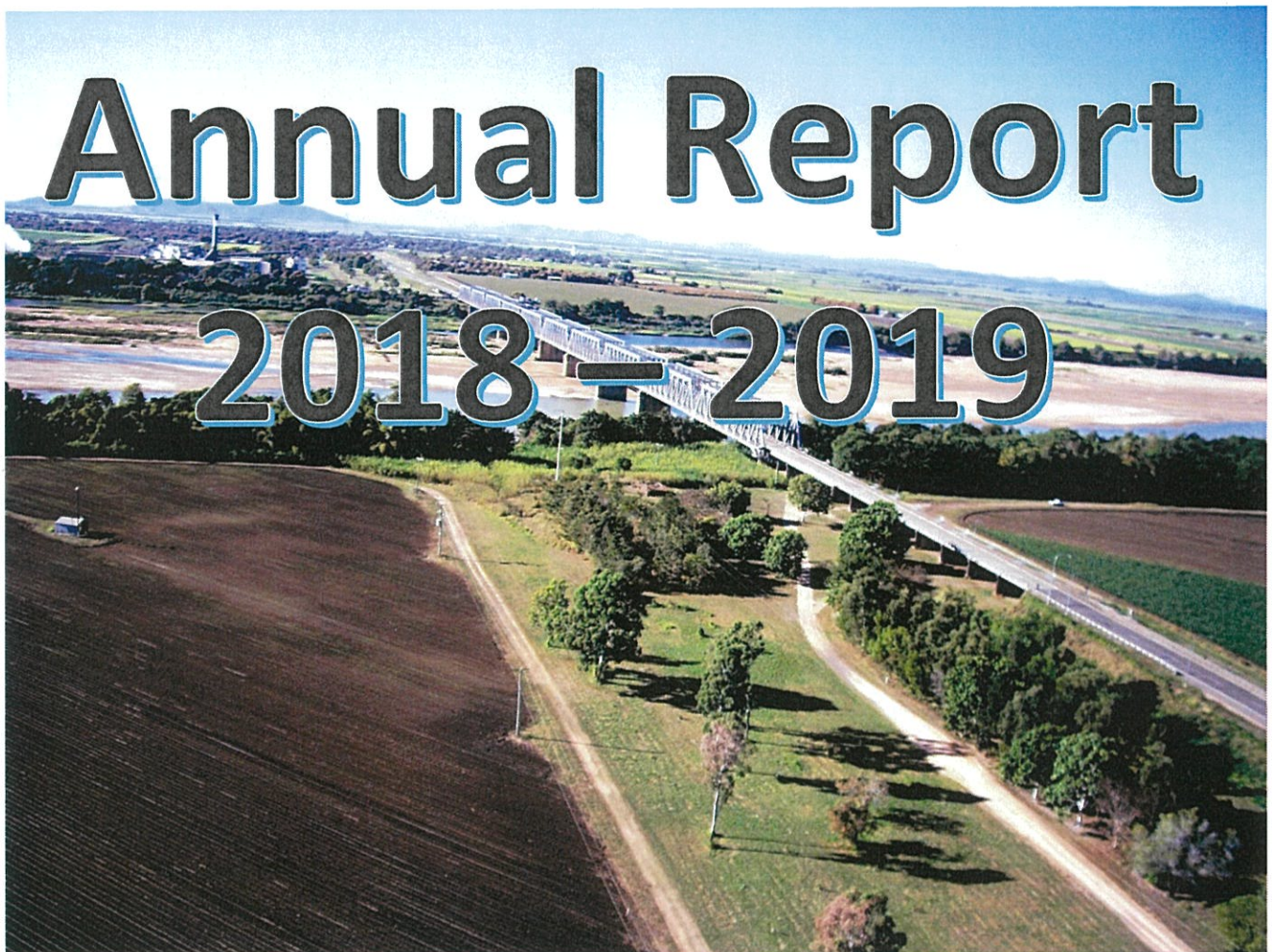


Lower Burdekin Water



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

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1. Introduction

1.1 Agency Role and Main Functions

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Lower Burdekin Water ("LBW") is a category two (2) water authority under the Queensland Water Act 2000 and was established under the Queensland Water Regulation 2002 on the 18th February, 2015. The authority area of LBW is approximately 76,000 hectares and is shown on plan AP22327 and is comprised of a northern and southern division.

LBW was formed from an amalgamation of the North and South Burdekin Water Boards, which were both originally constituted by Orders in Council on the 13th May, 1965 and 31st March, 1966 respectively. The original constitutions of the former North and South Burdekin Water Boards were to constitute Water Areas and Boards to construct, maintain and administer proposed works to fulfil the purpose of the Boards. The North and South Burdekin Water Board Areas were shown on plans AP7349 and AP6512 respectively. The 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 LBW is to carry out water activities at its discretion designed to manage and maintain the Burdekin aquifer and the water supply needs of the LBW authority area.

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

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

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

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

1.2 Operating Environment

1.2.1 Administration

Summary details of Ordinary and Special Meetings/Inspections

Ordinary Meetings	
Board Meetings	11*
Board Committee Meetings	17
Special Meetings/Inspections	45
Total	73

* June meeting held, due to expired appointment of five directors June meeting quorum was not met.

Details of Attendance at Conferences and Workshops

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

- Safety Leadership at Work Conference - Office of Industrial Relations;
- Burdekin Climate Hazard Adaptation Strategy Workshop – Burdekin Shire Council;
- Burdekin Industry Breakfast – Burdekin Shire Council;
- Darcy Lecture – National Centre for Groundwater Research and Training;
- Women on Boards luncheon – Department of Natural Resources, Mines and Energy;
- Walking the Landscape – Department of Environment and Science;
- Ingham Information Session (Women on Boards) – Department of Natural Resources, Mines and Energy;
- SunWater Scenario Planning Workshop – SunWater Ltd;
- Irrigation Pricing Review Regional Workshop – Queensland Competition Authority;
- Burdekin Pesticide Working Group Forum – Department of Agriculture and Fisheries;
- PVW Partners Budget Breakfast – Cohen Legal;
- Social Media Planning Workshop – Burdekin Shire Council;
- Australian Institute of Company Directors - Foundations of Directorship course; and
- Department of Agriculture and Fisheries (“DAF”) Wetland Treatment System workshop.

The Chairman and Executive Officer of LBW 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 LBW water resources and associated systems, and thereby deliver long-term economic, social and environmental outcomes that ensure the region's sustainability'.

Policy

The following new policies were implemented by LBW during the reporting period.

- Records Management Policy and associated documents; and
- Employee Recognition Policy.

LBW also reviewed and implemented minor updates, where required, to approximately fifty-four existing policies during the reporting period. The major policies which underwent significant changes were:

- Governance Policy;
- Risk Management Policy and Risk appetite Statement;
- Risk Management Framework;
- Water Allocation Policy;
- Finance and Audit Committee Charter;
- Risk and Governance Committee Charter; and
- Technical Committee Charter.

Improvements

LBW continued refining and improving its existing risk management and internal control processes during the 2018-19 financial year. The work undertaken has enabled a better understanding of operational and strategic risks within the business as well as monitoring of preventative and mitigating controls deployed to manage the risks. Further refinement of these processes is expected to be undertaken during the 2019-20 financial year.

A focus group was formed to work with an external consultant to review and amend LBW's existing Water Allocation Policy to remove duplicated processes and better align the policy with SunWater water trading rules within the Burdekin Haughton Water Supply Scheme. The review which included consultation with stakeholders was successfully carried out.

Significant improvements were made to LBW's document retention and disposal processes during the reporting period. Details of the work undertaken are set out in section 5.5 of this report.

LBW 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

LBW employed Cohen Legal for all legal matters including acquisition and disposal of property and easements, debt recovery processes, legislation and policy advice, and contractual and industrial relations matters. The total amount paid to Cohen Legal during the 2018-19 financial year was \$122,111 (inc. GST). Specific details of fees paid by LBW to Cohen Legal during the reporting period are shown in Attachment 5.

1.2.3 Review of Operations

Benefits from Recharge Operations

LBW 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 LBW 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.

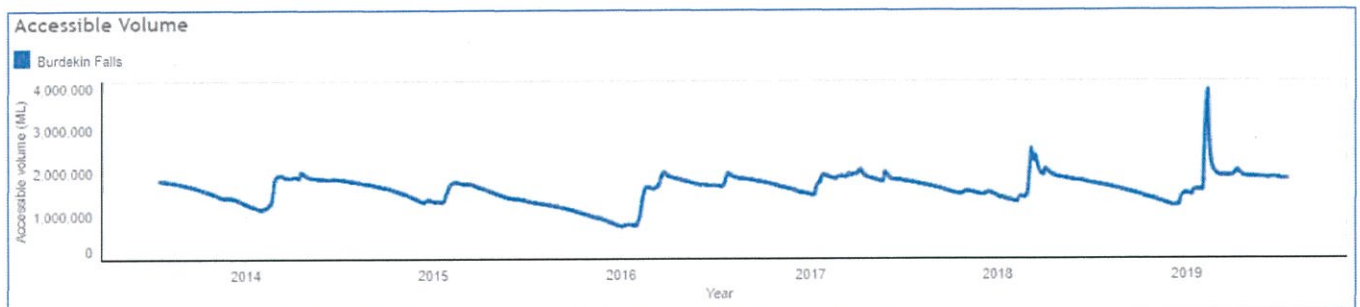


Water Distribution Channel

Natural Recharge

Rainfall at the Burdekin Shire Council gauging station and Home Hill depot measured a total of 906mm and 1,250mm respectively for the 2018-19 financial year and is close to the mean and median yearly rainfall for the region. The majority of the rain fell in January, February and March and allowed vast quantities of water to soak into the ground recharging the aquifer. The increased natural recharge from the rainfall and reduced irrigation demand from the aquifer allowed groundwater levels within the authority area to increase significantly. The groundwater levels within areas of the aquifer following the major rain events were the highest recorded in the past seven years.

LBW's authority area and the Burdekin River catchment was affected by the North & Far North Queensland Monsoon Trough event which occurred between 25 January and 14 February 2019. During this event, water levels within the Burdekin River rose to just below 15 metres at the Clare gauging station (nearing major flood levels) and remained elevated for an extended period. While the water heights within the river had eased by the beginning of March, water continued flowing over the spillway of the Burdekin Falls Dam through until June 2019. The peak volume discharge within the Burdekin River during the event was measured at approximately 1,600,000 megalitres ("ML") per day at the Clare gauging station. The elevated river levels also contributed to the rise in groundwater levels within the authority area during the reporting period.



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

Artificial Recharge

As depicted in the above chart, the water levels behind the Burdekin Falls Dam steadily fell during the first half of the financial year, rose sharply again in January 2019 and remained high for the remainder of the financial year. LBW'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 LBW's artificial aquifer recharge operations. Recharge activities are halted once turbidity levels are too high.

LBW's ability to pump from the Burdekin River was impacted by the flood event. A number of pump stations required remedial work before pumping could resume following the flood event. The remedial works undertaken included desilting pump cells, replacing electrical cables and repairing motor and pumps.

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

Irrigation demand within the authority area during the first half of the financial year was high, due to the hot and dry conditions, and groundwater levels fell during this period. However, irrigation demand during the second half of the financial year was significantly lower than normal. Groundwater levels rose significantly following the onset of the wet season in January 2019 and remained high for the rest of the financial year.

The river pumping summaries shown in Table 2 and 3 below confirms a total of 184,150 ML of water was diverted from the Burdekin River through LBW's pumping infrastructure during the financial year. Open water pumped by ratepayers with access to channel water totalled 121,626 ML for the full financial year.

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

Month	Rocks	Plantation	Rita Island	2018 2019	2017 2018	2016 2017	2015 2016	2014 2015	2013 2014	2012 2013
Jul	3,025	5,877	550	9,452	10,442	499	6,356	9,386	6,739	0
Aug	3,664	6,453	513	10,630	11,517	8,054	7,779	5,170	11,709	3,733
Sep	5,977	8,529	559	15,065	10,196	11,621	9,685	10,806	8,859	9,058
Oct	5,697	9,710	554	15,961	8,332	14,036	13,414	14,140	21,284	11,216
Nov	7,979	11,646	613	20,238	18,490	21,634	15,968	20,390	15,442	16,644
Dec	3,760	6,417	308	10,485	18,157	24,390	18,164	22,183	26,474	17,890
Jan	5,333	6,905	134	12,372	13,972	8,555	17,297	11,726	14,485	8,861
Feb	511	966	177	1,654	13,666	17,488	16,835	16,042	4,896	3,869
Mar	1,036	2,299	165	3,500	5,440	5,106	5,920	17,628	12,804	7,727
Apr	1,668	2,727	392	4,787	8,678	10,249	14,513	17,942	3,714	8,902
May	2,618	4,258	283	7,159	11,180	8,819	16,706	13,934	10,069	7,073
Jun	1,784	3,507	512	5,803	5,901	2,199	6,805	8,215	4,649	2,283
Totals	43,052	69,294	4,760	117,106	135,971	132,650	149,442	167,562	141,124	97,256

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

Month	Warrens Gully	McDowells	Down River	2018 2019	2017 2018	2016 2017	2015 2016	2014 2015	2013 2014	2012 2013
Jul	2,445	4,753	387	7,585	5,974	0	4,836	7,451	6,520	0
Aug	3,070	1,939	390	5,399	5,170	4,873	4,618	4,332	6,890	1,911
Sept	2,723	4,531	467	7,721	6,892	7,172	6,020	7,329	7,969	5,500
Oct	3,329	4,201	710	8,240	4,087	7,891	7,955	8,814	9,995	8,706
Nov	3,725	5,617	1,575	10,917	9,924	9,330	10,035	10,187	8,312	9,974
Dec	2,231	3,995	861	7,087	12,930	10,799	10,239	11,741	12,485	12,297
Jan	2,286	3,769	981	7,036	10,888	6,757	7,808	4,771	12,327	8,224
Feb	633	901	-	1,534	7,991	9,097	9,421	9,810	3,636	4,496
Mar	660	1,267	110	2,037	1,203	7,000	4,740	12,454	8,161	4,073
Apr	1,247	1,347	110	2,704	3,436	6,980	10,198	9,692	1,415	5,967
May	763	1,394	293	2,450	6,261	2,318	9,453	10,555	6,002	7,388
Jun	1,551	2,504	279	4,334	4,287	1,490	5,145	2,457	1,884	6,728
Totals	24,663	36,218	6,163	67,044	79,043	73,707	90,468	99,593	85,596	75,733

LBW 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 LBW 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

LBW purchased and fitted new GPS tracking units to a number of vehicles and plant within its fleet. The GPS tracking units provide better tracking of vehicle movements and locations for safety monitoring as well as allowing LBW to quickly and accurately claim Fuel Tax Credits.

Management worked closely with consulting engineers to improve the design and documentation of temporary sand diversion structures (sand dams) within the Burdekin River. The construction of the sand dams within the Burdekin River is required to create temporary pumping pools to enable water to be pumped from the river and distributed throughout the authority area. The design work undertaken will allow LBW more effectively manage the risks and safety associated with these structures.

LBW 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

LBW made a commitment to improve the diversity on its Board and to achieve the Queensland Government's Women on Boards initiative target of 50% women on its Board. As a result of this commitment, LBW held a number of information sessions, ladies' tours and facilitated attendance of potential directors to the Women on Boards luncheon in Townsville. As a result of the work undertaken, LBW is confident of achieving the gender target of 50% at the next nomination and election of Directors scheduled for July 2019.

During the 2018-19 financial year LBW commenced investigations to restructure the management team. The purpose of the restructure is to better align the operational employees within the two divisions, reduce duplication and create more depth to the organization allowing better succession planning and career progression pathways. The management restructure should also free up resources to better support workplace health and safety and project planning.

LBW faced several challenges throughout the 2018-19 financial year. These challenges were:

- The unexpected expiration of director appointments. A vacancy occurred on the 18th of September 2018 and five more appointments lapsed on 15 June 2019, leaving six positions vacant at 30 June 2019. The unexpected lapse in the five director appointments was caused by amendments to Section 604 of the Queensland Water Act which came into force on the 24 of May 2019. While operations continued under

existing delegations of authority, decisions requiring Board approval were unable to be made. The appointment process for Acting Directors to the Board of LBW was underway but not finalised at 30 June 2019.

- The removal of the Code for Self-assessable Development Temporary Waterway Barrier Works from the state planning regulation. The removal of this code created a major problem for the construction of the temporary sand diversion structures. LBW has been working the Department of Agriculture and Fisheries to resolve the issue. The resolution of this issue will continue into the 2019-20 financial year.
- Recruitment of a full-time permanent Workplace Health and Safety Officer (“WHSO”). A lengthy recruitment program was undertaken during the reporting period and LBW was unable to fill the position. LBW are looking to internally fill this position as part of the management restructure. Improving LBW’s safety systems, behaviour and culture remains the priority of the board and management and work will be continuing in this area.
- Capital Works. LBW completed a number of large capital infrastructure projects during the reporting period. The works associated with the capital projects were additional to the normal operational activities and in many instances completed while maintaining water delivery services throughout its authority area. This level of capital expenditure is above normal levels and stretched LBW resources.
- Governance Training. In line with LBW’s desire to improve governance processes within the business, four directors, the Executive Officer, Operations Manager and the Chair of the Risk and Governance Committee participated in the Australian Institute of Company Directors – three-day Foundations of Directorship course.

Matters of Interest

Native Title Claim

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

1.2.4 Capital Works

The capital projects undertaken by LBW during the 2018-19 financial year are set out below.

Infrastructure

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

- Red Lily System Reconfiguration Upgrade – This project was a major undertaking and consisted of the construction and installation of two automated water control gates, a new variable speed drive for the existing pump stations, five new channel crossings, a new pipeline and augmentation to approximately 3.5 kilometers of existing water channels;



Capital works infrastructure project: Construction of the Red Lily automated water control gates, pump VSD, channel augmentation and channel crossing.

- Roncato Diversion automated gate installation – Purchase and installation of a new automated water control gate;
- Rocks Pump Station Energy Reduction – This project will replace the existing electrical system with four new ultra-low harmonic variable speed drives to reduce the energy consumption at the pump station. design, tendering and procurement phases for the project were completed during the reporting period. The installation of the new drives and switch boards to the existing electrical switch house will be completed in July 2019.
- Saltwater Creek and Rocky Ned Road automated water control gates, structures and fish ladder installation – This project has been completed in partnership with NQ Dry Tropics. This was stage one of a two-year project to purchase and construct five new automated water control gates and fish ladders. Stage one of the project incorporated two new water control gates, crossings and fish ladders in saltwater creek and a new automated water control gate and fish ladder at Rocky Ned Road. The Rocky Ned Road site also included the construction of a new road culvert and headwall structure into the project which LBW completed in conjunction with the Burdekin Shire Council.



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



Capital works infrastructure project: Construction of the Rocky Ned Road automated water control gates, channel crossing and fish ladder.

- Preliminary planning and conceptual designs were completed for stage 2 and 3 of the McDowells Pipeline replacement project during the reporting period. The planning and design work for this project will continue during the 2019-20 financial year.
- LBW submitted a second application to the National Water Infrastructure Development Fund (“NWIDF”) Capital Component for a co-contribution to construct a new river pumping station, increase the capacity of ten existing culverts and an inverted siphon within the existing Warrens Gully scheme. The outcome of the application to the NWIDF remains unknown at 30 Jun 2019. 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.

Plant and Equipment

A new replacement Volvo EC220DL hydraulic excavator, three new replacement four-wheel drive vehicles and forty-four new open water meters were purchased and commissioned by LBW during the reporting period as part of its asset renewals. A number of other smaller items such as a drone, water quality monitoring equipment, two flex drive and submersible pumps were also purchased during the 2018-19 financial year.



Delivery of the new Volvo EC220DL hydraulic excavator

Asset Maintenance Management Program

LBW is committed to the long-term maintenance of its assets for sustainable service provision. The majority of LBW’s water infrastructure are long life, high cost assets. The condition of these assets is monitored, and repairs undertaken as required. The development of maintenance strategies for critical assets and a five-year and ten-year renewals program will continue into the 2019-20 financial year.

Research and Development

LBW 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.

1.2.5 Review of Proposed Forward Operations

LBW is currently working through the nomination and election process for directors. This process is expected to be completed in July 2019 with candidates provided to the Minister for consideration of Appointment. The induction and familiarisation of the new directors to the business will be a key activity during the 2019-20 financial year.

The five-year comprehensive asset revaluation and management restructure are scheduled to be undertaken during the first half of the 2019-20 financial year. These two activities will be a high priority for the management team.

Another key focus area for the management team and organisation will be implementing the LEAD safety culture model and survey as well the Injury Prevention and Management (IPaM) program. Both programs are offered by Workplace Health and Safety Queensland.

Operational activities during the 2019-20 financial year will be similar to previous years. Erection of temporary sand diversion structures within the Burdekin River, ongoing channel maintenance, aquifer recharge activities, reporting, pumping and distribution of river water throughout the authority area will remain the focus of the operational staff at LBW.

The Warrens Gully System Capacity Upgrade Project is scheduled for completion over the next twelve to eighteen months depending on the outcome of the NWIDF application. This is a significant investment for LBW and includes 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. If the project proceeds, additional resources will be deployed by LBW to ensure the project is successfully delivered.

LBW has one application for proposed borrowings for \$3.5 million in the 2019-20 financial year from the Queensland Treasury Corporation. The proposed borrowings is for the Warrens Gully System Capacity Upgrade Project. LBW's budgeting process has considered all expenses to maintain the services and complete the capital works. LBW has reviewed and approved its rates and charges for the next twelve months. The current revenue regime is sufficient to cover all anticipated expenses and the entity has adequate reserve funds to cover unforeseen/urgent expenditure.

LBW's 2019-20 to 2023-24 strategic plan is currently being reviewed and updated by the board. The objectives set out in the draft 2019-20 to 2023-24 strategic plan are:

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

To meet its objectives, LBW will be executing the strategies set out in its 2019-20 to 2023-24 strategic plan.

LBW will continue to assess the best institutional arrangement for the organisation taking into account its operating environment.

2. Non-Financial Performance

2.1 Government Objectives for the Community

During the 2018-19 financial year, LBW continued to provide essential aquifer recharge and water distribution services for its ratepayers, customers and the wider community. These services are critical to local industry and underpin the long-term sustainability and prosperity of the community and region.

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

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

<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

LBW's objectives, for the 2018-19 financial year as listed in its 2017-18 to 2020-21 strategic plan, were:

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

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

LBW met its objectives for the 2018–19 financial year by:

- Ensuring effective resource plans were developed for major projects;
- Auditing and addressing its Workplace Health and Safety compliance;
- Addressing feedback from the staff satisfaction survey;
- Developing, implementing and monitoring key performance indicators for the business;
- Undertaking necessary training and development as well as performance reviews of staff;
- Customer responsiveness and meeting service delivery targets;
- Completing safe aquifer recharge and distribution of water throughout the authority area;
- Reviewing existing policies to ensure currency;
- Improving the existing risk management policy, framework and assessments within the business;
- Maintaining key financial ratios (Liquidity, Equity, Cash, Cash Contingency, Profit and Debtors);

With regard to the entity's longer-term objectives, where performance targets were not achieved this reporting period, LBW will review its existing strategies and resources and make necessary adjustments. The strategic plan will be updated for the 2019-20 financial year. Areas where LBW did meet its targets during the 2019-20 financial year included: policy consultation with stakeholders, communication effectiveness, contractor compliance, implementing key performance indicators for all managers, development of LBW's groundwater monitoring strategy and asset maintenance strategies and renewals program. These items will be included in LBW's strategic plan for the 2019-2020 financial year.

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



McDowells Pump station on the Burdekin River



Temporary Sand Diversion Structure located on the Burdekin River

2.4 Outputs and Output Performance Measures

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

3. Financial Performance

3.1 Summary of Financial Performance

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

The external funding details received by LBW during the reporting period are set out in Table 4 below.

Table 3: External Funding Details

Organisation Providing Funds	Amount	Purpose - Grant
NQ Dry Tropics	\$195,000	RWQ18-001 Lower Burdekin Water - Upgrade of culvert structures (first milestone payment).

LBW 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 2019, therefore LBW was never in a situation for loan indebtedness during the 2018-19 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 LBW:

- As detailed in LBW's constitution, a total of seven directors may be appointed to the board.
- Of the above directors, two are to be first nominated or elected in each of the two divisions from and by the water authority's ratepayer, 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 2019 are listed in Table 5 below:

Table 4: Directors appointed at 30 June 2019

Name	Position	Current Term	First Appointed
Cr Sue Perry	BSC Nominee	17 Jul 2017 – 16 Jul 2020	17 Jul 2017
	Vacant		
	Vacant		
	Vacant		
	Vacant		
	Vacant		
	Vacant		

During the 2018–19 reporting period, the following directors left their position on the board:

Table 5: LBW Directors who left their position during 2018-19 financial year

Name	Position	Term	First Appointed
Mr Michael Caspanello	Chair	16 Jun 2016 - 15 Jun 2019*	18 Feb 2015
Mrs Tracey Garzotto		16 Jun 2016 - 18 Sep 2018	18 Feb 2015
Mr Peter Larsen		16 Jun 2016 - 15 Jun 2019*	18 Feb 2015
Mr Con Christofides	Deputy Chair	16 Jun 2016 - 15 Jun 2019*	18 Feb 2015
Mr Mark Castelanelli		16 Jun 2016 - 15 Jun 2019*	18 Feb 2015
Mr Murray Cannavan		16 Jun 2016 - 15 Jun 2019*	18 Feb 2015

* Term expired due to amendments made to Section 604 of the Queensland Water Act which came into force on the 24 of May 2019.

4.2 Executive Management

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

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

Table 6: LBW 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
Vacant	Technical Officer

4.3 Government bodies (statutory bodies and other entities)

Attachment 4 outlines meeting and remuneration information for the water authority for the 2018–19 reporting period. DNRME will make this information available on its website alongside the 2018–19 summary annual report of Queensland's category 2 water authorities.

4.4 Public Sector Ethics Act 1994

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

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

4.5 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 and Energy: <https://www.qld.gov.au/environment/water/catchments/local-water-boards>

5. Governance – Risk Management and Accountability

5.1 Risk Management (see Attachment 8)

LBW continued developing and refining its risk management policy and framework during the 2018-19 financial year. LBW's risk management framework complies with the requirements set out in ISO31000:2009 and Financial and Performance Management Standard 2009.

Operational and strategic risks are identified, 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.

The Board amended the titles and charters of two of its existing committees during the 2018-19 financial year. The title of the Finance and Remuneration Committee was amended to the Finance and Audit Committee and the Risk and Audit Committee was amended to the Risk and Governance Committee. The amendments were made to provide clear delineation between the areas of focus for the two committees. The Finance and Audit Committee is focused on financial risks and internal controls within the business while the Risk and Governance is focused on non-financial risks and internal controls within the business.

5.2 Audit Committee

The Finance and Audit Committee was established by the Board during the 2018-19 Financial year to ensure the appropriate accounting standards are used and that there is proper examination of the water authority's financial arrangements has been undertaken.

As detailed in its charter, the purpose of the Finance and Audit Committee is to provide assistance to the Board in fulfilling the Board's responsibilities relating to LBW's budgeting, accounting and financial management and reporting processes including the review of LBW's financial statements. To that end, the Committee will oversee management's processes and activities relating to:

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

Members of LBW's Finance and Audit Committee are set out in Table 7 below:

Table 7: Finance and Audit Committee Members during 2018-19 financial year

Name	Position
Cr Sue Perry	Member
Mr Michael Caspanello	Member
Mrs Tracey Garzotto	Chair
Mrs Neomi Butler	Observer*

*Neomi Butler was nominated as a director and waiting for appointment to the Board. During this time, Neomi participated as an observer only.

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

5.3 Internal Audit

When required, LBW undertakes internal audit functions. There is nothing in this regard to report for 2018-19.

5.4 External Scrutiny

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

5.5 Information systems and recordkeeping

The water authority has complied with all of its obligations under the Public Records Act 2002, including making, managing, keeping and preserving public records. During the year, a records management project commenced, with the aim of enhancing recordkeeping across the water authority, taking into consideration the newly released Queensland State Archives' Records Governance Policy. The project has four interconnected streams: policy enhancement, working digitally, archives management and training.

The project has delivered a revised Records Management Policy, a Digitisation and Digital Records Framework establishing an organisation-wide approach to working digitally; and a Business Classification Scheme, which identified incomplete coverage for sentencing of records, when only using the General Retention and Disposal Schedule. The aim is to seek Queensland State Archives' approval to use relevant disposal authorisations from existing water authority schedules to complete the coverage of the records created and captured. Another component was the identification of hardcopy records stored at Ayr and Home Hill, which had met or exceeded their retention requirements. The disposal work has resulted in a major reduction of records previously stored onsite, together with identifying potential State archives for eventual transfer to Queensland State Archives. Training was also delivered as part of the project, to Board members, senior management and administration staff.

Although the Townsville area was subject to floods, the water authority did not lose any records due to natural disaster or other reasons, during 2018-19. Nor were any damaged records identified, as a result of insect infestation, pests or mould.

6. Governance – Human Resources

6.1 Workforce Planning and Performance (staffing)

LBW has a range of human resource policies in place to guide the behavior and performance within the workplace. Most of LBW's human resource management policies were reviewed and approved by the board during the 2018-19 financial year.

LBW 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.

LBW employed nineteen (19) staff during the 2018-19 financial year. Fifteen (15) were employed on a full-time permanent basis each working 38 hours per week and (1) one staff member was employed on a part time permanent basis. There were also three (3) staff members employed on a casual basis during the 2018-19 financial year.

There was one (1) resignation and one (1) termination during the 2018-19 financial year.

Staff received training in high risk work - dogging, verification of competencies for operating plant, first aid, confined space entry and rescue, media engagement, records management, fundamentals in fluvial geomorphology and waterway management 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. Directors received governance training from the Australian Institute of Company Directors

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

6.2 Early Retirement, Redundancy and Retrenchment

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

7. Open Data

In accordance with the Annual Report Requirements 2018–19, a number of annual reporting requirements will be published by DNRME on behalf of the water authority through Queensland Government Open Data including consultancies, overseas travel, Queensland language services policy, and government bodies.

7.1 Consultancies

Monies paid to consultants by LBW during the 2018-19 financial year are set out in Table 8 below. Legal consultancies are not included in these figures, however, are disclosed in Attachment 5.

Table 8: Monies Paid to Consultants by LBW

Consultancy category	Expenditure
Consultants - Management	\$29,243.36
Consultants - Human resources management	\$18,910.00
Consultants - Communications	\$13,825.00
Consultants - Finance/accounting	\$13,059.55
Consultants - Professional/technical	\$64,726.11
Total cost of consultancies	\$139,764.02

7.2 Overseas Travel

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

7.3 Queensland Language Services Policy (QLSP)

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

8. Financial Statements

In accordance with the Financial Accountability Act 2009 and the Financial and Performance Management Standard 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	\$ 15,860.00
Remuneration paid to directors	\$ 22,600.00
Total Paid	\$ 38,460.00

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



Michael Caspanello
Board Chairman
Lower Burdekin Water

Dated 31-07-2019