



Seqwater Operational Plan 2024-25

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PLN-00078 v.20.1 30/05/2024

Performance agreement

Board statement and agreement of responsible Ministers

The Seqwater Operational Plan 2024-25 (the Plan) is presented in accordance with Chapter 2, Part 4 of the *South East Queensland Water (Restructuring) Act 2007* (Restructuring Act).

The Plan is the performance agreement between the Seqwater Board and its responsible Ministers, the Honourable Cameron Dick, Deputy Premier, Treasurer and Minister for Trade and Investment and the Honourable Glenn Butcher, Minister for Regional Development and Manufacturing and Minister for Water.

The Plan sets out Seqwater's financial and non-financial performance targets for the year, together with its major activities, objectives, undertakings, policies, investments and borrowings. This Plan aligns with Seqwater's Strategic Plan 2024-28.

Seqwater will take all reasonable steps to implement the Plan and will provide accurate and timely progress reports to the responsible Ministers. Seqwater will promptly advise the responsible Ministers of any major changes to the key assumptions and outcomes detailed in this Plan. These changes will be dealt with in accordance with the requirements of the Restructuring Act.

This agreement is signed by the Chairperson of the Board on behalf of all members in accordance with a unanimous decision of the Seqwater Board.



Honourable Dr David Hamill AM
Chairperson

Date:



Honourable Cameron Dick
Deputy Premier, Treasurer and Minister
for Trade and Investment

Date: 24 September, 2024



Honourable Glenn Butcher,
Minister for Regional Development and
Manufacturing and Minister for Water

Date: 25 September 2024

Chairperson's foreword

Seqwater is pleased to present its Operational Plan 2024-25 to its responsible Ministers.

Seqwater plays a critical role in meeting South East Queensland's (SEQ) water supply needs into the next decade and beyond, through forward planning, efficient operations and timely investment in infrastructure. Seqwater works with its retailer customers Urban Utilities, Unitywater and the water businesses of the Gold Coast, Logan and Redland city councils to ensure a safe, sustainable and valued water supply to the region.

Population growth and climate change will present significant challenges for water security. Seqwater's forward planning highlights the need to increase the water supply capacity of the SEQ Water Grid for the future, as outlined in the Water Security Program 2023 – Seqwater's 30-year strategy to addressing these challenges. Significant planning is underway for proposed enhancements to the SEQ Water Grid to continue a high level of water security – including through sustained drought periods – with projects continuing in 2024-25. Seqwater is also advancing important dam improvement projects at a number of major dams including Somerset, Wivenhoe, North Pine, and Lake Macdonald in 2024-25. Seqwater has a legislative obligation to complete its Dam Improvement Program by 2035.

Over the next decade, Seqwater will deliver the most significant capital program in its history in order to support the growing water needs of South East Queensland, continue its program to meet dam safety objectives, and prepare for the known impacts of climate change. Seqwater's 2024-25 approved capital program is \$421.2 million¹ and is expected to grow throughout the coming decade as projects are approved and move into delivery. Seqwater is focused on ensuring value for its shareholders and that infrastructure investments occur at the right time when they're needed, subject to relevant detailed business case approvals. It will continue to identify strategies to optimise existing assets and operate the SEQ Water Grid efficiently.

To continue to meet the future needs of the growing South East Queensland community in a changing climate and deliver upon a capital program of this scale and importance, Seqwater has recognised it needs to do things differently. In recent years, Seqwater has focused on strengthening its foundations and planning and preparing for the challenges ahead. With an eye firmly out to 2035 and beyond, in 2024-25 it will continue a strong focus on transforming the way it delivers its capital program, prepare to transform its operations for the future, and continue a focus on its people, culture and performance in order to deliver sustainable value to its responsible Ministers, customers and communities.

Given the challenges ahead, Seqwater's social licence to operate is more important than ever. Meeting community and key stakeholder expectations in relation to social, environmental and governance matters is of utmost importance and central to everything we do.

Seqwater will continue to pursue its vision of being an innovative leader, delivering the region's most precious resource for generations to come, while continuing to deliver a safe, sustainable and valued water supply to South East Queensland.

Honourable Dr David Hamill AM
Chairperson of Seqwater Board

¹ The approved capital program aligns to BP3 and excludes capitalised borrowing costs and includes investment approved projects only.

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1. About Seqwater

1.1 Organisational Context

1.1.1 Vision

Water for Life - an innovative leader, delivering our most precious resource for generations to come.

1.1.2 Purpose

We provide a safe, sustainable and valued water supply on behalf of the South East Queensland community.

1.1.3 Promise

Seqwater's promise reflects our commitment to keeping ourselves, each other and our communities healthy, safe and well at work and at home.

1.1.4 Values

Seqwater's values are:

- Integrity – be honest and do the right thing
- Respect – work together, seek to understand, value differences, and bring your best
- Care – look after yourself, each other, our communities and our environment
- Courage – speak up, find better ways, lead by example.

1.1.5 Seqwater's role

Seqwater is proud to deliver a safe, sustainable and valued bulk water supply for more than 3.6 million people across South East Queensland. It also provides essential flood mitigation services, supports the management of catchment health, offers community recreation facilities and supplies water to irrigators and industry.

Seqwater is one of the most geographically diverse water businesses in Australia with its operations extending from the New South Wales border, north to Gympie and west to the base of the Toowoomba ranges. Wivenhoe Dam is also connected by pipeline to Cressbrook Dam near Toowoomba, and in the future, the network will connect further west to Warwick via the delivery of the Toowoomba to Warwick Pipeline.

A critical part of the urban water supply chain, Seqwater sources, stores, treats and supplies bulk water to its five retailer customers, Unitywater, Urban Utilities and the water businesses of the Logan, Redland and Gold Coast city councils, who in turn deliver drinking water to residents and businesses through their distribution networks across the region. Seqwater works with its retailer customers to achieve the best whole-of-system solutions and also has arrangements in place to supply water to power stations operated by Stanwell Corporation and CleanCo.

Seqwater also supplies water to Gympie Regional Council, and around 1,200 irrigation and other customers who hold water entitlements in seven water supply schemes, supporting communities, agriculture and other industries.

Seqwater is responsible for planning for future water security for the region's growing population, investing in and operating its assets to achieve the standards set by Government's Level of Service Objectives for the region.

Seqwater provides access to diverse recreation opportunities on its land and water storages to support the South East Queensland lifestyle and operates its dams to mitigate flood events and reduce the impacts for downstream communities.

1.2 Governance

Seqwater will comply with all relevant legislation, Government policies and guidelines. Seqwater's Corporate Governance Statement explains how Seqwater complies with the expectations for statutory authorities as set out in the *Corporate Governance Guidelines for Government Owned Corporations, Version 2.0* (Queensland Treasury: February 2009), relevant legislation and government guidelines. The statement is available on the Seqwater website (www.seqwater.com.au).

1.2.1 Capital structure strategy and borrowings

Seqwater manages its operations, investment and borrowings prudently and efficiently. Seqwater will continue to manage matters within its control, such as prudent investment in infrastructure, efficient operating costs, interest rate risk management strategies and consideration of refinancing options as appropriate. Seqwater's debt to equity ratio projection is listed in Table 7 Financial forecasts.

Anticipated borrowings for 2024-25 are included in Table 11 Statement of cash flows.

1.2.2 Treasury policy

Seqwater has policies to minimise financial risk. Seqwater's Treasury Policy has been implemented to ensure a prudent and efficient approach to the management of assets and liabilities associated with the financing of Seqwater's business.

1.2.3 Recreation policy

Seqwater has a Board approved Recreation Policy Statement which is available on its website.

1.2.4 Human rights

Seqwater respects, protects and promotes human rights in its decision-making and actions. Seqwater will continue to develop and provide employee awareness and training around its obligations under the *Human Rights Act 2019*, reviewing policies, programs, procedures, practices and service delivery to ensure that decisions and actions are compatible with human rights and ensure that human rights are central to the work that it does.

1.2.5 Cyber security

Seqwater recognises cyber security as an enterprise risk. Seqwater has invested in strengthening this area and has matured its capabilities and standards. Seqwater has established a dedicated cyber security function and is recruiting key resources to ensure uplift to its cyber security.

Automation is being used to discover and collect cyber security information across Seqwater for reporting and issue detection. Coverage is being extended from eight hours a day, five days a week to 24 hours a day, seven days a week by engaging external security operation centre providers providing improved detection and response capabilities within Seqwater.

Table 1 Cyber security reporting

Cyber security reporting	Seqwater's response
What cyber security framework does Seqwater report against?	<ul style="list-style-type: none"> • Queensland Government Information Security Policy (IS18) • IEC 62443 international standards • Australian Signals Directorate Essential Eight Maturity Model • Internal Seqwater's Cybersecurity policy and procedures are aligned to ISO 27001 • Cyber incidents are reported in accordance with relevant legislation and government policies.
What are the key activities planned for Seqwater's cyber security systems?	<ul style="list-style-type: none"> • Monitor for cyber threats 24 hours seven days a week • Continue cyber security awareness training for Seqwater employees and contractors • Monitor Seqwater's supply chain for data breaches • Improve resilience of digital assets to protect them against cyber threats such as ransomware.

2. Delivering on strategy

2.1 Strategic framework

Seqwater has five strategic objectives in pursuit of Seqwater's *Water for Life* vision:

- improve safety and organisational culture
- improve processes, systems and planning
- strengthen financial sustainability
- increase water supply certainty
- increase stakeholder, customer and community satisfaction and support.

Delivering against Seqwater's strategic outcomes will support the attainment of its strategic objectives, the four strategic outcomes are:

- Water security: meeting the long-term demand supply for South East Queensland in accordance with the desired level of service objectives set by Queensland Government.
- Supply continuity: maintaining a continuous supply of safe drinking water to customers, in accordance with regulatory standards and contractual obligations.
- Dam improvements: meeting regulatory dam safety standards through operational activities and capital investment and non-infrastructure solutions.
- Value: meeting the expectations of responsible Ministers for the performance and sustainable value of the business.

With a focus on the key enablers in the short term that will lead to Seqwater's achievement of these strategic objectives, in 2024-25 Seqwater will focus its efforts in the areas of:

- capital delivery transformation
- operational transformation
- shareholder expectations and social licence
- talent, culture and performance.

Seqwater's strategic framework is set out in its Strategic Plan 2024-28.

2.2 Undertakings

Table 2 details Seqwater's undertakings for 2024-25 aligned to the focus areas in the Strategic Plan 2024-28 that represent the most important areas of change for Seqwater in 2024-25.

Table 2 Undertakings

In 2024-25 Seqwater will:		
Capital delivery transformation	A continuation of the program of work to uplift capital delivery capability to meet the portfolio requirements to 2035.	<ul style="list-style-type: none"> continue and accelerate the uplift in capital delivery capability to support a significant and important capital program, with a focus on critical projects planning and delivery.
Operational transformation	Develop a multi-year program improving systems, processes and assets to reduce risk, improve productivity amidst long-term operational challenges.	<ul style="list-style-type: none"> commence assessment of the future state (2035 vision) for long-term operations investigate enabling technology at water treatment plants and the SEQ Water Grid establish multi-year budget and delivery model for 2025-26 onwards.
Shareholder expectations and social licence	Build Seqwater's social licence to operate as a key enabler for operational activities and delivery of capital projects.	<ul style="list-style-type: none"> expand stakeholder and community engagement activities to increase awareness and support of Seqwater activities implement Seqwater's Net Zero Roadmap consistent with the whole of government approach proactively seek opportunities to engage with shareholders regarding Seqwater's capital program and price path considerations.
Talent, culture and performance	Harness and leverage technology, empowering our people and creating a culture of high-performance along with innovative approaches to adapt and respond to the increasing pace of change.	<ul style="list-style-type: none"> drive enhanced internal customer outcomes through process improvement and use of technology as an enabler strengthen employment governance and maintain compliance continuous improvement of workplace health, safety, environment and quality practices and maturity.

2.3 Risks

Table 3 highlights the main risks to achieving the objectives of the Operational Plan 2024-25, and the actions that are being or will be taken to mitigate these risks.

Table 3 Risks

Risk	Risk description	Key mitigation strategies
Tightening labour and construction market	<p>With Seqwater's unprecedented level of capital projects coinciding with a large pipeline of infrastructure projects (globally, nationally, and locally), the construction market is extremely competitive, and at times it may be challenging to attract suitable contractors at an acceptable cost to deliver its critical projects.</p> <p>Like many industries, a tightening labour market may put pressure on Seqwater's employee retention performance and future hiring requirements.</p>	<p>Seqwater has established a Portfolio Office to support planning and improved delivery of significant infrastructure projects over the next decade. Seqwater engages with the market through industry forums, undertakes market sounding and forward planning with the market to inform and strengthen relationships with industry.</p> <p>As a public sector agency operating in compliance with the Government Owned Corporations' wages policy, Seqwater has developed an employee value proposition that is in market and promoted to current employees to highlight a range of non-monetary tangible and intangible incentives and benefits associated with working at Seqwater.</p> <p>Seqwater has a suite of people policies, strategies and programs to support recruitment and selection, remuneration, flexible work arrangements (including widely available hybrid work arrangements), diversity and inclusion, health and wellbeing and professional and leadership development that drive continual improvement in culture and overall employee experience.</p> <p>Seqwater's Next Generation program provides graduate, apprentice and trainee opportunities to develop industry relevant skill gaps and a pipeline of suitably qualified water professionals.</p>
Supply chain resilience	<p>Local and global market conditions, supply chain challenges, geopolitical and economic issues, represent a risk of critical resources not being available at the required quality, quantity, time and price.</p>	<p>Seqwater will continue to enhance its planning and governance to ensure resources are available within approved cost parameters and acceptable quality and timeframes. Seqwater maintains interaction with its supply chain partners with respect to operationally critical materials.</p>
Cyber security and cyber terrorism	<p>With the increase in the number of global and local cases of cyber attacks, like many industries there is a risk of critical infrastructure facilities, assets and systems being targeted.</p>	<p>Seqwater has a cyber security team dedicated to managing cyber threats breaches and day to day security matters relating to both corporate and operational technologies (see section 1.2.5). Cyber security awareness training and communications are in place to educate employees, to identify and respond to cyber threats such as ransomware, phishing and malware.</p>

Risk	Risk description	Key mitigation strategies
Extreme weather events	The increasing severity and frequency of extreme weather events such as floods, droughts, cyclones and bushfires, changing rainfall patterns, and rising sea levels can present risks to SEQ's service continuity and operations.	<p>To ensure resilience in Seqwater's operations and to better coordinate emergency responses, Seqwater has emergency operations centres (EOCs) that can operate 24 hours a day, seven days a week. Seqwater undertakes annual reviews of its operational, emergency and seasonal preparedness, underpinned by training and scenario testing.</p> <p>During wet weather events Seqwater works closely with the Bureau of Meteorology, the Dam Safety Regulator and its retailer customers to provide timely responses to events as they evolve, minimise downstream impacts from dam operations and ensure safe and continuous water supply.</p>
Stakeholder expectations for ESG	Seqwater is focused on being a good corporate citizen and meeting the expectations of its communities and stakeholders in terms of environment, social and governance (ESG).	<p>Seqwater has identified key focus areas for ESG that it will align with the expectations of key stakeholders and with reference to the 2023 Queensland Sustainability Report.</p> <p>With regard to expectations around climate change mitigation, Seqwater has prepared a Net Zero Roadmap that has a target of net zero greenhouse gas emissions (GHG) by 2050, acknowledging the Queensland Government GHG emissions target. Energy efficiency and renewable energy projects are planned and funded in the 2022-2026 SEQ bulk water price path.</p>
Volatility in key planning assumptions	Seqwater's plans, budgets and forecasts are underpinned by assumptions: economic and market conditions, legal and regulatory obligations, stakeholder expectations, population growth, demand for water and climate change. There is a risk that volatility in these factors may result in adverse impacts on the usefulness of the plans, budget and forecasts.	Regular monitoring of Seqwater's external environment supports timely decision making and where required, response and/or changes to plans, budgets and forecasts.
Financial sustainability	Seqwater's capital program is forecast to increase significantly over coming years to deliver its dam improvement program and support the region's water supply needs into the future.	Seqwater is developing a financing strategy to support delivery of its forward capital program and operational requirements.

Like many utilities, Seqwater can be impacted by a range of fast and slow-moving threats with the potential to cause Seqwater to function outside its normal operating conditions. The *Emergency Management Manual* details Seqwater's approach and processes used to manage an incident or emergency as defined by the *Bulk Authority Emergency Response Plan*. The comprehensive approach to emergency management encompasses the management of risk originating from all hazards through a continuous cycle of Prevention, Preparedness, Response and Recovery.

2.4 Opportunities

Table 4 outlines key opportunities that Seqwater will explore in 2024-25.

Table 4 Opportunities

Opportunity area	Opportunity
Bulk water pricing outlook and funding certainty	Investigate the options available to support Seqwater's capital investment program over the next decade with consideration of impacts for policy for bulk water prices from 2026.
Sustainability	<p>Seqwater acknowledges the opportunities in managing the risks of Sustainability, including environment, social and governance, guidance from Queensland Treasury that management of these risks are embedded in its decision-making processes and who it is reported to (e.g., management reporting to a Board committee) and enhancement of internal systems, controls and processes.</p> <p>Seqwater's Board has adopted a Net Zero Roadmap which includes achieving Net Zero by 2050. Seqwater proposes to continue on this pathway, in support of Queensland Energy and Jobs Plan and with reference to the 2023 Queensland Sustainability Report.</p>

2.5 Business performance

Table 5 sets out Seqwater's performance indicators and targets and are based on assumptions outlined in Table 7.

Table 5 Performance indicators

Performance indicator	Measurement frequency ^{2,3}	Target
Community trust (score) ⁴	Annual	≥7.3
Shareholder sentiment (rating) ⁵	Annual	Very good
Retailer customer trust (score) ⁶	Annual	≥7.0
Irrigation customer trust (score) ⁷	Annual	≥7.0
Organisational culture ⁸	Biennial	≥ 5 defensive styles ≤ 50 th percentile in the OCI
Retailer water quality service standard performance	Quarterly	Schedule 2 (ADWG requirements). ⁹ 100% Schedule 3 (Additional quality parameters). ¹⁰ ≥98%
Continuity of supply	Annual	≤2 trigger three demand management notifications issued
Significant projects – 2024-25 schedule	Quarterly	≥85% planned milestones achieved ¹¹
Significant projects – 2024-25 budget	Quarterly	≤ +10%
EBITDA	Quarterly	≥\$831.6m
EBITDA interest coverage	Annual	≥2.0 times
Return on equity	Annual	≥4.9%

Seqwater monitors and reports on a number of safety metrics internally. For the purpose of external reporting Lost Time Injury Frequency Rate will be reported through quarterly performance reporting. Table 6 sets the performance target.

Table 6 Safety target

Performance indicator	Measurement frequency	Target
Lost Time Injury Frequency Rate (LTIFR)	Quarterly	≤3.5 ¹²

² Annual measures may be communicated through quarterly reporting process and reported in the Annual Report.

³ Quarterly measures will be reported as year-to-date against a full year target.

⁴ Based on a survey of a sample of the South East Queensland community. Average of trust based questions on a score of 1-10.

⁵ Based on responses to independent interviews using a rating scale: 1 = Unsatisfactory, 2= Satisfactory, 3= Good, 4= Very Good, 5 = Excellent.

⁶ Based on independent survey. Average of all responses of trust based question on a score of 0-10.

⁷ Based on survey of irrigators undertaken by Seqwater. Average of all responses of trust based questions on a score of 0-10.

⁸ Organisational culture is measured using the Human Synergistics Organisational Culture Index.

⁹ ADWG - Australian Drinking Water Guidelines.

¹⁰ Other requirements negotiated between the retailer customer and Seqwater, including non-ADWG requirements such as taste and odour.

¹¹ Reported against milestones (≤ + 3 months) set in May 2024 and included in the KPI definition or referenced document.

¹² Seqwater's target for injuries of any type is always zero with an upper maximum LTIFR of ≤3.5.

3. Financials

3.1 Financial summary

Table 7 sets out financial forecasts. These will be reported against through quarterly performance reporting.

Table 7 Financial forecasts

	2024-25				
	Q1	Q2	Q3	Q4	Full year ¹³
Operating revenue (\$m)	311.5	311.5	305.3	307.8	1,236.0
Operating expenditure (\$m)	98.0	96.1	99.7	110.6	404.4
Depreciation and amortisation (\$m)	68.3	67.4	67.5	68.6	271.8
EBIT (\$m)	145.1	148.0	138.1	128.6	559.8
Net profit after tax (NPAT) (\$m)	30.3	33.5	26.0	14.4	104.2
Cash and cash equivalents (\$m)	179.6	100.0	100.0	100.0	100.0
Total current assets (\$m)	366.3	286.7	283.2	286.0	286.0
Approved capital program (\$m) ¹⁴	145.3	98.9	74.3	102.8	421.2 ¹⁵
Debt to equity ratio (x)	4.1	4.0	4.0	4.0	4.0
EBITDA Interest coverage (x)	N/A	N/A	N/A	N/A	2.0
Current ratio (x)	0.8	0.6	0.6	0.5	0.5

¹³ Totals may not add due to rounding.

¹⁴ Approved capital program will be updated and communicated through quarterly performance reporting in line with any relevant investment decisions.

¹⁵ The approved capital program aligns to Budget Paper 3 and excludes capitalised borrowing costs and includes projects with investment approval.

Assumptions

Seqwater's budget forecast is based on the assumptions outlined in Table 8 and is sensitive to a range of factors including economic, cost inputs for operating and capital expenditure.

Table 8 Assumptions

Economic indices	
Interest rates	As per Queensland Treasury Corporation (QTC) projected interest rates.
Inflation	An inflation adjustment has been included in the operational expenditure base year and salary and wages are escalated in line with Seqwater's Staff Enterprise Agreement 2023.
Revenue	
Prices	Revenue is calculated from prices set by the responsible Ministers and through bulk water supply agreements. For bulk water, Seqwater has adopted prices directed by the Minister for Regional Development, Manufacturing and Minister for Water for 2022-2026.
Bulk water sales volumes	Sales volumes are sensitive to factors outside of Seqwater's control, most notably climatic conditions that are a short-term determinant of water demand. Seqwater's forecast demand is built from retailer customer medium-term demand projections to which Seqwater applies monthly profiling based on historical data where required. The 2024-25 demand forecast is determined using the retailer customer forecast data collected in October 2023.
Regulated revenue	<p>As bulk water prices are set on a 100% volumetric charge, regulated revenue will vary with actual demand. Hence Seqwater's revenue, and to a large extent profit, is sensitive to the factors above governing bulk water sales, in particular climatic conditions during the year and their impact on water demand.</p> <p>Seqwater assumes the regulatory arrangements, whereby there is a true up for actual versus forecast revenue at the end of each regulatory period, continues along with a corresponding adjustment to prices in the next regulatory period. There is no recognition in revenue of any asset or liability for the under or over recovery for differences between actual collections and Seqwater's Maximum Allowed Revenue (MAR).</p>
Operating expenses	
Total operating expenditure	Operating expenditure is developed using a top-down baseline budgeting methodology with consideration of the QCA Report (March 2022) and with adjustments for known differences and appropriate bottom-up budget requests.
Climatic events	<p>Seqwater's budget assumes fair weather conditions. Operational costs are sensitive to climatic events. Actual operating costs may be higher if there are weather events (e.g. repair costs, dirty water events, increases to labour costs, activation of the Flood Operations Centre, and operation of the Gold Coast Desalination Plant).</p> <p>Should extended periods of dry conditions occur operating costs could be higher than budget if Seqwater implements its drought response plan and changes its operating strategy. Seqwater assumes it will continue to be able to recover these additional</p>

	costs (net of insurance proceeds), through a formal process at the next bulk water price review.
Western Corridor Recycled Water Scheme	The QCA allowance included funding for care and maintenance operation only with no production of purified recycled water (PRW). The 2024-25 budget allows \$12.7m above the QCA allowance for production of 3,839ML for supply to industrial customers.
Gold Coast Desalination Plant	The QCA allowance includes funding for hot standby (RFRT) including 400ML of desalinated water provided to the SEQ Water Grid annually. The 2024-25 budget allows \$3.8m above the QCA allowance for production of an additional 1,694ML to supplement SEQ Water Grid demand.
Capital	
Changes in forecasts	Project cashflows are reviewed regularly under Seqwater's project and program governance processes to ensure projected timings and costs are formulated accurately.
Project gateways	A formal gateway approval structure is used throughout Seqwater for capital projects. Key projects and respective project status and investment approval status are detailed in Section 3.3.2 Key Projects.
Approvals and BPIC	The capital program delivery timing assumes that Best Practice Industry Conditions (BPIC) for Seqwater are in place for relevant projects, including any whole-of-sector or Government requirements.

3.2 Financial statements

3.2.1 Statement of comprehensive income

Table 9

	2024-25 budget ¹⁶				
	Q1	Q2	Q3	Q4	Q1
	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)
Operating revenue					
Water services	305.9	305.9	299.8	302.3	1,213.9
Interest income	1.1	1.1	1.1	1.1	4.4
Other revenue	4.5	4.5	4.4	4.4	17.8
Total operating revenue	311.5	311.5	305.3	307.8	1,236.0
Operating expenses	98.0	96.1	99.7	110.6	404.4
EBITDA	213.5	215.4	205.6	197.2	831.6
Depreciation and amortisation	68.3	67.4	67.5	68.6	271.8
EBIT	145.1	148.0	138.1	128.6	559.8
Finance/borrowing costs	101.9	100.1	100.9	107.9	410.9
Profit (loss) before income tax	43.2	47.9	37.2	20.6	148.9
Taxation (expense) benefit	13.0	14.4	11.2	6.2	44.7
Net profit (loss) after income tax	30.3	33.5	26.0	14.4	104.2

¹⁶ Totals may not add due to rounding.

3.2.2 Statement of financial position

Table 10

	2024-25 budget ¹⁷			
	Q1	Q2	Q3	Q4
	(\$m)	(\$m)	(\$m)	(\$m)
Current assets				
Cash and cash equivalents	179.6	100.0	100.0	100.0
Trade and other receivables	163.6	163.6	160.4	162.3
Inventories	14.8	14.8	14.5	15.4
Other current assets	8.3	8.3	8.3	8.3
Total current assets	366.3	286.7	283.2	286.0
Non-current assets				
Property, plant and equipment	10,791.1	10,857.1	10,926.7	11,033.8
Other non-current assets	3.1	2.9	2.8	2.6
Total non-current assets	10,794.2	10,860.0	10,929.5	11,036.4
TOTAL ASSETS	11,160.5	11,146.7	11,212.7	11,322.3
Current liabilities				
Trade and other payables	97.4	108.8	120.3	131.8
Employee benefits	26.9	27.4	27.9	28.5
Interest payable	35.5	35.1	34.7	34.2
Interest bearing liabilities	309.5	313.9	317.3	319.8
Other current liabilities	11.7	11.7	11.7	11.7
Total current liabilities	481.0	496.9	511.9	526.0
Non-current liabilities				
Employee benefits	3.3	3.1	3.6	3.4
Interest bearing liabilities	8,199.5	8,125.1	8,141.3	8,219.6
Deferred tax liabilities	201.9	216.3	227.5	233.7
Other non-current liabilities	236.7	233.7	230.7	227.7
Total non-current liabilities	8,641.5	8,578.3	8,603.2	8,684.4
TOTAL LIABILITIES	9,122.4	9,075.2	9,115.1	9,210.3
NET ASSETS	2,038.0	2,071.5	2,097.6	2,112.0
Equity				
Contributed equity	(445.9)	(445.9)	(445.9)	(445.9)
Asset revaluation reserve	2,554.2	2,554.2	2,554.2	2,554.2
Accumulated profit (loss)	(70.3)	(36.8)	(10.8)	3.7
TOTAL EQUITY (DEFICIENCY)	2,038.0	2,071.5	2,097.6	2,112.0

¹⁷ Totals may not add due to rounding.

3.2.3 Statement of cash flows

Table 11

	2024-25 budget ¹⁸				
	Q1	Q2	Q3	Q4	Full year
	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)
Cash flow from operating activities					
<i>Inflows</i>					
Receipts from water services	300.5	306.8	304.0	301.2	1,212.5
Receipts from leases, rentals and other	0.7	0.7	0.7	0.7	2.8
Interest received	1.1	1.1	1.1	1.1	4.4
<i>Outflows</i>					
Payments to suppliers and employees	(86.6)	(84.3)	(86.9)	(99.7)	(357.6)
Interest paid	(102.3)	(100.5)	(101.3)	(108.3)	(412.4)
Net operating cash flows	113.5	123.8	117.4	94.9	449.7
Cash flow from investing activities					
<i>Inflows</i>					
Proceeds from sale of plant and equipment	0	0	0	0	0
<i>Outflows</i>					
Payments for acquisition of property, plant and equipment	(166.1)	(133.2)	(137.0)	(175.5)	(611.8) ¹⁹
Net investing cash flows	(166.1)	(133.2)	(137.0)	(175.5)	(611.8)
Cash flow from financing activities					
<i>Inflows</i>					
QTC borrowings	4.1	5.6	96.2	158.2	264.1
Equity injection ²⁰	125.0	0	0	0	125.0
<i>Outflows</i>					
Lease payment	(0.2)	(0.2)	(0.2)	(0.2)	(0.6)
QTC borrowings – redemption	(74.6)	(75.6)	(76.5)	(77.5)	(304.1)
Net financing cash flows	54.4	(70.1)	19.5	80.6	84.3
Net increase (decrease) in cash held	1.8	(79.6)	0.0	0.0	(77.8)
Cash and cash equivalents at the beginning of the financial period	177.8	179.6	100.0	100.0	177.8
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	179.6	100.0	100.0	100.0	100.0

¹⁸ Totals may not add due to rounding.

¹⁹ Includes capitalised borrowings and projects pending responsible Minister approvals.

²⁰ Toowoomba to Warwick Pipeline.

3.3 Capital program

Seqwater's 2024-25 approved capital program is \$421.2m²¹. The program includes capital expenditure to continue the dam improvement and water security investment programs and continue capital works to maintain its asset base, together ensuring continued supply of safe and sustainable and valued water for South East Queensland. Seqwater's approved capital program for 2024-25 is outlined in Table 12.

3.3.1 Approved capital program

Table 12

	2024-25 budget				
	Q1	Q2	Q3	Q4	Full year
	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)
Key Projects ²²	64.0	38.7	29.7	51.5	183.9
Infrastructure capital projects under \$10m ²³	76.3	55.3	40.7	46.4	218.6
Non-infrastructure capital	5.0	4.9	3.8	4.9	18.6
APPROVED CAPITAL PROGRAM	145.3	98.9	74.3	102.80	421.2²⁴

²¹ The approved capital program aligns to BP3 and excludes capitalised borrowing costs and includes projects with investment approval.

²² See table 13.

²³ Includes planning costs for projects that may result in an investment of greater than \$10m.

²⁴ The approved capital program aligns to BP3 and excludes capitalised borrowing costs and includes projects with investment approval.

3.3.2 Key projects

Key projects for 2024-25 are listed in Table 13.

Table 13 Key projects

Project title	Details	Project expected completion	2024-25 budget (\$m)	Total project cost (\$m) ²⁵	Project status ²⁶
Lake Macdonald Dam Improvement Project ²⁷	The Lake Macdonald Dam Improvement Project will ensure the dam complies with the latest safety standards and continues to function safely during extreme weather events in line with regulatory requirements.	2028-29	71.4	427.7	Responsible Minister approved
Toowoomba to Warwick Pipeline	The 109km Toowoomba to Warwick raw water pipeline will allow water transfer from Wivenhoe Dam to townships in Toowoomba on a permanent basis and drought contingency for Warwick and surrounding communities.	2027-28	56.0	273.1 ²⁸	Responsible Minister approved
Proposed Gold Coast Desalination Plant Augmentation and Associated Infrastructure	Augmentation of the existing Gold Coast Desalination Plant for an additional 48 ML/day.	2030-31	30.5	TBD ²⁹	Yet to be approved

²⁵ Total project cost is the approved business case unless otherwise stated.

²⁶ Project status is in accordance with Queensland Treasury Project Assessment Framework.

²⁷ Note this project title has changed from Lake Macdonald Dam Upgrade to Lake Macdonald Dam Improvement Project.

²⁸ As per letter from responsible Ministers dated 2 February 2023.

²⁹ Total project cost is subject to detailed business case development.

Project title	Details	Project expected completion	2024-25 budget (\$m)	Total project cost (\$m) ²⁵	Project status ²⁵
Proposed Wyaralong Water Treatment Plant and associated infrastructure	Development of a new water treatment plant, pump station and the Wyaralong Interconnector Pipeline.	2030-31	0.0	TBD ³⁰	Yet to be approved
Mt Crosby East Bank Critical Electrical Infrastructure Upgrade	Improve flood resilience through upgrade of the motors and pumps, electrical switchgear and motor control systems and upgrade of power distribution systems at the water treatment plant to match the substation voltage change to 11kV.	2026-27	24.2	60.3 ³¹	Responsible Minister approved
Mt Crosby East Bank Substation and Enabling Works	Upgrade of substation to 11kV and associated enabling works to increase flood resilience.	2027-28	1.9	34.7 ³²	Responsible Minister approved

The projects included above are the projects that have, or are anticipating, detailed business case approval prior to or during 2024-25. Notification of capital projects between \$10 million and \$40 million will be included in this Plan and reported to the responsible Ministers through quarterly performance reports following Board approval of a detailed business case.

Projects over \$40 million will be included and reported on following ministerial approval of a detailed business case, unless otherwise stated.

³⁰ Total project cost is subject to detailed business case development.

³¹ Change to total project costs noted by the Board on 7 December 2023. The responsible Ministers were informed in a letter dated 18 January 2024. The Mt Crosby East Bank Flood Resilience Program was reviewed to deliver the Mt Crosby precinct staged infrastructure improvements in a more efficient and cost-effective manner.

³² Change to total project costs noted by the Board on 7 December 2023. The responsible Ministers were informed in a letter dated 18 January 2024. The Mt Crosby East Bank Flood Resilience Program was reviewed to deliver the Mt Crosby precinct staged infrastructure improvements in a more efficient and cost-effective manner.

3.3.3 Major projects in planning

Seqwater has a number of other major projects in early planning phases. Projects of significance are included in Table 14. Seqwater will update the responsible Ministers on progress of these projects through quarterly performance reports.

Table 14

Project Title	Details
Wivenhoe Dam Improvement Project ³³	The Wivenhoe Dam Improvement Project will ensure the dam complies with the latest safety standards and continues to function safely during extreme weather events in line with regulatory requirements.
North Pine Dam Improvement Project	The North Pine Dam Improvement Project will ensure the dam complies with the latest safety standards and continues to function safely during extreme weather events in line with regulatory requirements.
North Pine Dam staged Strengthening Project	Staged strengthening of the non-overflow monoliths will reduce dam safety risk and allow for integration with North Pine Dam Improvement Project.
Somerset Dam Improvement Project	The Somerset Dam Improvement Project will ensure the dam complies with the latest safety standards and continues to function safely during extreme weather events in line with regulatory requirements.
Investigations into a new South East Queensland desalination plant	Investigate options for a new Desalination Plant in South East Queensland to augment capacity of the SEQ Water Grid.

³³ Includes Brisbane Valley Highway Relocation.

Attachment 1 – Employment and industrial relations

Employment and industrial relations approach

To achieve its Water for Life vision, Seqwater needs to continue to attract and retain a high performing, diverse workforce that has the right skills and capabilities to deliver operational and strategic initiatives now and in the future.

Seqwater recognises that having a high-performance culture is critical to its success and by living the values, it aims to empower its people to deliver sound and innovative outcomes and to continue to find better ways of working.

Seqwater is committed to the health and wellbeing of its people and provides a safe, constructive and flexible work environment that enables employees to be the best they can be.

Seqwater's continued improvement is enabled by a collaborative and consultative approach to employment and industrial relations.

Employment and industrial relations goals for 2024-25 are to improve human resource processes, systems, governance and culture through:

- implementation of Seqwater's Staff Enterprise Agreement 2023 (effective from 11 April 2024)
- negotiation and implementation of Seqwater's 2024 Managers Enterprise Agreement
- continued adherence to wages compliance including independent audits in line with the Enforceable Undertaking (EU) entered into with the Fair Work Ombudsman (FWO)
- continued improvements to industrial relations capability across leaders and employees to ensure correct application of the Enterprise Agreements
- review of existing work practices across the business to identify greater efficiencies
- improved workforce planning and resourcing approaches
- strengthened industrial relations, employment governance and compliance through the implementation of industrial relations initiatives and improved systems, policies and processes.

Seqwater will continue to identify operating efficiencies and process improvements across all of its administration and operations activities to deliver value to the South East Queensland community.

Significant and emerging issues

Seqwater's People, Culture and Safety Strategy has identified three key themes for management of the workforce, detailed in Table 15.

Table 15

Leadership and culture	<p>Seqwater recognises the relationship that culture has with performance, productivity, employee engagement, attraction, retention and safety. Seqwater's focus on leadership and culture will drive improved outcomes enhancing collaborative approaches and employee safety and wellbeing.</p> <p>In driving effective leadership and a constructive and safe culture Seqwater will implement a range of strategies and initiatives including but not limited to:</p> <ul style="list-style-type: none"> • implementation of leadership programs to drive accountability and improved leadership capability in key areas including effective workforce management and employment relations • continue to embed leadership expectations, values, the Safe for Life promise and build trust across the organisation • continue the evolution of a diverse and inclusive culture • continue to build a recognition culture through Seqwater's recognition framework. <p>With culture as a priority, Seqwater will transition over time to cultural assessment tools that provide greater opportunity for real time sentiment analysis, enabling the organisation to become aware of and respond to critical issues in a timely manner. By adopting a holistic approach to performance management, where improvement opportunities are sufficiently identified and managed and leaders are able to recognise and reward positive performance, Seqwater will be well placed to fulfil its strategic objectives and the operational needs of the business and ultimately the South East Queensland community.</p>
Talent management	<p>Seqwater recognises the important role that talent management plays in helping to deliver on business priorities.</p> <p>It is important to continue to attract, develop and retain talented, capable and engaged people. Seqwater will achieve this through the identification of critical role succession and includes an attraction and retention strategy that aligns with its employment brand and diversity and inclusion strategy. This approach to talent management will embrace the broad range of benefits that a talented and diverse workforce brings, including improved employee engagement, enhanced reputation, improvements in productivity and a diversity in thinking and creativity.</p> <p>A balanced talent management strategy also considers the retention of existing talent. Seqwater will continue to build on its performance culture through the modernisation of existing frameworks to reflect the contemporary needs and challenges of the business. Seqwater's approach to the management of performance will encompass the reward and recognition components along with the more traditional performance improvement areas.</p> <p>Seqwater remains committed to building its talent pipeline through the Next Generation program which incorporates trainee, apprentice and graduate programs. Driving diversity and innovation, these programs also support succession and workforce planning strategies.</p>
Systems, process and governance	<p>Seqwater values the importance of having robust workplace governance across all areas of employment and industrial relations. Strong employment relations governance increases trust and encourages positive behaviour of employees to act in alignment with Seqwater's values in their efforts, ultimately reducing duplication and waste of effort and resources.</p> <p>Seqwater is committed to introducing a contemporary human resources policy and procedure framework. This framework will incorporate the benefits of system design and the introduction of new technology empowering leaders to manage with confidence and provide the business the ability to better achieve its objectives.</p>

Key issues for Seqwater and its workforce in 2024-25 include:

- implementing the Enterprise Workforce Management Plan
- implementing Seqwater's Staff Enterprise Agreement 2023 (effective from 11 April 2024)
- negotiating and implementing Seqwater's 2024 Managers Enterprise Agreement
- continuing to improve safety and organisational culture through targeted improvements in leadership capability
- delivering a contemporary talent management strategy that identifies and manages talent risks and opportunities, providing a platform for a sustainable workforce
- embracing the diversity of its people and fostering an inclusive culture in which people are empowered to be innovative and challenge the status quo
- providing safe workplaces where employees are treated with dignity and respect and where discrimination, harassment and bullying is not tolerated
- implementing the legislative changes required under the *Fair Work Act 2009* resulting from the introduction of the *Secure Jobs Better Pay Act 2022* and *Closing the Loopholes Act 2023* took effect in 2024
- proactively managing employee health and wellbeing.

Employment and industrial relations plan

Employment conditions

Seqwater is committed to complying with all applicable employment law jurisdictions, including the *Fair Work Act 2009*, the *Government Owned Corporations Wages and Industrial Relations Policy* and any other applicable State Government employment and industrial relations policies.

Seqwater engages employees under four employment arrangements:

- Common law contract – *Fair Work Act 2009* and Water Industry Award 2020
- Common law contract – Seqwater Enterprise Agreement 2016-2019
- Common law contract – Seqwater Enterprise Agreement 2019-2023
- Seqwater Staff Enterprise Agreement 2023 (the Agreement).

The Agreement is a standalone agreement, and its scope of coverage relates to all employees excluding managers. Managers are engaged through common law contracts that are underpinned by either the Seqwater Enterprise Agreement 2016-2019 or the Seqwater Enterprise Agreement 2019-2023.

Seqwater engages employees on a permanent or fixed term basis and as full time, part time or casual.

For employees engaged under the Agreement, ordinary hours of duty are an average of 38 hours per week to be worked within a work cycle of up to 12 weeks. The ordinary spread of hours is from 6 am to 6 pm Monday to Friday.

The Agreement also covers and applies to all apprentices and trainees.

Enterprise bargaining and productivity initiatives

Enterprise bargaining

The Seqwater Staff Enterprise Agreement 2023 was certified by the Fair Work Commission on 7 April 2024 and came into effect 11 April 2024. The Agreement has a nominal expiry date of 30 June 2026 and will remain in effect until a new Agreement is negotiated. The Seqwater Enterprise Agreement 2016-2019 and the Seqwater Enterprise Agreement 2019-2023 continues in force until replaced or rescinded.

Seqwater began discussions to replace the Seqwater Enterprise Agreement 2016-2019 and Seqwater Enterprise Agreement 2019-2023 in January 2023 in consultation with the Office of Industrial Relations and following approval of its bargaining framework through the Industrial Relations CEO's Committee processes.

Seqwater continues to bargain with The Professionals Union, The Services Union and individually nominated bargaining representatives for a Managers Agreement 2024 which is intended to provide a fair and reasonable set of wages and conditions to underpin those Managers who are engaged pursuant to Common Law Contracts of employment. This Managers Agreement is intended to replace the Seqwater Enterprise Agreement 2016-2019 and the Seqwater Enterprise Agreement 2019-2023.

Productivity initiatives

Seqwater is committed to operating a financially prudent, efficient and sustainable business. Through ongoing efforts to identify and implement productivity initiatives and efficiencies, Seqwater will identify savings required in accordance with the *Government Owned Corporations Wages and Industry Relations Policy*.

Management relationship with unions

Seqwater is committed to establishing and maintaining an open and effective relationship with employees and their industrial representatives with a focus on early engagement. Seqwater will continue to abide by the consultative provisions as outlined in the Agreement that apply to Seqwater employees.

Seqwater values constructive and timely working relationships with employees and their union representatives. Investing in this relationship, Seqwater has a Joint Consultative Committee (JCC). The JCC meets on a quarterly basis and comprises Industrial Organisers from industry unions and workplace delegates and will continue to build on and facilitate responsible working relationships with employees and industry unions.

Consultation

Seqwater recognises the benefits of early consultation as part of being a successful employer of choice. Seqwater is committed to building on the strong foundations in place when consulting on a range of key employment and industrial relations matters. Key stakeholders in this process include, but are not limited to employees, industry unions, Queensland Treasury, Department of Regional Development, Manufacturing and Water and the Office of Industrial Relations (Queensland) on key employment and industrial relations matters.

Employee flexibility

Seqwater is committed to providing work policies and practices that promote and support employees to work flexibly. Seqwater's accommodation strategy considers the way work is conducted in conjunction with a focus on agile and activity-based working for its employees. Seqwater's Enterprise Agreements provide employees with flexible working options so it can support its people to balance individual needs with operational requirements and to ensure optimal delivery of performance and outcomes.

Equal employment opportunity and anti-discrimination

Seqwater is committed to embracing the diversity of its people and fostering an inclusive culture in which employees are empowered to be innovative and challenge the status quo.

Seqwater's policies and procedures reflect this commitment ensuring that it provides a safe workplace where employees are treated with dignity and respect and where discrimination, harassment and bullying is not tolerated.

Job security and redundancy provisions

Seqwater is committed to providing employment security in accordance with the provisions of the *Government Owned Corporations Wages and Industrial Relations Policy* and the applicable Enterprise Agreements.

In the event that redundancies are considered, Seqwater will comply with relevant contractual obligations, Enterprise Agreement provisions, Government policy and applicable legislation.

Health, safety and wellbeing

Seqwater's Safe for Life promise reflects its commitment to protecting the health and wellbeing of everybody who works for and on its behalf, keeping them free from physical and psychological injury.

Seqwater will achieve this by:

- identifying, assessing and controlling its risks through the application of simple and effective systems and eliminating workplace hazards wherever possible
- fostering a safety culture in which its people are accountable for their own safety and empowered to constructively challenge safety systems and performance at all levels
- changing the relationship with health, safety and wellbeing from one which is compliance driven to one which supports risk-based decision making and the application of the values – Integrity, Respect, Care and Courage - in its people's approach to safety in their everyday work
- communicating and consulting with its people and stakeholders to enhance its Health, Wellbeing and Safety systems
- applying organisational and industry learnings to support continued best practice
- developing objectives and targets which are monitored and measured to inform continual improvement opportunities
- supporting injured or ill employees return to work through the provision of appropriate injury management programs

- complying with legal and other requirements and actively promoting and supporting proactive safety leadership.

Seqwater's strategy includes the strategic objective to improve safety and organisational culture. In 2024-25 culture, safety and capabilities is a priority for Seqwater. It will focus on the following key areas:

- leadership and culture
- health and wellbeing
- embedding critical control management.

Seqwater maintains a Work Health and Safety Management System that is certified to ISO 45001.

Contracting

Seqwater engages contractors to undertake projects where a level of expertise is required that is not otherwise available within Seqwater and to alleviate short-term employee shortages. Seqwater's Procurement Management Policy requires that it provides fair and reasonable opportunity for Queensland suppliers, including local suppliers and small and medium enterprises.

Where Seqwater engages the services of a contractor, the contractor will comply with Seqwater's terms of business and supply all necessary documentation. Emphasis is placed on contractors abiding by Seqwater policies and procedures, including *The way we work*, Seqwater's code of conduct and safety obligations.

Seqwater expects the contractor to also abide by all relevant industrial relations and regulatory compliance obligations and may request information from time to time to ensure these obligations are satisfied. Seqwater is responsible for identifying and receiving alleged breaches of the Ethical Supplier Threshold (the threshold) and the Ethical Supplier Mandate (the mandate). In instances of actual or suspected breaches, Seqwater will undertake the activities required by the threshold and the mandate to determine if a breach has occurred, and if a non-compliance is identified will proceed according to the processes outlined in those documents.

Workforce direction

Table 16 represents the budgeted positions for 2024-25 and includes vacant or planned roles.

Table 16

Employment category	Full time equivalent positions budgeted
	2024-25
Directly employed workforce³⁴	
Permanent ³⁵	868
Temporary ³⁶	72
CEO and Senior Executive contract ³⁷	8
Apprentices – in house ³⁸	10
Trainees – in house	28
Casual	0
Other (including graduates)	10
Total directly employed workforce	996
Indirectly employed workforce	
Apprentices – group	0
Trainees – group	0
Contractor and labour hire – trade/technical	0
Contractor and labour hire – professional/ administrative/ technical	0
Other	0
Total indirectly employed workforce	0
TOTAL WORKFORCE³⁹	996

³⁴ Direct workforce includes employees on the Seqwater's payroll, including permanent, temporary, casual employees, apprentices and trainees directly paid by Seqwater.

³⁵ Permanent includes full-time and part-time.

³⁶ Temporary includes fixed term / maximum term contract (but not casual employees).

³⁷ Relates to the Chief Executive Officer and direct reports only.

³⁸ 'In house' apprentices and trainees are those employed directly by Seqwater for the term of the training contract (and would be covered under the Enterprise Agreement). 'Group' apprentices and trainees are those who fall outside of this classification.

³⁹ The above table represents the total workforce which are costed to both capital and operating expenditure.

Superannuation

Seqwater employees can choose their own superannuation fund or join QSuper as the default fund. Seqwater will contribute at the rate of 12.75% per annum to all employee nominated superannuation funds from 1 July 2022, calculated on ordinary time earnings (at a minimum) as defined by section 6 of the *Superannuation Guarantee (Administration) Act 1992*. This contribution will remain aligned with the Queensland State Government directive, which is at a higher rate compared to the federal Superannuation Guarantee legislation, currently set at 11.0%.

Seqwater employees who join QSuper are entitled to benefits calculated in accordance with the governing rules of QSuper. Employees who are engaged on the Enterprise Agreement can vary their superannuation contribution rate between 0 and 5.0%. The employer contribution rate will remain at 12.75% irrespective of the QSuper scheme option chosen.

The majority of employees who are members of QSuper have accumulation accounts. On 1 January 2024, 14 employees had QSuper defined benefit accounts, and three employees had Brighter Super Fund defined superannuation accounts. Defined benefits funds are not available to new employees. QSuper defined benefit members who join Seqwater are able to continue as defined benefit members.

Board member and executive remuneration arrangements

Board members

Table 17

Board members	Board fees ⁴⁰ (\$)	Committee fees (\$)	Superannuation ⁴¹ (\$)	Total (\$)
Dr David Hamill AM, Chairperson	100,000	13,500	14,471	127,971
John McEvoy	50,000	12,500	7,969	70,469
Penny Tovey	50,000	12,500	7,969	70,469
Gail Ker	50,000	9,000	7,523	66,523
Catherine Mickel	50,000	9,000	7,523	66,523
Neville Ide	50,000	12,500	7,969	70,469

⁴⁰ Board and Committee fees are annualised as at 28 February 2024. No allowance for future increases has been taken into account as they are not known at this point in time.

⁴¹ Employer superannuation payments do not include salary sacrificed amounts; these are recorded in Board fee. Invoiced fees include a provision for superannuation.

Chief Executive Officer and senior executives

Table 18

Executive	Base salary ⁴² (\$)	Employer superannuation contributions ⁴³ (\$)	Total fixed remuneration ⁴⁴ (\$)	Performance payment made ⁴⁵ (\$)
Chief Executive Officer	626,714	27,500	654,214	
Executive General Manager Operations	355,338	27,500	382,838	
Executive General Manager Infrastructure Planning and Capital Delivery	446,048	27,500	473,548	
Executive General Manager Customer, Strategy and Planning	423,904	27,500	451,404	
Executive General Manager Corporate Services	346,500	27,500	374,000	
Executive General Manager Digital, Technology and Information	351,699	27,500	379,199	
Executive General Manager, People, Culture and Safety	351,699	27,500	379,199	
Executive General Manager Legal and Governance	295,143	27,500	322,643	

⁴² No allowance for future salary increases has been taken into account as future increases are not guaranteed or known at this point in time.

⁴³ Employer superannuation payments do not include salary sacrificed amounts; these are recorded in base salary.

⁴⁴ The distribution of the base and superannuation components may vary due employee voluntary decision to have their super guarantee capped as per the Maximum Super Contributions Base.

⁴⁵ No Performance payments to the CEO or Executives included for planning purposes.

Attachment 2 – Sponsorship, advertising, corporate entertainment and donations

Table 18 lists budgeted sponsorships, advertising, corporate entertainment and donations as at February 2024. Sponsorship opportunities that arise during the financial year are assessed on a case-by-case basis against business strategy for alignment and benefit. Expenditure against any additional approved sponsorships is reported to the responsible Ministers in the quarterly performance reports.

Table 19

	2023-24 budget	2023-24 estimate/ actuals	2024-25 budget	Q1	Q2	Q3	Q4	Per Head Budget
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$)
Sponsorship⁴⁶								
Water industry events and sponsorship	55.0	44.0	162.0 ⁴⁷	50.0	34.5	30.0	47.5	N/A
Total over \$5,000	55.0	44.0	162.0	50.0	34.5	30.0	47.5	N/A
Other (total) below \$5,000	0	4.4	0	0	0	0	0	N/A
TOTAL	55.0	48.4	162.0	50.0	34.5	30.0	47.5	N/A
Advertising⁴⁸								
Public education ⁴⁹	115.0	80.0	90.0	0	85.0	5.0	0	N/A
Total over \$5,000	115.0	80.0	90.0	0	85.0	5.0	0	N/A
Other (total) below \$5,000	0	0	0	0	0	0	0	N/A
TOTAL	115.0	80.0	90.0	0	85.0	5.0	0	N/A
Corporate entertainment								
Total over \$5,000	0	0	0	0	0	0	0	0
Other (total) below \$5,000	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0

⁴⁶ The association of Seqwater's name with a sponsored organisation's service, product or activity, in return for negotiated and specific benefits.

⁴⁷ An increase in planned sponsorship spend for 2024-25 will advance Seqwater's community and industry sponsorship activities in support of the Water Security Investment Program, Dam Improvement Program and ongoing Community Engagement Program.

⁴⁸ Messages paid for by Seqwater intended to educate or inform the people who receive them (excludes recruitment advertising).

⁴⁹ Previously reported Play it safe campaign, dam release notifications service and community education in Seqwater's Operational Plan 2022-23. Advertising will be budgeted as public education with messaging appropriate to seasonal variance and reported in the quarterly performance reports.

Seqwater Operational Plan 2024-25



	2023-24 budget	2023-24 estimate/ actuals	2024-25 budget	Q1	Q2	Q3	Q4	Per Head Budget
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$)
Donations ⁵⁰								
Total over \$5,000	0	10.0	0	0	0	0	0	N/A
Other (total) below \$5,000	0	0.6	0	0	0	0	0	N/A
TOTAL	0	10.6	0	0	0	0	0	N/A
Other related activities								
Total over \$5,000	0	0	0	0	0	0	0	N/A
Other (total) below \$5,000	0	0	0	0	0	0	0	N/A
TOTAL	0	0	0	0	0	0	0	N/A
TOTAL ACTIVITES	170.0	139.0	252.0	50.0	119.5	35.0	47.5	0

⁵⁰ A voluntary transfer of money or property by Seqwater that the organisation receives no material benefit or advantage for.

Attachment 3 – Community service obligations

As per the Community Service Obligations Agreement, each year the Department of Regional Development, Manufacturing and Water is expected to pay Seqwater compensation for the shortfall between the cost of providing an irrigation service in our water supply schemes and the revenue generated from our irrigation customers in accordance with the Irrigation Water Pricing Direction Notice. Table 19 sets out the forecast fixed community service obligation (CSO) payments for 2024-25 for the period 1 July 2024 to 30 June 2025. Table 20 sets out the variable CSO forecast payments for 2024-25. Final figures for the variable CSO will be calculated once actual usage is known at the end of the water year.

Table 20 Forecast fixed CSO payments 2024-25

Water supply schemes	CSO payments 2024-25 (\$)
Bulk schemes	
Cedar Pocket	169,410
Central Brisbane River	7,759
Central Lockyer Valley	478,106
Lower Lockyer Valley	625,181
Channel distribution schemes	
Morton Vale Pipeline (Part A)	79,668
Morton Vale Pipeline (Part C)	20,620
Pie Creek	286,462

Table 21 Variable CSO forecast payments 2024-25 (usage volumes (ML))

Water supply schemes	CSO forecast payments 2024-25 (\$)
Bulk schemes	
Cedar Pocket	11,303
Central Brisbane River	1,020
Central Lockyer Valley	74,225
Lower Lockyer Valley	28,115
Channel distribution systems	
Morton Vale Pipeline	4,842
Pie Creek	42,391

