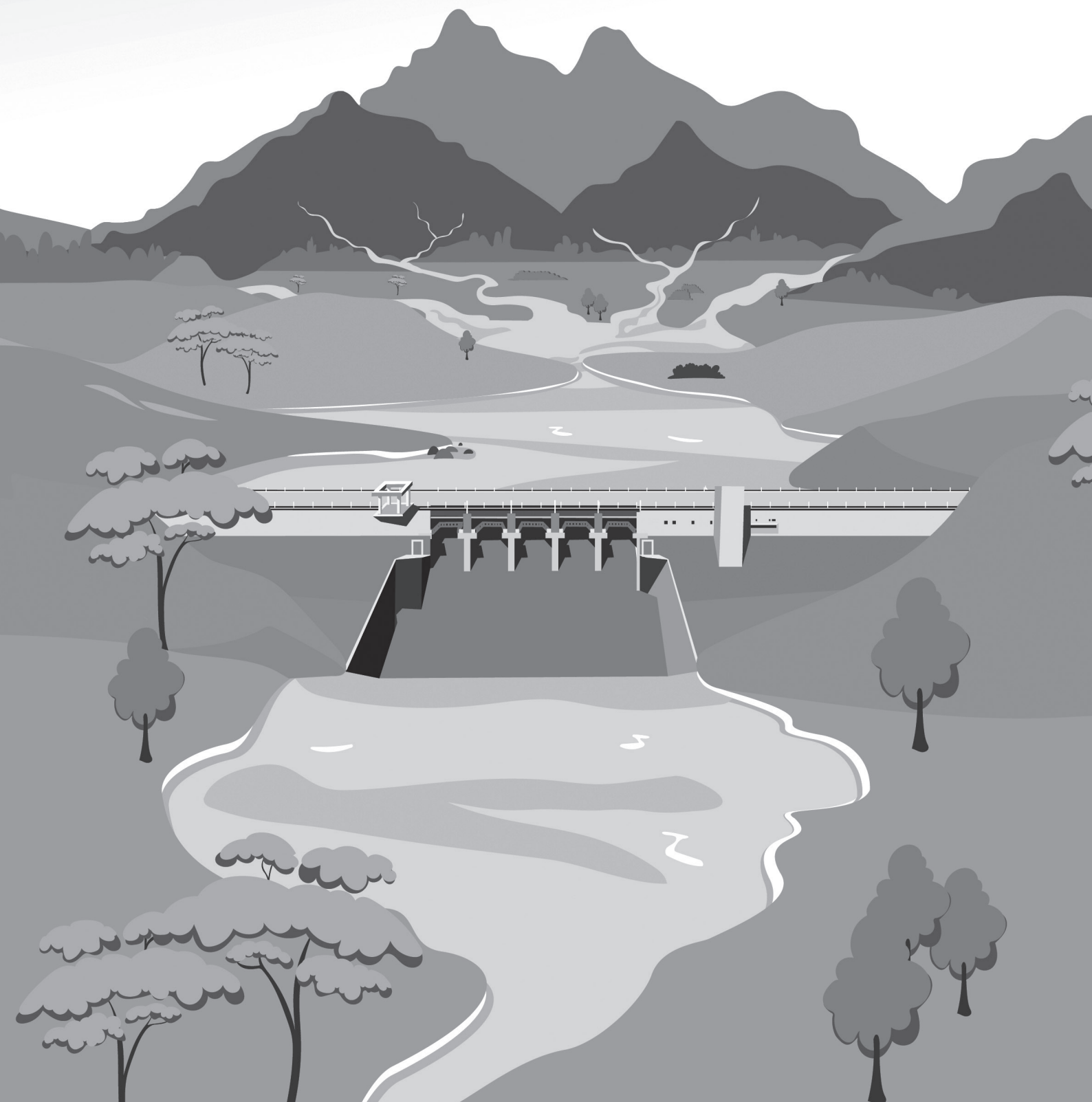


Seqwater Annual Report 2024–25



Acknowledging the first Australians

Seqwater acknowledges the Traditional Custodians of the land, catchments and waterways on which we live, work and play. We pay our respects to Elders past, present and emerging; and acknowledge their continued connection to the land, water and culture of South East Queensland.

5 September 2025

Hon Ann Leahy MP
Minister for Local Government
and Water and Minister for Fire,
Disaster Recovery and Volunteers
GPO Box 2247
BRISBANE QLD 4002
lgwv@ministerial.qld.gov.au

Hon David Janetzki MP
Treasurer, Minister for Energy and
Minister for Home Ownership
GPO Box 611
BRISBANE QLD 4001
treasurer@ministerial.qld.gov.au

Dear Ministers

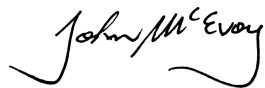
I am pleased to submit for presentation to the Parliament the Annual Report 2024-25 and financial statements for the Queensland Bulk Water Supply Authority, trading as Seqwater.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*, and
- the detailed requirements set out in the Annual report requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements is provided at page 101 of this annual report.

Yours sincerely



John McEvoy
Chairperson, Seqwater Board

About this report

This report records Seqwater's achievements in 2024-25. Performance is measured against the objectives and targets established in the Strategic Plan 2024-28 and Operational Plan 2024-25 and details financial performance for the year. This report is to be read in conjunction with Seqwater's Corporate Governance Statement 2024-25.

This report has been produced in accordance with the standards detailed in the following Queensland legislation and Government guidelines:

- *Financial Accountability Act 2009*
- *Financial Performance Management Standard 2019*
- *South East Queensland Water (Restructuring) Act 2007*
- *Annual report requirements for Queensland Government agencies* (2024-25 reporting period)
- Corporate Governance Guidelines for Government Owned Corporations

This report and Seqwater's Corporate Governance Statement 2024-25 are available on Seqwater's website www.seqwater.com.au.

A printed copy of the report is available on request.

Seqwater Annual Report 2024-25

ISSN: 1837-4549

© Queensland Bulk Water Supply Authority 2025

Translation and interpreting assistance



Seqwater is committed to providing accessible services to people from all culturally and linguistically diverse backgrounds.

If you have difficulty understanding this annual report, please contact Seqwater to arrange an interpreter to share the report with you.

Contact information

Telephone: 1300 737 928

Email: communications@seqwater.com.au

Website: www.seqwater.com.au

Table of contents

Acknowledging the first Australians	2
About this report	4
Table of contents	5
Message from the Chairperson	7
About Seqwater	8
Chief Executive Officer report	9
Queensland Government Objectives for the Community	11
Delivering on strategy	12
Seqwater's strategic framework	12
Operational transformation	14
Operational resilience	14
Asset information and management	15
Capital delivery transformation	16
Capital program	16
Contemporary capital planning and delivery	17
Shareholder expectations and social licence	18
Engaging with stakeholders	18
Working with customers	18
Engaging with the community	19
Talent, culture and performance	22
Leadership and culture	22
Health, safety and wellbeing	23
Process improvement and use of technology as an enabler	24
Strengthened employment governance and compliance	24
Performance	25
Financial performance	25
Non-financial performance	28
Sustainability including Environment, Social and Governance (ESG)	31
Environment	31
Social	32
Governance	33
Management and structure	33
Seqwater Organisational Structure	34

Seqwater Board	37
Government bodies reporting summary.....	37
Board members.....	39
Performance evaluation	40
Standing committees of the Board.....	40
Board committee membership and meetings	41
Executive Management.....	44
Executive profiles	44
Performance evaluation	45
Executive committees	46
Public sector ethics	46
Human rights	46
Risk management and accountability	46
Internal audit	47
External scrutiny.....	48
Human resources governance.....	48
Workforce profile	48
Information systems, record keeping and cyber security.....	48
Corporate entertainment	50
Open data	50
Government directions	51
Seqwater audited financial report.....	53
Independent auditor's report	97
Annual report requirements for Queensland Government agencies compliance checklist....	101
Glossary.....	104

Message from the Chairperson

On 28 August 2025, a new Seqwater Board Structure was announced.

As the newly appointed Chairperson, I welcome Amanda Cooper, Amanda Kenafake, Antonia Mercorella, Mark Girard and Pauline Thomson to the Seqwater Board, and Catherine Mickel as a continuing member.

I would like to thank outgoing Board Chairperson Neville Ide and Board members Penny Tovey and Gail Ker for their contributions to Seqwater.

John McEvoy
Chairperson, Seqwater Board

About Seqwater

Seqwater's purpose is to provide a safe, sustainable and valued water supply on behalf of the South East Queensland (SEQ) community.

Seqwater is proud to deliver safe affordable, reliable and sustainable water to more than 3.7 million SEQ residents. 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 to Tarong Power Station near Kingaroy.

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 has arrangements in place to supply water to power stations operated by Stanwell Corporation and CleanCo Queensland Limited.

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 service standards set by Government's Level of Service Objectives.

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

Chief Executive Officer report

I was delighted to commence my role as Chief Executive Officer in January this year.

In 2024–25, Seqwater supplied approximately 326,060 megalitres (ML) of safe, reliable drinking water to more than 3.7 million SEQ residents through its five retail customers. Additionally, we delivered around 3,190 ML to commercial customers, around 19,760 ML to raw water customers including 1,200 irrigators and welcomed 2.5 million recreational visitors to our lakes and parks.

Thanks to consistent rainfall throughout the year, our water storage levels remained above 80%, with the SEQ Water Grid recording a combined storage level of 85.9% on 30 June 2025. This strong position provides confidence in our water security for 2025-26. During the year, our Flood Operations Centre was activated nine times in response to weather events.

Seqwater played a vital role in the preparation and response to ex-Tropical Cyclone Alfred and other significant wet weather events, delivering timely and critical communications about dam operations and the SEQ Water Grid to the community and supporting the Whole-of-Government disaster response.

Our response to these events was a testament to the strength of our team and the trust placed in us by our customers and stakeholders. I extend my sincere appreciation to all staff who worked under challenging conditions to ensure continuity of water supply as the first cyclone in 50 years approached the SEQ coastline.

A four-year Seqwater Collaborative Asset Services (SCAS) arrangement with strengthened approaches to governance, resourcing and supply chain resilience commenced in March 2025. The new model defines Seqwater's role as the strategic decision maker with its service delivery partner providing key asset maintenance services. This coincided with preparations for Cyclone Alfred. Joint crews worked seamlessly across multiple sites to maintain asset readiness.

As well as preserving the recently restored Mt Crosby heritage workers' cottages as part of the Mt Crosby East Bank Flood Resilience Program, this restoration work provided a place for plant operators to rest and sleep during flood events so they could stay onsite when needed while reducing health and safety risk. The cottages were later recognised with a Commendation for Heritage Architecture at the 2025 Greater Brisbane Regional Architecture Awards and qualified for the Queensland Architecture Awards.

In 2024–25, Seqwater invested over \$389 million in infrastructure including its dam improvement and water security programs. Planning progressed for major upgrades to Lake Macdonald, North Pine, Somerset and Wivenhoe dams. Construction commenced at Lake Macdonald Dam and early works began at Somerset Dam. Work was also completed on the South West Pipeline, connecting the Beaudesert Water Treatment Plant to the SEQ Water Grid.

Seqwater remains committed to optimising the use of existing assets to deliver safe, affordable, reliable and sustainable water supply for SEQ communities. Reflecting our commitment to greater transparency and accountability, we now publish water quality reports

weekly on our website¹, providing the community with regular, detailed and up-to-date information about their drinking water.

Our focus on enhancing customer, community, and stakeholder satisfaction led to stronger relationships with government partners and improved results in our annual community and irrigation customer surveys. Our community trust score in 2024-25 has been our highest recorded, to date.

We continue to pursue transformational outcomes across our operations, asset management and capital programs, ensuring we have the right people in the right roles to secure supply, meet dam safety objectives and support regional economic growth.

I would like to thank all Seqwater employees for embodying our values of courage, care, respect and integrity and their unwavering commitment to our Safe for Life promise.

Looking ahead, Seqwater will deliver on its Operational Plan 2025-26 by strategically planning for future needs, operating efficiently and investing in infrastructure to meet SEQ's water supply demands. We will continue to evolve our capital delivery approach, strengthen operational resilience and support our people, culture and performance to deliver lasting value to our customers and communities.

Emma Thomas
Chief Executive Officer

¹ <https://www.seqwater.com.au/pfas-and-drinking-water>.

Queensland Government Objectives for the Community

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

It supports and contributes to the Queensland Government's objectives for the community in regard to **building a better lifestyle through a stronger economy** and **planning for Queensland's future**.

Seqwater's customers and communities in South East Queensland (SEQ) is at the heart of everything it does.

As the region's bulk water supplier, Seqwater plays a crucial role in planning SEQ's water supply.

It ensures a safe and secure water supply for current and future generations by managing water catchment health, operating and maintaining the SEQ Water Grid and water treatment assets.

Seqwater contributes to a strong economy by meeting cost of living challenges through the supply of affordable and reliable water while planning long term investments that support future water security and service needs.

Delivering on strategy

The new Queensland Government has articulated their strategic expectations for the state-owned water entities. These expectations set a clear focus for Seqwater to:

- focus on the reliability and operational efficiency of existing water assets
- maximise value from existing water assets
- strategically prioritise and deliver water projects on time and on budget
- focus on customer service.

Seqwater’s strategic framework

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



Achieving Seqwater's strategic outcomes supports its **Water for Life** vision and delivers on its purpose to provide a safe, sustainable and valued water supply on behalf of the SEQ community.

During 2024-25, Seqwater pursued four strategic outcomes:

- Water security: meeting the long-term demand supply for SEQ in accordance with the desired Level of Service Objectives set by the 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.

Key enablers in the short term, Seqwater's **four focus areas** ensure its resources are directed toward high value activities that continue to improve core services:

FOCUS AREA

Operational transformation

Develop a multi-year program improving systems, processes and assets to reduce risk, improve productivity amidst long-term operational challenges.

FOCUS AREA

Capital delivery transformation

A continuation of the program of work to uplift capital delivery capability to meet the portfolio requirements.

FOCUS AREA

Shareholder expectation and social licence

Build Seqwater's social licence to operate as a key enabler for operational activities and delivery of capital projects.

FOCUS AREA

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.

Achievement against Seqwater's strategic outcomes in 2024-25 is set out below:

FOCUS AREA

Operational transformation

Develop a multi-year program improving systems, processes and assets to reduce risk, improve productivity amidst long-term operational challenges.

Operational resilience

In 2024-25 Seqwater commenced a program focused on increasing operational resilience and reducing risk to service delivery requirements. Its multi-year operational transformation program will standardise and modernise ageing infrastructure and integrate advanced technology to address the impacts of weather events and raw water quality on its operational capability.

Key delivery milestones in 2024-25 included:

- developed an Operational Transformation Blueprint – a 20-year future state vision for long term operations
- conducted a technology study, including a digital maturity assessment, technology identification and prioritisation
- developed a roadmap aligned with the Operational Transformation Blueprint for efficient technology investment and the Digital Technology and Information² forward program, including:
 - successful deployment of the bulk chemical receival module of a mobile solution across an initial 17 water treatment plants and one network site. Once fully deployed, the solution will manage water quality data, bulk chemical inventory and reporting
 - planning for an enterprise-level capability solution supporting collection, organisation and access to critical operational data in near real time
- commenced a project to strengthen Seqwater's process safety systems and maintenance of process safety information.

² With a growing focus on automated, connected and digital technologies, Seqwater is enhancing its capabilities and resilience in response to cyber risks. Refer to the Information systems, record keeping and cyber security section on page 48 for more information.

Asset information and management

Seqwater undertook a range of initiatives to improve maintenance planning, delivery and scheduling capability.

In 2024-25, key activities included:

- adopted Seqwater's new enterprise Asset Management system for maintenance planning, scheduling, crew management, delivery and key operations activities
- developed performance metrics and dashboards to support Seqwater's Asset Maintenance Performance Monitoring program
- refreshed Asset Management Improvement Plan
- finalised Integrated Asset Management Plans across all asset classes³
- implemented a four-year Seqwater Collaborative Asset Services contract with strengthened approaches to governance, resourcing and supply chain resilience
- participated in the 2024 Asset Management Customer Value Benchmarking program, a national asset management process benchmarking exercise.

³ This includes all water treatment plants, network assets, referable dams, irrigation and recreation Integrated Asset Management Plans.

FOCUS AREA

Capital delivery transformation

A continuation of the program of work to uplift capital delivery capability to meet the portfolio requirements to 2035.

Seqwater's capital investment supports the Queensland Government's water investment and security priorities and will deliver sustainable value to its responsible Ministers, customers and communities.

In 2024-25 Seqwater:

- designed a Target Operating Model design and Strategic Workforce Plan for asset management and capital delivery
- completed a Portfolio, Programme and Project Management Maturity Model [P3M3] assessment with an overall improvement against a previous assessment
- finalised program and project assurance standards and training
- secured long-term dam engineering services to support Seqwater's planning and design activities to deliver its dam infrastructure projects, including the Dam Improvement Program
- initiated an Asset Management Improvement Program to lift its capability across all factors aligned with ISO55001, with initial activities of realigning teams to consolidate responsibilities in asset strategy and planning and establishing an asset information program with its third-party maintenance provider
- appointed specialist resources to support capability and engineering decision-making across Seqwater's projects.

Capital program

In 2024-25, Seqwater progressed planning and uplift in capital delivery capability to support its growing capital program.

Seqwater invested more than \$389 million in capital projects in 2024–25, including:

- more than \$101 million in planning for Wivenhoe and planning and early works for Lake Macdonald, Somerset and North Pine staged strengthening dam improvement projects
- \$77 million in water security improvement projects including:
 - progress on Toowoomba to Warwick Pipeline planning⁴ and project approvals including property easement acquisitions and finalising the alignment and pipeline design to enable progression to final stages of procurement

⁴ Including Environmental Protection and Biodiversity Conservation approvals.

- secured funding approval to commence procurement activities for Wyaralong Water Treatment Plant and related infrastructure
- completed the Northern Pipeline Interconnector Stage 3 (NPI-3) pipeline project preliminary business case. NPI-3 will transfer water from North Pine Water Treatment Plant to the northern region of the SEQ Water Grid to support growth in northern SEQ
- \$139 million in asset sustaining capital projects covering renewal of Seqwater's existing assets through smaller and less complex projects
- \$25 million in digital initiatives to sustain digital platforms, business and operating systems and hardware.

Contemporary capital planning and delivery

With respect for taxpayers' money, Seqwater is committed to maximising the use of its existing assets to defer the need for new investment and works closely with its retailer customers to track demand forecasts to inform the right timing of any new infrastructure.

In 2024-25, Seqwater finalised its Integrated Master Plan 2024 which maps out proposed major investments needed across the Seqwater network through to the 2050s to meet continuity of supply, dam safety and water security objectives. Seqwater is now working with government agencies to align the proposed investments in its Integrated Master Plan 2024 with updated information and government policy, including the review being undertaken by the Department of Local Government, Water and Volunteers to identify new bulk water sources for SEQ.

Proposed projects outlined in the Integrated Master Plan 2024 are subject to detailed business cases, which will further explore costings and investment timings in delivery of Seqwater's core objectives-water security, continuity of supply and dam safety.

FOCUS AREA

Shareholder expectations and social licence

Build Seqwater's social licence to operate as a key enabler for operational activities and delivery of capital projects.

Engaging with stakeholders

Seqwater supports Queensland Government priorities to deliver sustained value for SEQ. In response to feedback in its annual survey of government stakeholders in 2024, Seqwater adopted a more proactive and collaborative approach to stakeholder engagement with government in 2024-25, resulting in improved sentiment over the previous year's result.

In 2024-25 Seqwater:

- hosted Queensland Water Minister the Hon. Ann Leahy at Wyaralong Dam and Mt Crosby West Bank Water Treatment Plant
- hosted Department of Local Government, Water and Volunteers and Queensland Treasury officers at Wivenhoe, Somerset and North Pine dams
- collaborated with its responsible departments on Seqwater's Integrated Master Plan 2024
- engaged with responsible departments on the Dam Improvement Program and Water Security projects
- developed its Sustainability and Environment, Social and Governance Framework and published its Sustainability and Environment, Social and Governance Policy Statement aligned to the Queensland Government's whole of Government approach⁵
- created a standalone Government Relations function within the business to improve internal collaboration and strategic engagement with government.

Working with customers

Seqwater engages with its customers to understand its fundamental relationship value of trust. Seqwater's ongoing work with its irrigators has seen a strengthened trust score.

Seqwater works in close partnership with its retailer customers to ensure understanding of service delivery requirements and geographical customer priorities, encompassing both short to medium and long-term service expectations.

Seqwater's annual retailer customer survey results affirmed improved communication and customer experience with its five retailer customers.

⁵ Refer to Sustainability and ESG page 31.

Seqwater can do more to strengthen its engagement with retailer customers to achieve the best whole-of-system solutions through a greater emphasis on the end consumer and proactive communication around incidents, events and emerging issues.

Seqwater is committed to embedding a focus on outstanding customer experience in everything it does. Seqwater will continue to engage in joint lessons learnt activities and operational protocol discussions with its retailer customers and progress a broader and redefined interpretation of its customers that will inform a Customer Charter, including specific customer commitments supported by internal coaching and training.

Key highlights of 2024-25 achievements and engagement activities include:

- advanced development of Seqwater's Customer Experience Roadmap for retailer customers including a revised Customer Charter and program to strengthen customer centricity into 2025-26
- engaged with SEQ retailer customers to refine water demand forecasts that inform planning and ensure timely and efficient investment
- consulted with customer reference groups to discuss the Queensland Competition Authority final Seqwater irrigation price review (2025-29)
- collaborated with power station customers to update projected water demands and ensure optimised supply and best use of the SEQ Water Grid
- held engagement forums with irrigation customers on various topics including water planning, pricing options and consultation strategy.

Engaging with the community

Seqwater works closely with local communities on water infrastructure projects, enhancing awareness, building understanding and fostering positive long-lasting relationships across the region.

In 2024-25 Seqwater's ongoing stakeholder engagement⁶ included project communications and meetings covering Somerset, Lake Macdonald, North Pine and Wivenhoe dam improvement projects as well as the Toowoomba to Warwick Pipeline, South West Pipeline and Mt Crosby East Bank Flood Resilience Program.

Seqwater held market briefings across the year to inform and encourage local contractors and suppliers to register their interest in ongoing capital program partnership opportunities. More than 570 attendees participated in two market briefings on Seqwater's capital program and the proposed Wyaralong Water Treatment Plant project online and in person. In March 2025 three contractors were appointed to deliver early and enabling works on Somerset Dam which is expected to support 150 jobs throughout the duration of project delivery.

As part of its annual summer safety campaign, Seqwater joined forces with Queensland Police and Maritime Safety Queensland to encourage safe behaviours on Seqwater lakes and waterways.

⁶ Includes local and regional government dam improvement working groups, community reference group meetings and community information session and project updates.

This year's *Be Safe for Fun's Sake* summer safety campaign marked the 10 year anniversary of Seqwater's annual community safety campaign. Produced in-house the campaign was delivered through outdoor billboards and social media. The campaign focused on promoting safe behaviours on and around water at Seqwater's recreation sites.

Wet season and Tropical Cyclone Alfred

With above average rainfall during the wet season the Flood Operation Centre was activated nine times to June 2025. The culmination of this wet season was the arrival of Tropical Cyclone Alfred in early March 2025 – the first to cross the SEQ coast in more than 50 years.

The first Flood Operation Centre event in November 2024 generated strong media interest as Wivenhoe Dam conducted its first controlled flood release in 18 months.

Wivenhoe Dam is SEQs largest water storage and is the main supply of water for Brisbane and the greater Ipswich area. The dam has a dual purpose of providing a safe and reliable water supply for the region and flood mitigation. It is a gated dam which allows Seqwater to make controlled water releases during times of heavy rain to reduce downstream impacts.

During the Cyclone Alfred event, Seqwater handled more than 200 media enquiries and hosted 10 media conferences in 10 days. A proactive social media strategy drove positive engagement and increased page visits.

Seqwater issued more than 100 notifications and 3.5 million emails, SMS and phone calls to subscribers of its Early Warning Network in the 2024-25 wet season.

Strengthening community investment through partnerships

Seqwater reinforced its commitment to local communities this year by implementing a Board-endorsed sponsorship framework designed to support lasting community benefits and strengthen the legacy of Seqwater's capital program.

In 2024-25 Seqwater partnered with WaterAid, Foodbank and engaged community partners Farm Angels, Eco Marines, Stanely River Environmental Education Centre and the University of Queensland's Innovation and Entrepreneurship Society (UQIES).

Community engagement activities included:

- 3.5 million visitors to Seqwater website (an increase of 34.7% from 2023-24) and 13.3 million total impressions on its social media channels which is an increase of more than 47%
- 3,757 stakeholder interactions and community enquiries
- 2,762 students from schools and tertiary institutions undertook 58 incursion, excursion and virtual education visits to Seqwater sites and assets
- 947 community and industry visitors attended site tours and open days
- hosted five community reference group meetings (three for Lake Macdonald and two for Somerset), 13 community information sessions across Somerset, Lake Macdonald and North Pine dam improvement projects and 17 newsletters and project updates

- attended 11 community activation and events including Beaudesert Show, Brisbane Emergency Services Expo, BNE Sustainable Festival, Logan Eco Action Festival, Somerset Multisport Festival and the Sunshine Coast Show
- engaged with grazing lessees and irrigation customers including 70 attendees at grazing lessee forum updates on environmental management, leases and licences and dam improvement projects and participation at the Scenic Rim Agricultural Expo.

FOCUS AREA

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.

Leadership and culture

Strong relationships are built on shared values – whether it is how performance is assessed or how decisions are made, its Values are a key part of life at Seqwater.

Seqwater recognises the relationship that culture has with performance, productivity, employee engagement, attraction, retention and safety.

Underpinned by Seqwater's People, Culture and Safety strategy, Seqwater's focus on leadership and culture drives improved outcomes enhancing collaborative approaches and employee health, safety and wellbeing.

In 2024-25, Seqwater progressed its long-term commitment to:

- build its talent pipeline through the Next Generation program welcoming 13 new graduates and trainees into a two-year development program
- develop leadership capability through a tailored leadership development program
- build a recognition culture through Seqwater's recognition framework and refreshed Seqwater's annual recognition program including its annual Excellence Awards
- continue the evolution of diversity, inclusiveness and innovation across the organisation through a range of initiatives that included:
 - Women in Water networking events
 - partnered with the Australian Disability Network and launched a Neurodiversity Toolkit— a set of resources designed to help employees and leaders create a more neuro-inclusive environment
 - supported the employee run BYou Network, a network of LGBTQ+ employees and their allies, that ran initiatives for IDAHOBIT day and Wear Purple Day to improve awareness and understanding of challenges faced by the LGBTQ+ people
 - partnered with WaterAble, a network for people with disabilities and their allies

Our values:

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.

- included additional demographic questions in this year's Organisational Culture Surveys to understand how employees that identify in an area of diversity experience Seqwater's culture
- celebrated NAIDOC Week with yarning circles at locations around the region
- encouraged innovation through its innovation program.

Health, safety and wellbeing

Seqwater is committed to its *Safe for Life* promise, acknowledging that leadership is key to delivering on this promise.

Seqwater drives performance and culture through the use of lead indicators in relation to leaders conducting Water for Life conversations, which are intentional risk-based conversations and critical control checks designed to focus on verifying the effectiveness of core safety controls Seqwater has in place to prevent a fatality.

A high potential incident is any incident with the potential to result in an employee being seriously injured or killed. Seqwater recorded a High Potential Injury Frequency Rate (HPIFR) of 2.8 in 2024-25 against a target of $\leq 3.0^7$.

Seqwater's Safe for Life promise:

Keeping ourselves, each other and our communities healthy, safe and well at work and at home.

At the end of 2024-25, Seqwater's LTIFR was 3.4 which is below the target of $\leq 3.5^8$.

Key 2024-25 deliverables in continuous improvement of health, safety and wellbeing included:

- transitioned the monitoring of work, health and safety legal obligations and risks into Seqwater's governance, risk and compliance system
- developed specifications for Seqwater's critical controls and published them in a new critical control handbook release, these new specifications provide clear guidance on defined performance criteria and trigger points for ineffective controls
- delivered a series of campaigns to reinforce key work, health and safety cultural and risk management models
- conducted the Global Safety Index safety culture survey, with the results indicating Seqwater continues to have a sustainable safety culture
- commenced stakeholder psychosocial hazard workshop facilitation
- completed reviews of all noise and plant risks on Seqwater sites.

⁷ Seqwater's target for injuries of any type is zero with an upper maximum HPIFR of ≤ 3.0 for 2024-25, 12 month rolling average.

⁸ Seqwater's target for injuries of any type is zero with an upper maximum LTIFR of ≤ 3.5 for 2024-25, 12 month rolling average.

Process improvement and use of technology as an enabler

Seqwater is driving enhanced internal customer outcomes through process improvement and use of technology to enable efficiencies and process improvements to deliver value to the SEQ community.

Key 2024-25 digital capability enhancements included:

- implemented real-time employee sentiment and engagement platform to enhance data-driven insights and actions, improving performance and employee experience
- introduced Microsoft CoPilot – leveraging Generative Artificial Intelligence (GenAI) to improve operational efficiency, productivity, decision-making and customer engagement
- improved processes to enable greater efficiency in the delivery of services across business areas.

Strengthened employment governance and compliance

Seqwater is committed to compliance with employment obligations which includes employment security. Seqwater has implemented a range of strategies to improve employment governance and address historical remuneration practice issues that were identified.

Seqwater worked with internal and external stakeholders including the Fair Work Ombudsman, employees and unions as part of the industrial relations and remuneration practices review process. The final independent audit of the Enforceable Undertaking was completed in November 2024, and the Fair Work Ombudsman notified Seqwater that the obligations have been satisfied, finalising two years of payroll improvements.

Performance

Financial performance

Seqwater remains committed to financial sustainability.

As a statutory authority, Seqwater's financial performance and investment program are critical to delivering the Queensland Government's water security and dam improvement objectives and ensuring that essential services continue to meet customer and community needs. Maintaining financial sustainability is paramount to Seqwater achieving its strategic priorities, including:

- aligning capital planning with funding requirements and optimising debt management strategies
- implementing cost efficiencies across both capital and operational expenditure to maintain affordability.

Each year, Seqwater collaborates with responsible departments to develop an Operational Plan that outlines essential business goals, performance benchmarks, revenue projections, operating costs, and capital allocations. This plan forms the foundation of the annual budget.

Table 1 – Comparison of actuals 2023-24 to 2024-25

	2023-24	2024-25
EBIT (\$m)	554.9	517.3
NPAT (\$m)	104.1	86.7
Return on equity	5.9%	4.5%
Return on assets ⁹	5.0% ¹⁰	4.7%

⁹ Return on Assets (ROA) is calculated using Earnings Before Interest and Tax (EBIT) rather than Net Profit After Tax (NPAT). This aims to measure operating efficiency independent of financing and tax effects. ROA is defined as: EBIT divided by Average Total Assets.

¹⁰ The 2023-24 figure has been restated to align with the current methodology.

Table 2 – Financial performance

Performance	Budget	Actual
Total revenue (\$m)	1,236.0	1,188.1
Total operating expenditure (\$m)	404.4	404.4
Depreciation and amortisation and capital project write-offs (\$m)	271.8	266.6
EBIT (\$m)	559.8	517.3
Net profit after tax (NPAT) (\$m)	104.2	86.7
Cash and cash equivalents (\$m)	100.0	245.9
Total current assets (\$m)	286.0	442.5
Approved capital program (\$m) ¹¹	563.5 ¹²	389.3
Debt to equity ratio (x)	4.0	4.1
EBITDA Interest coverage (x)	2.0	2.0
Current ratio	0.5	0.8

For 2024-25, net profit after tax (NPAT) was \$86.7 million (\$104.1 million in 2023-24).

Operating income

Operating income for 2024-25 totalled \$1,188.1million (\$1,176.9 million in 2023-24), \$48.0 million less than budget. This was primarily due to lower than expected water demand impacting water sales revenue.

Operating expenditure

Operating expenditure aligned with the budget of \$404.4 million. Costs continue to face inflationary pressures, particularly manufacturing costs related to chemicals and electricity, as well as additional resources required to address dirty water events. With an ageing asset base, the maintenance program remains a priority to reduce network risks and ensure the continuous supply of drinking water.

Capital expenditure

Seqwater's capital program is focused on ensuring a safe, secure, and reliable water supply for SEQ, while also providing essential flood mitigation services and managing catchment health. During the reporting period, Seqwater's capital expenditure totalled \$389.3 million, reflecting a significant investment in the SEQ Water Grid, water security, and Dam Improvement Program. This represents a notable increase compared to the 2023-24 financial year capital investment of \$268.0 million.

Capital expenditure was underspent by \$174.2 million against the approved budget, predominantly due to delays in project approvals. These delays are not expected to have a

¹¹ The approved capital program budget has been updated and communicated through 2024-25 quarterly performance reporting in line with the investment approvals by the responsible Ministers and alignment with Government priorities.

¹² The approved capital program aligns to 2024-25 Budget Paper 3 (\$421.2m) excluding capitalised borrowing costs and includes projects with appropriate investment approvals since the 2024-25 State Budget totalling \$563.5m.

material impact on overall network risk, asset safety, or performance. The underspend was primarily driven by five major projects.

Seqwater continues to explore opportunities to optimise capital program through the efficient use of existing assets. Over the past year, it has also strengthened its internal capabilities in infrastructure planning and capital delivery, positioning the organisation to deliver future projects more effectively and sustainably.

Cash flow

Net operating cashflows for 2024–25 was \$386.4 million (\$398.7 million in 2023-24), \$63.3 million less than budget due to lower than expected water demand impacting water sales revenue.

EBITDA interest cover

The EBITDA interest coverage ratio was 2.0, in line with the budget target. This result reflects Seqwater's continued focus on maintaining financial resilience, ensuring that earnings remain sufficient to service interest obligations and support long-term infrastructure investment.

Debt management

As at 30 June 2025, outstanding debt totalled \$8.5 billion, a net reduction of \$0.1 billion from 30 June 2024. The Water Grid Manager Debt is scheduled to be repaid in full by July 2028. Borrowings were obtained via Queensland Treasury Corporation and are progressively refinanced to ensure a stable cost of debt.

Total current assets

Total current assets of \$442.5 million was greater than the budgeted amount of \$286.0 million predominantly due to capital program underspend resulting in a greater than budgeted closing cash balance (\$245.9 million compared to \$100.0 million budget).

Non-financial performance

Table 3 – Strategic performance

KPI	Target	Actual	Performance	Comments
Community trust (score) ¹³	≥7.3	7.4	Achieved	An average of 68% of respondents scored six or higher, which is the highest result to date. This outcome reflects continued confidence in Seqwater's management of water supply.
Shareholder sentiment ¹⁴ (rating) ¹⁵	Very good	Good	Not achieved	The 'Good' rating in 2025 is an improvement on the 'Satisfactory' rating in 2024. Seqwater's Government stakeholders highlighted positive changes in its approach to engagement that included increased collaboration on key project planning and milestones and a greater willingness to seek input at a formative stage.
Retailer customer trust (score) ¹⁶	≥7.0	6.8	Not achieved	Key themes impacting retailer customer trust in Seqwater related to communication and collaboration.
Irrigation customer trust (score) ¹⁷	≥7.0	7.9	Achieved	This year's result improves the 2023-24 outcome (7.1) and reflects a year of active consultation with irrigation customers.
Organisational culture ¹⁸	≥5 defensive styles ≤50th percentile in the OCI	5 defensive styles under 50th percentile in OCI	Achieved	The 2025 survey results show that six of the twelve behavioural styles have improved since the 2023 measure. Five defensive styles are now under the 50th percentile.

¹³ Based on a survey of a sample of the SEQ community. Average of trust based questions on a score of 1-10.

¹⁴ A measure to gauge the level of trust and confidence that the responsible departments have in Seqwater to deliver safe, secure and cost-effective bulk water supplies.

¹⁵ Based on responses to independent interviews using a rating scale: 1 = Unsatisfactory, 2 = Satisfactory, 3 = Good, 4 = Very Good, 5 = Excellent.

¹⁶ Based on independent survey. Average of all responses of trust based question on a score of 0-10.

¹⁷ Based on survey of irrigators undertaken by Seqwater. Average of all responses of trust based questions on a score of 0-10.

¹⁸ Organisational culture is measured using the Human Synergistics Organisational Culture Index.

Table 4 – Operational performance

KPI	Target		Actual	Performance	Comments
Retailer water quality service standard performance	Schedule 2 (ADWG requirements) ¹⁹	100%	100%	Achieved	Full year outcome achieved.
	Schedule 3 (Additional quality parameters) ²⁰	≥98%	94.7%	Not achieved	Two wet weather events which caused dirty source water impacted 2024-25 performance.
Continuity of supply	≤2 trigger three demand management notifications issued		0	Achieved	Full year outcome achieved.
Significant projects – 2024-25 schedule	≥85% planned milestones achieved ²¹		70%	Not achieved	Seven of ten significant project ²² milestones were achieved. The two milestones under the Toowoomba to Warwick pipeline project (contract award and construction commencement) have been deferred to align with the Environmental Protection and Biodiversity Commission outcomes that are forecast for late 2025. The North Pine Dam staged strengthening project (construction commencement delay) milestone was achieved later than scheduled timeframe with site works commencing in July 2025.

¹⁹ ADWG – Australian Drinking Water Guidelines.

²⁰ Other requirements negotiated between the retailer customer and Seqwater, including non-ADWG requirements such as taste and odour.

²¹ Reported against milestones (≤+3 months) set in May 2024 and included in the KPI definition or referenced document.

²² Significant projects are reported at a more detailed level due to their importance to Government, Seqwater or the SEQ region. Each significant project has a standard set of key milestones throughout the project lifecycle and aligned with the Queensland Treasury Project Assurance Framework.

KPI	Target	Actual	Performance	Comments
Significant projects – 2024-25 budget	$\leq +10\%$	-40%	Achieved	While the target was achieved, 2024-25 significant project expenditure is below budget mainly due to delays in key projects.
EBITDA	$\geq \$831.6\text{m}$	\$783.7m	Not achieved	Above average rainfall across the region resulted in lower than anticipated water sales impacting revenue.
EBITDA interest coverage	≥ 2.0 times	2.0 times	Achieved	Full year outcome achieved.
Return on equity	$\geq 4.9\%$	4.5%	Not achieved	Lower water sales revenue impacted 2024-25 return on equity.

Sustainability including Environment, Social and Governance (ESG)

Seqwater's approach to Sustainability including Environment, Social and Governance (ESG) risks and opportunities is aligned with the Queensland Government's framework, as reflected in the Queensland Sustainability Report.

The risks and opportunities for Seqwater to be more sustainable are synonymous with Seqwater's social licence to operate, and achievement of its *Water for Life* vision. This aligns with Seqwater's key strategic objective to increase stakeholder, customer and community satisfaction and support.

Environment

As the custodian of a range of natural and built assets across SEQ, Seqwater is committed to a positive culture of environmental responsibility and recognition of cultural heritage values. Seqwater's Environment and Sustainability Policy Statement²³ provides that Seqwater will comply with environmental performance requirements set by legislation, monitor environmental performance and continually improve environmental management practice and performance through Seqwater's Environmental Management System.

Seqwater acknowledges the risks of changing weather patterns and that adaptation and mitigation need to be considered. The SEQ Water Grid is in of itself a drought resilient network created in response to the SEQ Millennium Drought water supply crisis and provides sustainable options to make drinking water available around the region to manage drought and the growing population.

The main components of Seqwater's climate adaptation are the Water Security Program 2023 and the Dam Improvement Program that ensures dams meet modern engineering standards and continue to operate safely during extreme weather events.

Seqwater is identifying scope 1, 2 and 3 greenhouse gas emissions as part of its work towards the achievement of Net Zero emissions by 2050, in line with both the Queensland Government policy²⁴ and community expectations.

²³ Seqwater's Policy Statements can be found on its website: <https://www.seqwater.com.au/corporate-publications>.

²⁴ Refer Queensland Government Emissions Reduction Plans on the Department of Energy and Public Works website: <https://www.epw.qld.gov.au>.

Social

As the provider of drinking water to more than 3.7 million people and the owner of significant green space and recreational areas, Seqwater has an important role in offering services to the people of SEQ.

Seqwater's Water Quality Policy Statement²⁵ states that Seqwater is committed to providing safe, high-quality and fit-for-purpose water. It does this by complying with or exceeding water quality requirements, monitoring performance and seeking to continually improve its water quality provision through auditing, review and industry benchmarking.

Results of Seqwater's water quality testing are published on its website and visibility of its Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) testing results and multi-layered testing regime made available on the site's dedicated PFAS webpage.²⁶

Seqwater owns and operates dams across SEQ. In addition to supplying drinking water, these dams provide essential flood mitigation services to the community. Seqwater manages these dams in accordance with *the Water Supply (Safety and Reliability) Act 2008*, and Queensland Government's Queensland Dam Safety Management Guidelines and Guidelines on Safety Assessments for Referable Dams (Department of Local Government, Water and Volunteers), to ensure the community is protected from the risks associated with dam failure.

Seqwater's Recreation Policy Statement²⁷ establishes how it will provide access to diverse recreation opportunities on Seqwater's land and water storages without compromising its ability to provide safe, sustainable and valued water and catchment services.

As an employer, Seqwater is committed to creating a great employment experience so its employees can provide outstanding customer experience, as set out in the People Policy Statement²⁸. Seqwater further supports its employees through a commitment to diversity, inclusion and equal access to employment opportunities.

During 2024-25, Seqwater progressed its Reflect Reconciliation Action Plan, first launched during NAIDOC week in 2022. The Action Plan provides strategic direction on how Seqwater contributes to the national reconciliation movement between Aboriginal and Torres Strait Islander peoples and non-Indigenous Australians. This is the first step in demonstrating Seqwater's commitment to move forward on this journey of reconciliation with Aboriginal and Torres Strait Islander peoples.

²⁵ Seqwater's Policy Statements can be found on its website: <https://www.seqwater.com.au/corporate-publications>.

²⁶ <https://www.seqwater.com.au/pfas-and-drinking-water>.

²⁷ Seqwater's Policy Statements can be found on its website: <https://www.seqwater.com.au/corporate-publications>.

²⁸ Seqwater's Policy Statements can be found on its website: <https://www.seqwater.com.au/corporate-publications>.

Governance

Corporate governance

The Queensland Bulk Water Supply Authority (trading as Seqwater) is a statutory authority established by the Queensland Government under the *South East Queensland Water (Restructuring) Act 2007*. Seqwater is a statutory body for the purposes of the *Financial Accountability Act 2009* and the *Statutory Bodies Financial Arrangements Act 1982* and complies with the Bulk Water Supply Code and Bulk Water Supply Agreements.

Seqwater has developed a Corporate Governance Statement 2024-25 (the statement). The statement contains general corporate governance information and explains how Seqwater complies with the expectations for statutory authorities as set out in the *Corporate Governance Guidelines for Government Owned Corporations*, relevant legislation and government guidelines.

This Annual Report is to be read in conjunction with the Corporate Governance Statement 2024-25. Specific corporate governance disclosures required under *Annual report requirements for Queensland Government agencies* is set out below.

Management and structure

With vacancies in the Executive, Seqwater took the opportunity to restructure the organisation in December 2024 which reduced the number of Executive General Managers from seven to six, redistributing functional responsibility to realise efficiencies and organisational effectiveness with minimal disruption to employees.

Seqwater Organisational Structure

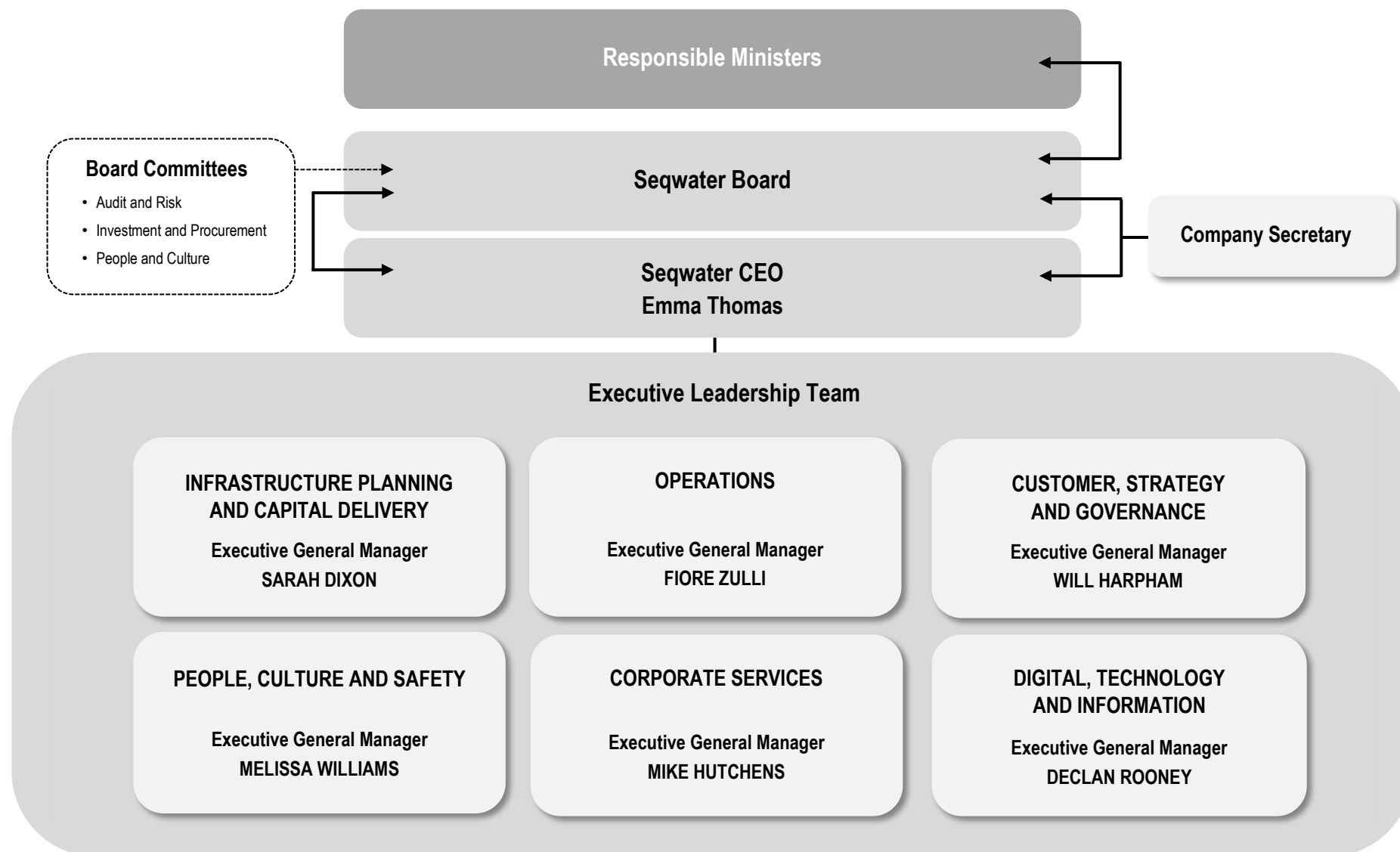


Table 5 – Organisational structure – group functional responsibilities

Group	Group's functional responsibilities	
Operations	• Asset and operations performance optimisation • Asset management and technical services including engineering and water quality • Northern, Central and Southern operation and maintenance of catchment and bulk water supply services	• Service continuity and transformation • Technical research, support and improvement • Energy management systems and technology
Infrastructure Planning and Capital Delivery	• Asset strategy and planning • Program management office • Engineering • Commercial and contract management	• Capital delivery transformation • Capital delivery (sustaining capital) • Capital delivery (water security) • Capital delivery (dam improvement)
Customer, Strategy and Governance	• Government relations • Strategic commercial and customer direction • Water supply optimisation • Capital delivery portfolio office • Corporate strategy and business planning • Performance reporting • Sustainability (including Environment, Social and Governance) • Innovation • Board and Committee secretariat	• Corporate governance • Ethics and business integrity • Fraud and corruption control • Internal audit • Insurance management • Information privacy • Legal counsel • Public interest disclosures
Corporate Services	• Financial control, planning and analysis • Enterprise risk and compliance • Commercial services (procurement) • Economic regulation	• Incident and emergency management • Property, fleet and facilities management • Treasury management

Group	Group's functional responsibilities	
People, Safety and Culture	• Health, safety, quality and environment strategies and systems • Certified quality standards and assurance • Controlled document management • Human resources recruitment, workforce planning and employee engagement	• Workplace relations, employment governance and business partnering • Organisational culture and performance • Community communication, education and engagement
Digital, Technology and Information	• Strategic technology framework • Corporate information technology, systems and architecture • Operational technology and communication assets	• New technologies development • Cyber security

Seqwater Board

General information related to Seqwater's Board is covered in its Corporate Governance Statement 2024-25.

Government bodies reporting summary

Table 6 – Government bodies reporting summary

Name of Government body	Seqwater Board
Act	<i>South East Queensland Water (Restructuring) Act 2007</i>
Functions	Accountable to its responsible Ministers for financial and non-financial performance and overall governance of the organisation, the Board sets the strategic and policy direction consistent with government policy, overseeing the performance of Seqwater and the CEO, directs and monitors the affairs of Seqwater on behalf of its responsible Ministers.
Achievements	During 2024-25 the Board's key achievements included: - oversight of Seqwater's general business operations and strategic planning - oversight of Seqwater's financial and non-financial performance - oversight of Seqwater's capital program involving approval of major dam and water infrastructure development and upgrade projects - approval of Seqwater's Annual Report 2023-24, Operational Plan 2025-26 and Strategic Plan 2025-29.
Financial reporting	The Board, through the Audit and Risk Committee, oversees financial reporting. The audited 2024-25 financial statements and related disclosures were approved by the Board on 21 August 2025.

The Seqwater Board met every month in 2024-25 except January and April 2025.

Six ordinary meetings were conducted in July, August, September, November, March and May. In addition to these meetings, to enable timely consideration of significant organisational matters (generally emerging from the Board Committee meetings), eight short-form meetings were also conducted during the period.

Table 7 – Board member remuneration

Name²⁹	Position	Meetings/ sessions attendance	Approved Board fee³⁰	Approved committee fees if applicable
Hon. Dr Anthony Lynham	Chairperson (1 July 2024 – 19 December 2024)	6 Board 5 Committee	\$100,000 p.a.	\$4,500 per committee p.a. (Committee member)
Neville Ide	Chairperson (19 December 2024 – 30 June 2025)	7 Board 8 Committee	\$100,000 p.a.	\$4,500 per committee p.a. (Committee member)
	Board member (1 July 2024 – 19 December 2024)	6 Board 4 Committee	\$50,000 p.a.	\$8,000 per committee p.a. (Committee Chairperson) \$4,500 per committee p.a. (Committee member)
Penny Tovey	Board member	12 Board 14 Committee	\$50,000 p.a.	\$8,000 per committee p.a. (Committee Chairperson) \$4,500 per committee p.a. (Committee member)
John McEvoy	Board member	14 Board 16 Committee	\$50,000 p.a.	\$8,000 per committee p.a. (Committee Chairperson) \$4,500 per committee p.a. (Committee member)
Gail Ker	Board member	14 Board 15 Committee	\$50,000 p.a.	\$4,500 per committee p.a. (Committee member)
Catherine Mickel	Board member	12 Board 14 Committee	\$50,000 p.a.	\$4,500 per committee p.a. (Committee member)

²⁹ This table represents meeting attendance and details full year fees. Actual remuneration is disclosed under Key Management personnel in the Annual Financial Report section of the Annual Report.

³⁰ Excludes superannuation contributions and committee fees.

Table 8 – Board meetings

Board meetings	
Number of scheduled meetings/sessions	• Board meetings: 14 • Audit and Risk Committee meetings: 6 • Investment and Procurement Committee: 6 • People and Culture Committee: 4
Total out of pocket expenses	Nil

Board members

Members of the Board are non-executive (independent) appointees and are not directors for the purposes of the *Corporations Act 2001*. The basis of appointment of the Board is set out in the Corporate Governance Statement 2024-25.

The following reflects the Seqwater Board on 30 June 2025.

Table 9 – Board member terms

Name	Position	Term
Mr Neville Ide	Chairperson	• appointed to Board – 1 October 2023 • appointed as Chairperson – 19 December 2024 • appointment expiry – 30 September 2026 • appointment to the Board concluded on 28 August 2025.
Mr John McEvoy	Board member	• appointed – 1 October 2020 • reappointed – 1 October 2023 • appointment expiry – 30 September 2026 • appointed Chairperson on 28 August 2025.
Ms Catherine Mickel	Board member	• appointed – 1 October 2020 • reappointed – 1 October 2023 • appointment expiry – 30 September 2026.
Ms Penny Tovey	Board member	• appointed – 1 October 2018 • reappointed – 1 October 2021 and 1 June 2024 • appointment expiry – 31 May 2027 • appointment to the Board concluded on 28 August 2025.
Ms Gail Ker	Board member	• appointed – 1 October 2020 • reappointed – 1 October 2023 • appointment expiry – 30 September 2026 • appointment to the Board concluded on 28 August 2025.

Performance evaluation

Following the externally facilitated evaluation in 2024, the Seqwater Board conducted an internal review of its performance and function in 2025.

At its May 2025 meeting, the Board discussed the review outcomes. In summary, the Board agreed that it is operating at a high level and in a diligent way.

Standing committees of the Board

The Board has three standing committees that meet periodically³¹

- **Audit and Risk Committee** – the committee's role, functions and responsibilities are outlined in the Audit and Risk Committee Charter
- **Investment and Procurement Committee** – the committee's role, functions and responsibilities are outlined in the Investment and Procurement Committee Charter
- **People and Culture Committee** – the committee's role, functions and responsibilities are outlined in the People and Culture Committee Charter.

³¹ General information related to the Board's standing committees is in Seqwater's Corporate Governance Statement 2024-25. Committee charters can be found on Seqwater's website: <https://www.seqwater.com.au/governance>.

Board committee membership and meetings

The membership and meeting record of the Board and its committees in 2024-25 is outlined in the table below. All Board members are entitled to attend committee meetings.

Table 10 – Audit and Risk Committee membership and meetings

Period	1 July 2024 – 18 December 2024	19 December 2024 – 30 June 2025
Audit and Risk Committee Membership	• Neville Ide (Chairperson) • Dr Anthony Lynham • John McEvoy • Penny Tovey	• Chairperson (vacant) • Neville Ide³² • John McEvoy • Penny Tovey

Meetings held in 2024-25: July, August, October, February, May and June

Audit and Risk Committee achievements summary:

- annual budget process and financial reporting
- external audit function and consideration of associated reporting
- Queensland Treasury Corporation's management of Seqwater's Debt Pool
- the internal audit function and consideration of associated reporting, including recommendation to the Board of the Annual Internal Audit Work Plan
- fraud and corruption control activities
- Enterprise Risk Management Framework and consideration of associated reporting
- Annual Report and Corporate Governance Statement 2023–24
- Sustainability, Environment, Social and Governance (ESG) updates
- the Payment Times Reporting Scheme Report
- Modern Slavery Statement
- Queensland Government Chief Information Officer Information Standard 18 Reporting
- Critical Infrastructure Risk Management Plan
- regulated pricing reviews
- annual insurance program renewal
- review of and compliance with the requirements of the Committee's Charter.

In 2024-25 the Audit and Risk Committee considered audit reports, prepared by the Queensland Audit Office, which outlined all audit recommendations made by the Queensland Audit Office.

³² Special Board meeting on 6 February 2025 noted that Mr Neville Ide continues as Audit and Risk Committee member with the position of committee Chairperson held vacant temporarily.

Table 11 – Investment and Procurement Committee membership and meetings

Period	1 July 2024 – 18 December 2024	19 December 2024 – 30 June 2025
Investment and Procurement Committee Membership	• John McEvoy (Chairperson) • Dr Anthony Lynham • Neville Ide • Gail Ker • Catherine Mickel	• John McEvoy (Chairperson) • Neville Ide • Gail Ker • Catherine Mickel

Meetings held in 2024-25: August, October, December, February, May and June

Investment and Procurement Committee achievements summary:

- delivered strategic guidance in the adoption of an enhanced portfolio-based approach for oversight of Seqwater's expanding capital works program
- monitored delivery of projects in the 2024–25 infrastructure improvement program, including consideration of Seqwater's dam safety upgrades and SEQ Water Grid system augmentations, with a focus on efficient and effective outcomes
- considered major capital investment and maintenance business cases and critical supply contracts and recommendation for approval by the Board, where necessary
- critical review and optimisation of priority strategic projects undergoing investment and procurement planning within the Dam Improvement Program and the Water Security Investment Program
- ongoing oversight of Management's development of investment governance and the Capital Delivery Transformation Program
- considered the planned procurement of the collaborative asset maintenance partnership and recommendation for approval by the Board
- review of and compliance with the requirements of the Committee's Charter.

Table 12 – People and Culture Committee membership and meetings

Period	1 July 2024 – 18 December 2024	19 December 2024 – 5 February 2025	6 February 2025 – 30 June 2025
People and Culture Committee Membership	• Penny Tovey (Chairperson) • Dr Anthony Lynham • Gail Ker • Catherine Mickel	• Penny Tovey (Chairperson) • Gail Ker • Catherine Mickel	• Penny Tovey (Chairperson) • Neville Ide³³ • Gail Ker • Catherine Mickel

Meetings held in 2024-25: August, October, February and June

People and Culture Committee achievements summary:

- oversight of the annual Chief Executive Officer and Senior Executives Performance and Remuneration review processes
- recommended Board noting or approval of:
 - the annual performance and remuneration reviews for the Executive and Common Law Contract employees
 - Board-approved documents within the remit of the Committee:
 - the Committee Charter
 - Remuneration Policy
- oversight of:
 - the Health, Safety and Wellbeing Framework and associated risk management
 - Management's investigation and response to emergent people and culture issues
 - Management's ongoing development of Seqwater's operating model and associated workforce planning
 - Management's development of Seqwater's succession planning program
- review of and compliance with the requirements of the Committee's Charter.

³³ Special Board meeting on 6 February 2025 confirmed Mr Neville Ide's appointment to the People and Culture Committee as a committee member.

Executive Management³⁴

Executive profiles

On 30 June 2025 Seqwater's Executive Leadership Team comprised:

Emma Thomas, Chief Executive Officer

Emma Thomas is an Australian public servant and engineer with a diverse career spanning both the public and private sectors. Emma has a wealth of experience and a strong track record of leadership across sectors including aviation, rail, public transport, infrastructure and local government. Most recently Emma was the Interim CEO of Queensland Games Venue and Legacy Delivery Authority, her previous experience includes CEO of Sunshine Coast Regional Council, Director-General of Transport Canberra and City Services. She commenced her career as a RAAF Aeronautical Engineer and worked for over a decade with Boeing. Emma Thomas's extensive experience and leadership in engineering, public administration, and infrastructure development have been instrumental in shaping major projects and services across Australia.

Emma joined Seqwater on 2 January 2025.

Sarah Dixon – Executive General Manager, Infrastructure Planning and Capital Delivery

Sarah's career demonstrates a track record in strategy implementation, organisation and culture change and capability development. Having worked across a number of different industries, she combines experience in large scale change and transformation programs with operational and capital delivery success through leading geographically disperse teams to achieve significant outcomes. Her previous role before joining Seqwater was as Executive General Manager South East Queensland Assets at Queensland Rail.

Will Harpham, Executive General Manager, Customer, Strategy and Governance

Will is an accomplished leader with a proven track record of success spanning more than two decades. With leadership and advisory experience across corporate and government entities, including in the areas of major projects, transport and logistics, infrastructure, and water supply, he brings a wealth of knowledge and experience to the role. Joining Seqwater in 2013, Will has been instrumental in guiding Seqwater through complex challenges and periods of change and delivering value for stakeholders.

In addition to his extensive legal and management background, Will completed the Oxford Advanced Management and Leadership Programme at the University of Oxford.

Will held the position of Interim Chief Executive Officer from 23 April 2024 – 31 December 2024.

³⁴ General information related to the Executive is provided in Seqwater's Corporate Governance Statement 2024-25.

Mike Hutchens – Executive General Manager, Corporate Services

Mike is an experienced leader and Chartered Accountant with more than 30 years of experience working in a range of businesses including regulated Government Owned organisations in the energy industry, publicly listed multi-national mining companies and financial and professional services firms. Before joining Seqwater, Mike was the General Manager Financial Control with Energy Queensland and the Chief Financial Officer at Ergon Energy.

Declan Rooney – Executive General Manager Digital Technology Information

Declan is an experienced leader with more than 25 years in the private, public, and not-for-profit sectors. He has a proven track record of driving digital business transformation and improving operational efficiency across industries such as infrastructure, oil and gas, mining, rail, health and aged care, and aviation. Before joining Seqwater, Declan served as Head of Digital Transformation at Airservices Australia. Prior to that, he served as Chief Digital and Data Officer at the Suburban Rail Loop Authority.

Declan joined Seqwater on 20 January 2025.

Melissa Williams – Executive General Manager, People, Culture and Safety

Melissa is a results-oriented executive with extensive experience in a broad range of disciplines including human resources, safety, customer experience and general business management. She has successfully worked across public, private and not-for-profit sectors holding senior roles in a diverse range of industries including utilities, transportation, consulting, education and health/aged care. Known for her transformational leadership, Melissa is a seasoned executive that brings a unique blend of strategic vision and hands-on expertise. Her previous role before joining Seqwater was the General Manager People and Culture at Powerlink Queensland.

Fiore Zulli – Executive General Manager, Operations

Fiore is an accomplished engineer with more than 30 years' experience across a wide range of roles spanning operations, production and management. After more than 20 years in the petroleum industry in a number of key management positions, Fiore joined Seqwater in 2016 as Manager, Operations (Northern Region) before becoming Seqwater's Executive General Manager, Operations.

Performance evaluation

General information related to the Executive performance evaluation process is in Seqwater's Corporate Governance Statement 2024-25.

A performance evaluation of the Executive occurred during the reporting period 2024-25 in accordance with the Government Owned Corporation Policy for *Chief and Senior Executive Employment Arrangements* and the entity's performance management process.

Executive committees

The Executive has two sub-committees:

- Investment Management Committee
- Health, Safety, Wellbeing and Environment Steering Committee.

Details of the roles and responsibilities, membership and structure of the executive committees is in Seqwater's Corporate Governance Statement 2024-25.

Public sector ethics

General information related to Seqwater's approach to ethical and responsible decision making is detailed in section 5 of Seqwater's Corporate Governance Statement 2024-25 and includes:

- Seqwater's code of conduct, culture and values approach to compliance with the *Public Sector Ethics Act 1994* and its principles and values
- fraud and corruption governance (i.e., conflict of interest, human rights and modern slavery risk, ethical supplier mandate and public interest disclosure controls).

Human rights

Seqwater respects, protects and promotes human rights in everything it does.

To further the objectives of the *Human Rights Act 2019*, Seqwater conducted a review of its Board approved governance documents and Board approved policy statements for compliance with Seqwater's policy framework requirements, including their compliance with human rights.

Seqwater received no human rights complaints in 2024-25.

Risk management and accountability

General information related to Seqwater's approach to risk management, internal audit and external scrutiny is detailed in the Corporate Governance Statement 2024-25.

Risk management

Supporting Seqwater's Enterprise Risk Management Framework is its Corporate Compliance Management System which is aligned with ISO 37301:2021 and designed to facilitate Seqwater's compliance with legal and regulatory obligations.

Business resilience also plays an integral role in Seqwater's risk management strategy, integrating emergency response, business continuity and disaster recovery. It ensures Seqwater can anticipate, prepare for and respond to adverse events, protecting Seqwater's workers, assets, and reputation throughout all phases of an event.

In 2024-25 Seqwater delivered:

- a revised Risk Appetite Statement (POL-00098) and Enterprise Risk Management Framework (FRA-00014) enhancing governance, risk culture, and alignment to ISO 31000:2018 Risk Management – Guidelines
- a refreshed suite of enterprise risks, aligned to Seqwater's corporate strategy and the new risk taxonomy
- ongoing enhancement and optimisation of Seqwater's Governance, Risk and Compliance system enabling enterprise-wide visibility and management of risks, obligations, audits and incidents
- enhanced analytics and reporting for monitoring and escalating risks and compliance obligations
- a comprehensive review of Seqwater's Business Continuity Plans, supported by a detailed business-wide Business Impact Analysis.

Internal audit

General information related to Seqwater's internal audit function is outlined in Seqwater's Corporate Governance Statement 2024-25.

In 2024-25, the following Internal Audits were finalised:

- project selection and risk prioritisation
- taxation
- Portfolio, Program and Project (P3) authorisations
- cyber security.

The following internal audits have commenced and will progress in 2025-26:

- sustaining capital
- compliance deep dive (physical security)
- information technology and operational technology general controls
- workforce planning
- asset maintenance and planning
- P3 reporting.

External scrutiny

External scrutiny undertaken in 2024-25:

- Fair Work Ombudsman Enforceable Undertaking Independent Audit**

In accordance with obligations under the Enforceable Undertaking – initiated in January 2023 – Seqwater continued to work closely with the Fair Work Ombudsman to ensure that all Enforceable Undertaking actions were met in accordance with designated / agreed due dates.

On 11 December 2024, Seqwater received notification from the Office of the Fair Work Ombudsman that it is no longer subject to an Enforceable Undertaking.

Human resources governance

General information related to Seqwater’s human resources governance is in Seqwater’s Corporate Governance Statement 2024-25.

Workforce profile

Table 13 – Workforce profile data

	FTE
Total FTE for Seqwater at 30 June 2025	918.0

Information systems, record keeping and cyber security

General information related to Seqwater’s management and compliance with its information management, record keeping and cyber security obligations is in Seqwater’s Corporate Governance Statement 2024-25.

Information management and record keeping

Seqwater’s records are its corporate memory and are managed as a core asset. Records are essential both for ongoing operations and to provide evidence of business decisions, activities and transactions.

Seqwater has approved policies, processes and procedures that govern the management of records from creation to disposal, resulting in around 4.4 million electronic records held in its Electronic Document and Records Management System.

Seqwater's records are retained and disposed of in accordance with State Archives (QSA), General Retention and Disposal Schedule as authorised under section 20 of the *Public Records Act 2023*. To maintain its statutory requirements, in 2024-25, 218 boxes containing administrative records were appraised and approved for destruction.

Seqwater is committed to the delivery of technology that will improve the digital landscape capability across the business. This is achieved through a continuous improvement program and application of lifecycle management practices which provides improved system functionality, system integration, mobility, document collaboration and governance.

Key information management activities in 2024-25 included:

- optimised Information Technology infrastructure through the decommissioning of on premises Corporate Information System (CIS) and migration to the cloud computing solution
- decommissioned more than 40 virtual servers and 13TB of storage reclaimed reducing technical support requirements and supporting a more efficient, secure and cost-effective technology landscape for Seqwater.

Under the updated *Public Records Act 2023*, Seqwater:

- assessed Seqwater's current recordkeeping practices and conducted gap analysis
- implemented any new standards into Seqwater processes and procedures relevant to the *Public Records Act 2023*
- educated employees on best practice recordkeeping and changes brought about by the *Public Records Act 2023*
- reviewed Seqwater's First Nations records and reviewed its management of Indigenous records
- monitored compliance, including conducting internal audits for document titling, security, folders and Business Classification Scheme
- identified records of permanent value, ensured their accessibility and deposited them with QSA
- liaised with QSA compliance with the *Public Records Act 2023*.

Cyber security

Cyber security continues to be a critical enterprise risk and strategic priority for Seqwater, reflecting its responsibility as a custodian of SEQ's critical water infrastructure.

In 2024-25, Seqwater experienced no reportable cyber security incidents under the *Security of Critical Infrastructure Act 2018* (SOCI Act). Cyber risks were managed through real-time monitoring, targeted controls, and proactive threat intelligence engagement.

Recognising the increasing complexity of the cyber threat landscape, Seqwater has made substantial progress this year in uplifting cyber resilience and governance maturity, including:

- established a dedicated 24/7 Security Operations Centre (SOC) to strengthen threat detection, incident response, and escalation capabilities
- published Seqwater’s Cyber Security Strategy 2024–28 to guide uplift priorities and investment
- aligned Seqwater’s cyber framework with the updated NIST Cybersecurity Framework 2.0
- aligned Seqwater’s cyber document suite to NIST Cybersecurity Framework 2.0, supporting strategic maturity benchmarking and regulatory alignment
- completed an internal audit of Security Operations, with key findings being addressed through the Cyber Security Program.
- improved cyber governance through dedicated awareness sessions with the Board and regular reporting cadence, enhancing oversight and readiness
- actively participated in externally facilitated cross-functional desktop cyber incident exercises, including engagements with the Queensland Government’s Cyber Security Unit, to improve organisational readiness and sector collaboration
- improved cyber crisis response readiness through targeted cyber exercises, and established partnerships for specialist support in the event of a major cyber incident.

Corporate entertainment

Table 14 – Corporate entertainment

Date	Event ³⁵	Total cost (\$) ³⁶
22 October 2024	Excellence awards	12,608
16 November 2024	Day on the green	25,761
December 2024	End of year staff events ³⁷	27,743

Open data

Information about overseas travel and consultancies is available online in lieu of inclusion in the annual report. This information is on the Queensland Government open data website (<https://data.qld.gov.au>).

³⁵ Events over \$5,000.

³⁶ Costs disclosed in Table 14 are in line with the updated Entertainment, Hospitality, Gifts and Benefits Management Policy.

³⁷ This represents total spend on all end-of-year staff events, individual events did not exceed \$5,000.

Government directions

The Treasurer, Minister for Energy and Minister for Home Ownership and the Minister for Local Government and Water, Minister for Fire, Disaster Recovery and Volunteers issued Seqwater Irrigation Water Pricing Direction (No.1) pursuant to section 1013D of *the Water Act 2000* on 26 May 2025.

There were no directions issued to Seqwater by the responsible Ministers under section 61 of the *South East Queensland (Restructuring) Act 2007* in 2024-25.

**Queensland Bulk Water Supply Authority
(Trading as Seqwater)**

**Annual Financial Report
For the year ended 30 June 2025**



Table of contents

Statement of comprehensive income	56
Statement of financial position.....	57
Statement of changes in equity	58
Statement of cash flows	59
Notes to the statement of cash flows	60
Section 1 - About the entity and this financial report	61
A1 Basis of financial statement preparation.....	61
A1-1 Reporting entity	61
A1-2 Statement of compliance	61
A1-3 Going concern.....	61
A1-4 Critical accounting estimates and judgements	62
A1-5 Basis of measurement	62
A1-6 Presentation	63
A1-7 Authorisation of financial statements for issue	63
A2 Objectives of the Entity	63
Section 2 – Notes about our financial performance	64
B1 Revenue	64
B1-1 Water sales	64
B1-2 Government grants and other contributions	65
B1-3 Other revenue	65
B2 Employee benefit expenses	66
B3 Supplies and services.....	67
B4 Finance/borrowing costs.....	67
B5 Other expenses	68
B6 Income tax equivalents	68
Section 3 – Notes about our financial position.....	69
C1 Cash and cash equivalents	69
C2 Trade and other receivables.....	69
C3 Property, plant and equipment and related depreciation expense.....	70
C3-1 Recognition and acquisition	70
C3-2 Measurement using historical cost	71
C3-3 Measurement using fair value.....	71
C3-4 Depreciation	74
C3-5 Capital expenditure commitments	75
C3-6 Impairment	75
C3-7 Property, plant and equipment – balances and reconciliation of carrying amount.....	76
C4 Intangible assets.....	78
C4-1 Recognition of intangible assets	78

SENSITIVE

C4-2	Amortisation	78
C4-3	Capital commitments	78
C4-4	Impairment	78
C4-5	Intangible assets – balances and reconciliation of carrying amount	79
C5	Trade and other payables	80
C6	Employee benefits	80
C7	Interest bearing liabilities	81
C7-1	Funding facilities	81
C7-2	Credit standby arrangement	82
C7-3	Fair value disclosures for financial assets and liabilities measured at amortised cost	82
C8	Deferred tax assets and liabilities	82
C8-1	Recognised deferred tax assets and liabilities	83
C8-2	Movement in temporary difference during the year	83
C8-3	Tax losses	84
C9	Other liabilities	84
C10	Right of use assets and lease liabilities	84
C10-1	Leases as Lessee	84
C10-2	Leases as Lessor	85
C11	Asset revaluation surplus by asset class	86
C12	Inventories	86
Section 4 – Notes about risk and other accounting uncertainties		87
D1	Financial risk disclosure	87
D1-1	Financial instrument categories	87
D1-2	Financial risk management	87
D1-3	Capital management	89
D2	Contingencies	89
D3	First year application of new accounting standards or change in accounting policy	90
D4	Future impact of accounting standards not yet effective	90
E1	Key management personnel (KMP) disclosures	91
E1-1	Details of Ministerial KMP and remuneration policies	91
E1-2	Details of non-Ministerial KMP and remuneration policies	91
E2	Related party transactions	94
E3	Climate risk disclosure	95
Management certificate for year ended 30 June 2025		96
Independent audit report to the Board of Queensland Bulk Water Supply Authority		97

Statement of comprehensive income

for the year ended 30 June 2025

	Notes	2025 \$000	2024 \$000
Revenue			
Water sales	B1-1	1,146,063	1,143,208
Grants and other contributions	B1-2	15,815	14,643
Other revenue	B1-3	25,403	18,631
Total operating revenue		1,187,281	1,176,482
Other gains - net		797	419
Total revenue		1,188,078	1,176,901
Expenses			
Employee benefit expenses	B2	135,259	124,837
Supplies and services	B3	253,733	217,037
Depreciation and amortisation	C3-7, C4-5, C10-1	263,557	262,700
Finance/borrowing costs	B4	386,594	403,030
Other expenses	B5	18,195	17,447
Total operating expenses		1,057,338	1,025,051
Operating result before income tax		130,740	151,850
Income tax expense	B6	44,087	47,759
Profit/(Loss) after income tax expense		86,653	104,091
Other comprehensive income			
Other comprehensive income/(loss)		-	-
Total comprehensive income/(loss)		86,653	104,091

The accompanying notes form part of these financial statements.

Statement of financial position

as at 30 June 2025

	Notes	2025 \$000	2024 \$000
Current assets			
Cash and cash equivalents	C1	245,945	209,546
Trade and other receivables	C2	170,950	160,625
Inventories	C12	15,718	14,798
Other current assets		9,880	7,612
Total current assets		442,493	392,581
Non-current assets			
Property, plant and equipment	C3-7	10,631,946	10,495,892
Right-of-use assets	C10-1	3,536	4,432
Intangible assets	C4-5	137,103	135,033
Other non-current assets		2,190	1,692
Total non-current assets		10,774,775	10,637,049
Total assets		11,217,268	11,029,630
Current liabilities			
Trade and other payables	C5	190,785	67,084
Employee benefits	C6	28,819	26,768
Interest bearing liabilities	C7	351,731	336,032
Lease liabilities	C10-1	953	859
Other current liabilities	C9	11,736	11,790
Total current liabilities		584,024	442,533
Non-current liabilities			
Employee benefits	C6	3,055	2,800
Interest bearing liabilities	C7	8,164,743	8,275,399
Lease liabilities	C10-1	3,217	4,375
Deferred tax liabilities	C8-1	233,075	189,003
Other non-current liabilities	C9	225,235	236,617
Total non-current liabilities		8,629,325	8,708,194
Total liabilities		9,213,349	9,150,727
Net assets		2,003,919	1,878,903
Equity			
Contributed equity		(445,888)	(570,888)
Asset revaluation surplus	C11	2,551,775	2,551,811
Accumulated deficit		(101,968)	(102,020)
Total equity		2,003,919	1,878,903

The accompanying notes form part of these financial statements.

Statement of changes in equity

for the year ended 30 June 2025

	Accumulated deficit \$000	Asset revaluation surplus \$000	Contributed equity \$000	Total \$000
Balances as at 1 July 2023	(209,546)	2,554,216	(695,888)	1,648,782
Operating profit from continuing operations	104,091	-	-	104,091
Total other comprehensive income:				
Transfer revaluation surplus as a result of disposal of non-current asset	3,435	(2,405)	-	1,030
Transaction with owners as contributed equity	-	-	125,000	125,000
Balances as at 30 June 2024	(102,020)	2,551,811	(570,888)	1,878,903
Balances as at 1 July 2024	(102,020)	2,551,811	(570,888)	1,878,903
Operating profit from continuing operations	86,653	-	-	86,653
Total other comprehensive income:				
Increase/(decrease) in asset revaluation surplus	-	-	-	-
Transfer revaluation surplus as a result of disposal of non-current asset	52	(36)	-	16
Dividend declared	(86,653)	-	-	(86,653)
Transaction with owners as contributed equity	-	-	125,000	125,000
Balances as at 30 June 2025	(101,968)	2,551,775	(445,888)	2,003,919

The accompanying notes form part of these financial statements.

Statement of cash flows

for the year ended 30 June 2025

	Notes	2025 \$000	2024 \$000
Cash flows from operating activities			
<i>Inflows:</i>			
Receipts from water services		1,139,227	1,143,734
Grants received		4,181	3,404
Interest received		9,945	12,412
Other revenue		15,097	6,161
GST collected		60,117	47,394
<i>Outflows:</i>			
Payments to suppliers and employees		(389,828)	(359,208)
Finance and borrowing costs		(386,207)	(403,927)
GST paid		(62,910)	(48,402)
Other		(3,190)	(2,834)
Net cash provided by operating activities	CF-1	386,432	398,734
Cash flows from investing activities			
<i>Inflows:</i>			
Proceeds from sale of plant and equipment		1,312	2,044
<i>Outflows:</i>			
Payments for property, plant and equipment		(373,779)	(255,303)
Payments for intangibles		(6,180)	(282)
Net cash used in investing activities		(378,647)	(253,541)
Cash flows from financing activities			
<i>Inflows</i>			
Contributed equity		125,000	125,000
Borrowing		209,000	-
<i>Outflows:</i>			
Borrowing redemption		(304,059)	(289,279)
Lease payments		(1,327)	(930)
Net cash provided by financing activities		28,614	(165,209)
Net increase/(decrease) in cash and cash equivalents		36,399	(20,016)
Cash and cash equivalents at the beginning of the financial year		209,546	229,562
Cash and cash equivalents at the end of the financial year	C1	245,945	209,546

The accompanying notes form part of these financial statements.

SENSITIVE

Notes to the statement of cash flows

CF – 1 Reconciliation of profit for the period to net cash provided by operating activities

	2025 \$000	2024 \$000
Operating profit	86,653	104,091
Non-cash items included in operating result:		
Depreciation and amortisation expense	262,660	261,956
Losses/(gains) on sale of property, plant and equipment	(797)	(419)
Lease	1,161	1,011
Income tax expense	44,087	47,759
Doubtful debts expenses	52	(109)
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(7,585)	694
(Increase)/decrease in inventories	(920)	(1,391)
(Increase)/decrease in GST receivable	(2,796)	(1,062)
(Increase)/decrease in other current assets	(2,767)	(778)
Increase/(decrease) in trade and other payables	15,789	(2,165)
Increase/(decrease) in employee benefits	2,306	1,531
Increase/(decrease) in other liabilities	(11,517)	(11,247)
Increase/(decrease) in loan interest payable	102	(1,191)
Increase/(decrease) in GST payable	4	54
Net cash provided by operating activities	386,432	398,734

CF – 2 Changes in liabilities arising from financing activities

	Non-cash changes			Cash flows			
	Opening balance \$000	Transfers to / (from) QTC \$000	New lease acquired \$000	Other \$00	Cash received \$000	Cash repayments \$000	Closing balance \$000
2025							
Leases	5,234	-	-	263	-	(1,327)	4,170
Borrowings	8,579,530	-	-	-	209,000	(304,059)	8,484,471
Total	8,584,764	-	-	263	209,000	(305,386)	8,488,641
2024							
Leases	4,251	-	1,647	235	-	(899)	5,234
Borrowings	8,868,809	-	-	-	-	(289,279)	8,579,530
Total	8,873,060	-	1,647	235	-	(290,178)	8,584,764

Section 1 - About the entity and this financial report

A1 Basis of financial statement preparation

A1-1 Reporting entity

The Queensland Bulk Water Supply Authority trading as Seqwater (the Entity) is a statutory body under the *Financial Accountability Act 2009*, the *Statutory Bodies Financial Arrangements Act 1982* and has been established under the *South East Queensland Water (Restructuring) Act 2007*. The Entity expires at the end of 99 years from when it was established on 16 November 2007. The Queensland Government is the successor in law at the expiry date. The Entity is controlled by the Queensland Government which is its ultimate parent.

The head office and principal place of business of the Entity is Level 8, 117 Brisbane Street, Ipswich QLD 4305.

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of the Entity.

A1-2 Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with:

- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB)
- the *Financial and Performance Management Standard 2019*
- Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2024
- other authoritative pronouncements.

A1-3 Going concern

The financial statements have been prepared on a going concern basis as the Board considers that there is a reasonable expectation that the Entity will be able to pay its debts as and when they fall due. Further, the Entity will remain a going concern for at least twelve months from the date of signing these financial statements for the following reasons:

- The Board relies on the Queensland Government's commitment to ensuring the solvency and ongoing viability of the Entity. This commitment was affirmed in a letter from the Hon. David Janetzki MP, Treasurer, Minister for Energy and Minister for Home Ownership, and the Hon. Ann Leahy MP, Minister for Local Government and Water and Minister for Fire, Disaster Recovery and Volunteers issued to the Entity on 29 June 2025;
- The Government's support for the Entity will include facilitating the provision of funding facilities through Queensland Treasury Corporation (QTC) to ensure the availability of funds to meet:
 - the working capital and capital works requirements of the Entity;
 - the financial commitments of the Entity under bulk water supply agreements with its customers; and
 - the financial commitments and obligations incurred by the Entity as a result of the pricing structure, including any variations to funding requirements arising from the bulk water price path.
- The Government's commitment is provided on the basis that any funding made available to the Entity is consistent with arrangements agreed under the Entity's Operational and Strategic Plans, or as otherwise approved by the responsible Ministers under the *South East Queensland Water (Restructuring) Act 2007* or other applicable legislation (notably, the *Statutory Bodies Financial Arrangements Act 1982* (SBFA Act));
- The Entity's borrowings from QTC obtain the benefit of a State guarantee under section 21 of the SBFA Act; and
- As at 30 June 2025, the Entity has an approved working capital facility from QTC amounting to \$200 million (refer to Note C7-2) of which nil has been drawn at 30 June 2025 and has a cash balance of \$246 million at 30 June 2025 (refer to Note C1).

SENSITIVE

A1-4 Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are found in the following notes:

Fair value	C3-3	Valuation of property, plant and equipment including key estimates and judgements
Depreciation and amortisation expenses	C3-4 and C4-2	Including estimated useful life and assessment on asset conditions
Employee benefits	C6	Including estimates related to long service leave and remuneration review
Income tax and utilisation of tax losses	C8	Recoverability of deferred tax assets and recognition of deferred tax liabilities
Contingencies	D2	Litigation in progress

A1-5 Basis of measurement

Historical cost is used as the measurement basis in the financial report except for the following:

- Land, building and infrastructure assets which are measured at fair value (Note C3-3); and
- Provisions expected to be settled 12 or more months after reporting date which are measured at their present value (Note C6).

A number of the Entity's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. exit price) regardless of whether the price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the Entity include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the Entity's assets/liabilities, internal records of recent construction costs (and/or estimates of such costs) for assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

SENSITIVE

All assets and liabilities of the Entity for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- Level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- Level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
- Level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

Except for cash and cash equivalents, none of the Entity's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy.

During the reporting period, the Entity transferred its land and building asset classes from level 2 to level 3 of the fair value hierarchy. For the purpose of fair value and impairment assessments, the Entity considers its assets as comprising a single Cash Generating Unit (CGU). This approach aligns with the regulatory building-block approach used in determining water pricing, whereby the recoverable amount of the CGU is assessed as a whole, rather than on an asset-by-asset basis.

A1-6 Presentation

Currency and rounding

The financial statements are presented in Australian dollars. Amounts included in the financial statements have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

Comparatives

Comparative information reflects the audited 2023-24 financial statements except where restated for identified prior period adjustments.

Current/non-current classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the Entity does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

A1-7 Authorisation of financial statements for issue

The financial statements were authorised for issue by the Board 21 August 2025.

A2 Objectives of the Entity

The Entity is primarily involved in the supply of water services and carrying out water activities.

As set out in the *South East Queensland Water (Restructuring) Act 2007*, the Entity must carry out its functions as a commercial enterprise. The Entity meets the definition of a for profit entity for the purposes of the accounting standards.

Section 2 – Notes about our financial performance

B1 Revenue

Recognition occurs when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Entity and specified criteria have been met for each of the Entity's activities as described below. The Entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

B1-1 Water sales

Revenue from contracts with customers is recognised when the Entity transfers control over a good or service to the customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations, significant payment terms, and revenue recognition for the Entity's water sales revenue from contracts with customers.

Type of good or service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Bulk water sales to distributor-retailers (DRs)	- The Bulk Water Supply Agreements (BWSA) between the Entity and the DRs set out the terms and conditions for the monthly water billing. - The unit price per megalitre is in accordance with the Ministerial set price. - Based on the Entity's past experience, all the DR invoices are paid within the payment terms, no impairment indicator exists for the monthly billing to the DRs.	The Entity recognises bulk water revenue monthly based on the actual megalitres supplied to the grid customer during the calendar month.
Bulk water sales to Stanwell Corporation, CleanCo Queensland and Toowoomba Regional Council	- The bulk water supply agreements between the parties set out the terms and conditions for the monthly water billing. - There are fixed and variable charges in the agreement. The charge rates are listed in the agreement and subject to annual review. Meter reading points and water supply calculation methodologies are clearly documented in the agreement. - Based on the Entity's past experience, all the Stanwell Corporation, CleanCo Queensland and Toowoomba Regional Council invoices are paid within the agreed payment terms, no impairment indicator exists for the monthly billing to them.	The Entity recognises bulk water revenue, including both fixed and variable charges monthly, based on the agreement price and water supply allocation methodology.
Water sales to irrigation	- Section 146 of the <i>Water Act 2000</i> requires a standard supply contract to be in place when water entitlements are converted to water allocations. - Irrigation customers have various supply contracts with the Entity. - Charges for rural irrigation water are largely calculated based on two-part tariff charges. Part A relates to fixed costs based on water allocation volume and is applied quarterly in advance and Part B represents the charge for water use based on meter readings for the previous quarter. - The charges for Part A and Part B are in accordance with the Ministerial set prices.	The Entity recognises irrigation water sales revenue monthly, the fixed component is as per set charges and the variable component is based on the actual meter reading.

Revenue recognised over time

	2025 \$000	2024 \$000
Bulk water sales – water grid	1,142,394	1,139,499
Water sales – irrigation	3,669	3,709
Total	1,146,063	1,143,208

B1-2 Government grants and other contributions

Government grants related to assets, including non-monetary grants at fair value, are presented in the Statement of Financial Position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

In 2010, the Entity received \$408 million in capital grants from the Commonwealth department for the construction of Western Corridor Recycled Water assets. The \$408 million was recognised initially as unearned income and is recognised in the Statement of Comprehensive Income (\$11 million) on a systematic basis over the useful life of the asset (refer to Note C9).

Government grants, including non-monetary grants at fair value, are not recognised until there is reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received.

The Entity receives Community Service Obligation (CSO) payments from the Queensland Government in two parts. The rural water payment is for the provision of rural irrigation water to rural irrigators. The water planning development payment is for the activities to ensure compliance with regulatory and policy areas of resource management.

	2025 \$000	2024 \$000
CSO	2,183	1,789
Government grant	13,632	12,854
Total	15,815	14,643

B1-3 Other revenue

	2025 \$000	2024 \$000
Interest	9,962	12,536
Insurance claims	13,500	395
Other	1,941	5,700
Total	25,403	18,631

B2 Employee benefit expenses

	2025 \$000	2024 \$000
Employee benefits		
Wages and salaries	99,565	90,737
Annual leave expenses	9,676	9,153
Long service leave expenses	2,169	2,718
Employer superannuation contributions	13,320	12,259
Employee related expenses		
Workers' compensation premium	123	83
Payroll tax	6,688	5,870
Other employee related expenses	3,718	4,017
Total	135,259	124,837

Employee benefits

Employee benefits are expensed as the related service is provided.

Employer superannuation contributions, annual leave and long service leave are regarded as employee benefits.

Employee related expenses

Payroll tax and workers' compensation insurance are a consequence of employing employees and are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Superannuation schemes

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories now administered by the Government Division of the Australian Retirement Trust) as determined by the employee's conditions of employment.

Defined contribution plans – Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined benefit plan – The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the Entity at the specified rate following completion of the employee's service each pay period. The Entity's obligations are limited to those contributions paid.

The Entity contributes to LGIAsuper for employees under both defined benefit scheme and accumulation superannuation scheme. The Entity has no liability to or interest in LGIAsuper other than the payment of the statutory contribution. Any amount by which either scheme is over or under funded would only affect future benefits and is not an asset or liability of the Entity at reporting date. Accordingly, there is no recognition in the financial statements of any over-or-under funding of LGIAsuper.

The Entity also contributes to various superannuation funds as nominated by employees under superannuation choice of fund. The Entity has no liability to or interest in these funds other than the payment of the statutory contribution.

Superannuation contributions are expensed in the period in which they are paid or payable.

Full time equivalent employees

The number of employees including both full time and part time employees measured on a full-time equivalent basis as at 30 June are:

	2025	2024
Number of employees		
Permanent employees	839	748
Fixed term employees	79	77
Total	918	825

Key management personnel and remuneration disclosures are detailed in Note E1.

B3 Supplies and services

	2025 \$000	2024 \$000
Labour hire	12,393	2,810
Consultancies and contractors [^]	36,504	28,799
Operational contracts	37,361	34,536
Energy	24,281	25,120
Information technology and communications	16,631	15,098
Repairs and maintenance – dams and weirs	5,469	6,171
Repairs and maintenance – water treatment plants	13,667	12,789
Repairs and maintenance – pipelines and other	28,693	19,174
Chemicals and treatments	49,673	43,014
Legal	1,214	2,155
Suppliers and consumables	21,779	21,378
Bulk water service purchase payment	3,676	3,653
Other expenses	2,392	2,340
Total	253,733	217,037

[^]includes specialists for engineering, project management, environmental and asset management, accounting and economic advice.

B4 Finance/borrowing costs

	2025 \$000	2024 \$000
Interest paid or payable to QTC	386,308	402,736
Interest on lease liabilities	265	266
Other financial costs	21	28
Total	386,594	403,030

Finance/borrowing costs comprise:

- interest expense on QTC overdrafts, short-term and long-term borrowings;
- unwinding of the discount on provisions; and
- ancillary administration charges.

Finance/borrowing costs are expensed in the Statement of Comprehensive Income using the effective interest method.

Finance/borrowing costs that are not settled in the period in which they arise are added to the carrying amount of the borrowing.

Finance/borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

\$12 million (2024: \$0) borrowing costs are capitalised into qualifying assets.

B5 Other expenses

	2025 \$000	2024 \$000
Insurance	13,121	13,030
External audit fees ¹	371	406
Rates and taxes	3,363	2,939
Special payments ²	235	-
Other	1,105	1,072
Total	18,195	17,447

1. Total audit fees quoted by the Queensland Audit Office relating to the 2024-25 financial statements are \$407,000 (2024: \$370,000).

2. Special payments represent ex gratia expenditure and other discretionary payments for which the Entity has no contractual or legal obligation.

During 2024-25, special payments exceeding \$5,000 included the following:

- Goodwill payments to property owners who experienced loss or damage resulting from water inundation incidents.
- Payments made to staff upon cessation of employment.

B6 Income tax equivalents

The difference between income tax expense provide in the Statement of Comprehensive Income and the prima facie income tax expense is reconciled as follows:

	2025 \$000	2024 \$000
Profit before income tax*	130,740	151,850
Prima facie income tax thereon at 30% (2024: 30%)	39,222	45,555
Add:		
Recognition of under/over tax provision	(254)	(96)
Tax impact of revaluations on disposals	16	1,030
De-recognition of revenue losses	3,835	-
Depreciation difference on transferred council assets	1,261	1,261
Non-deductible expenses	7	9
Total	44,087	47,759

The Entity is a State body as defined under the *Income Tax Assessment Act 1936* and exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Service Tax (GST). The Entity has been a participant in the Australian Taxation Office (ATO) National Tax Equivalent Regime (NTER) from the date of establishment.

As a result, an "equivalent" or "notional income tax" liability is payable to Queensland Treasury for payment into the consolidated fund. Income tax expense comprises current and deferred tax. Income tax expense/(benefit) is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

GST credit receivable from, and GST payable to the ATO, are recognised. (Note C2).

Section 3 – Notes about our financial position

C1 Cash and cash equivalents

	2025 \$000	2024 \$000
Cash at bank	97,971	36,557
Short-term deposits	147,974	172,989
Total	245,945	209,546

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and QTC overdrafts. There are no QTC overdrafts at reporting date.

C2 Trade and other receivables

	2025 \$000	2024 \$000
Trade debtors – retail	159,225	153,235
Trade debtors – other	4,231	2,636
Less: loss allowance	(296)	(244)
Total	163,160	155,627
GST receivable	8,018	5,222
GST payable	(228)	(224)
Total	7,790	4,998
Total	170,950	160,625
Receivables arising from contracts with customers		
Balance at 1 July	153,235	151,855
Increase / (decrease)	5,990	1,380
Balance at 30 June	159,225	153,235

Trade and other receivables

Receivables are measured at amortised cost which approximates their fair value at reporting date.

Receivables are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of those amounts are required within 30 days from invoice date. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Loss allowance

An allowance for impairment of receivables reflects lifetime expected credit losses. No allowance for impairment of receivables is recorded for receivables owing from local water distributor-retailers, local councils and power stations in relation to water sales, due to its near zero risk. Where there is no reasonable expectation of recovering amounts owed by debtors, the debt is immediately written off.

The collectability of receivables is assessed periodically with provision being made for impairment. The calculations reflect future cash flows with consideration to historical observed default rates calculated based on expected credit losses experienced on sales transactions in the past three years preceding 30 June 2025. Movements in expected credit losses are written-off as at 30 June.

No financial assets had their terms renegotiated to prevent them from being past due or impaired and are stated at the carrying amount as indicated.

SENSITIVE

Individually impaired receivable position (aged)

	2025			2024		
	Gross receivables \$000	Loss rate	Expected credit losses \$000	Gross receivables \$000	Loss rate	Expected credit losses \$000
Receivables						
1 to 30 days overdue	167	32%	53	303	30%	92
31 to 60 days overdue	323	32%	102	83	30%	25
61 to 90 days overdue	105	32%	33	49	30%	15
>90 days overdue	341	32%	108	371	30%	112
Total overdue	936		296	806		244

Movement in allowance for impairment for impaired receivables

	2025 \$000	2024 \$000
Balance at 1 July	(244)	(353)
Decrease/ (increase) in allowance recognised in operating result	(52)	109
Amount written-off during the year in respect of bad debts	-	-
Total	(296)	(244)

C3 Property, plant and equipment and related depreciation expense

C3-1 Recognition and acquisition

Cost of acquisition

Historical cost is used for the initial recording of all property, plant and equipment acquisitions. Historical cost is determined as the value given as consideration and costs incidental to acquisition, plus all other costs incurred in getting the assets ready for use.

Assets acquired at no cost or for nominal consideration, other than from another Queensland Government entity, are recognised at their fair value at date of acquisition.

Costs incurred subsequent to the initial asset purchase are capitalised when the expenditure improves the condition of the asset beyond its originally assessed standard of performance or capacity. Outlays that do not meet the criteria for recognition as an asset are expensed in the financial year.

Basis of capitalisation and recognition thresholds

Items of property, plant and equipment with a historical cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Land	\$1
Building	\$10,000
Infrastructure assets	\$10,000
Plant and equipment	\$5,000 [^]

[^] Computer network includes all IT equipment individually below \$5,000 but are connected to the Entity's IT network, i.e. laptops, tablet etc.

Items with a lesser value are expensed in the year of acquisition.

Land improvements are included in either the building, or the infrastructure asset class based on their proximity to the asset to which they relate.

Componentisation of complex assets

Complex assets comprise separately identifiable components (or groups of components) of significant value, that require replacement at regular intervals and at different times to other components comprising the complex asset.

On initial recognition, the asset recognition thresholds outlined above apply to the complex asset as a single item. Where the complex asset qualifies for recognition, components are then separately recorded when their value is significant relative to the total cost of the complex asset. Components whose value exceeds 10% of the complex asset's total cost are separately recorded only where a material difference in depreciation expense would occur.

When a separately identifiable component (or group of components) of significant value is replaced, the existing component(s) is derecognised. The replacement component(s) are capitalised when it is probable that future economic benefits from the significant component will flow to the Entity in conjunction with the other components comprising the complex asset and the cost exceeds the asset recognition thresholds specified above. Replacement components that do not meet the asset recognition thresholds for capitalisation are expensed.

Components are valued on the same basis as the asset class to which they relate. The accounting policy for depreciation of complex assets, and estimated useful lives of components, is disclosed in Note C3-4.

C3-2 Measurement using historical cost

Plant and equipment is measured at historical cost in accordance with the *Non-Current Assets Policies for the Queensland Public Sector*.

C3-3 Measurement using fair value

Land, buildings and infrastructure assets are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement* and Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*. These assets are reported at their revalued amounts, being the fair value at the date of valuation.

Valuation of property, plant and equipment including key estimates and judgements

The Board has adopted the following policies in respect of the measurement of fair value:

Class	Method of measurement of fair value	Frequency of measurement
Land, Buildings & Infrastructure Assets	Board adopted valuation – income approach	Annual assessment

The Entity has an established control framework with respect to the measurement of fair values. This includes a valuation team that oversees all significant fair value measurements and reports directly to the Executive General Manager, Corporate Services. Discussions of valuation processes and results are held between the Executive General Manager Corporate Services and the Audit and Risk Committee at least once a year in line with the Entity's annual reporting dates.

Land, building and infrastructure assets

The carrying value of land reported in the Entity's Statement of Financial Position excludes Reserve land, which is retained by the Queensland Government. Although the economic benefits associated with the Reserve land accrue to the Entity through its operational use, the land itself is administered on behalf of the Department of Resources (held in their Statement of Financial Position).

An income-based approach to fair value (adopting market participant principles as required by accounting standard AASB13 *Fair Value Measurement*) was undertaken as at 30 June 2025. The income approach converts multiple future cash flow amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

The following key estimates and judgements have been applied in adopting the income-based approach for valuation:

- a demand forecast for physical sale projections and ongoing levels of service requirements that is considered 'most likely' given current trends;
- estimated future cash flows, based on management's estimate, have been projected over 5 years and discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset;
- the Weighted Average Cost of Capital (WACC) discount rate of 6.2% (2024: 6.6%) has been used to discount cash flows and has been developed from a market participant perspective;
- future capital expenditure and related revenues relating to restructuring or improving asset performance have been included in the cash flows;
- revenue and pricing, fixed and variable operational expenditure derived from the Board approved 2025-26 Budget and 5 year forecast;
- the projected regulatory asset base value (at range of 1-1.3) has been used to compute the terminal value of the valuation; and
- drought likelihood probability has been factored into valuation inputs by the inclusion of a drought overlay scenario weighting, the drought and fair-weather blended profile is used when it is applicable.

The occurrence of drought materially changes key estimates and inputs. As at reporting date, the combined dam level is above 85%, and the drought trigger probability of combined dam level below 50% is 0%. As a result the impact from drought on a blended model is not applicable on the asset valuation. The 2025 asset valuation has been prepared under the fair-weather assumption.

Valuation profile	Profile assumptions	2025	2024
Fair-weather	Base assumptions for demand, operational and capital expenditure and pricing.	100%	100%
Drought	Drought overlay assumptions factor in water restrictions, increased operational and capital expenditure, and pricing impacts.	0%	0%

SENSITIVE

Level 3 significant valuation inputs and relationship to fair value

The following summarises the quantitative information on significant unobservable inputs (level 3) used in measuring fair value.

Unobservable inputs	Nature and range of inputs	Relationship of unobservable input to fair value
Revenue forecast	Bulk Water Pricing reflects the Minister-approved bulk water price financial year 2022-26 as confirmed in his letter dated 10 June 2022. The indicative price path beyond financial year 2026 is based on annual increase adopted in the Board approved 2025-26 Budget and 5 year forecast.	A higher allowed rate of return increases the fair value. A higher demand forecast increases the fair value.
Operating expenditure	Operating expenditures are based on the corporate plans of management reflecting the expenditure required to operate and maintain the assets.	A lower operating expenditure increases the fair value.
Capital expenditure	Future capital expenditure required to ensure the security and reliability are based on the current Board approved Asset Portfolio Master Plan.	A lower future capital expenditure increases the fair value.
Terminal value	Terminal value is based on the QCA accepted regulated asset base and a range of 1-1.3 terminal value multiple (2024: 1 -1.3).	A higher terminal value and multiple increases the fair value.
WACC discount rate	A post tax nominal WACC of 6.2% with a range of 5.8% - 6.5% (2024: 6.6% with a range of 6.1% - 7.1%) has been applied in the valuation. The WACC discount rate used is based on professional valuation advice and management's assessment, it is considered the best estimate of a long-term view of the market cost of capital. It includes a non-asset specific risk premium to reflect the current market environment.	The higher the nominal WACC, the lower the fair value.

A fair value assessment for the Entity was undertaken as at 30 June 2025 using the income approach methodology which determined the fair value to be \$10.8 billion (2024: \$10.6 billion).

Inherent uncertainty

The current methodology, and management estimates used as part of the income approach fair value calculation, contain inherent uncertainty derived from:

- pricing regulation post 2026;
- impacts of unforeseen droughts and floods to management estimates;
- impacts of unforeseen future population and consumption projections;
- the level of service obligations of a market participant in relation to expected capital augmentation outlays; and
- the restricted freedom of utilisation of the infrastructure asset base.

The Entity considered:

- the likely expectations from Queensland Government in a hypothetical sale of the assets, particularly avoidance of price shock/volatility for consumers and providing certainty to a purchaser regarding the ability to earn an adequate return on investment;
- domestic and international precedents in regard to the sale of public assets; and
- the application of a regulated pricing framework.

Management have used the most reasonable assumptions and estimates available at this time, as the basis for the fair value modelling.

The income-based valuation calculates the value of the Entity as a whole. From this value other non-current assets (plant and equipment, intangible assets and work-in-progress) are deducted, and the remaining value is apportioned to individual land, building and infrastructure assets on the basis of their current book value or depreciated replacement cost.

Accounting for changes in fair value

Any revaluation increment arising on the revaluation of an asset is credited to the revaluation surplus of the individual asset, except to the extent it reverses a revaluation decrement for the individual asset previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that individual asset.

For assets revalued using an income-based valuation approach – accumulated depreciation and accumulated impairment losses are eliminated against the gross amount of the asset prior to restating for the revaluation. This is generally referred to as the 'net method'.

C3-4 Depreciation

Property, plant and equipment is depreciated on a straight-line basis to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life.

Land is not depreciated as it has an unlimited useful life.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset.

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is completed, and the asset is first put to use or installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes within property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each reporting date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

Depreciation rates

The estimated useful lives applied for the current and comparative periods are as follows:

Class of fixed asset	Useful life
Buildings	5 – 40 years
Infrastructure	
Dams and Weirs	10 – 150 years
Water treatment plants	5 – 100 years
Pipelines and others	5 – 150 years
Plant and equipment	
Motor vehicle and boats	3 – 15 years
Other equipment	3 – 15 years

SENSITIVE

C3-5 Capital expenditure commitments

Capital expenditure commitments inclusive of non-recoverable GST input tax credits if any, contracted for at reporting date but not recognised in the accounts are as follows:

	2025 \$000	2024 \$000
Property, plant and equipment		
Within one year	164,583	145,329
One year and no later than five years	382,557	307,373
More than five years	35,134	21,740
Total	582,274	474,442

C3-6 Impairment

Indicators of impairment and determining recoverable amount

All property, plant and equipment assets are assessed for indicators of impairment on an annual basis or, where the asset is measured at fair value, for indicators of a change in fair value/service potential since the last valuation was completed. Where indicators of a material change in fair value or service potential since the last valuation arise, the asset is revalued at the reporting date under AASB 13 *Fair Value Measurement*. If an indicator of possible impairment exists, the Entity determines the asset's recoverable amount under AASB 136 *Impairment of Assets*.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Accounting for impairment

For assets measured at fair value, the impairment loss is treated as a revaluation decrease and offset against the asset revaluation surplus of the asset to the extent available. Where no asset revaluation surplus is available in respect of the asset, the loss is expensed in the Statement of Comprehensive Income as a revaluation decrement to the extent the original decrease was expensed through the Statement of Comprehensive Income, the reversal is recognised in income, otherwise the reversal is treated as a revaluation increase for the asset through asset revaluation surplus.

For assets measured at cost, the impairment loss is recognised immediately in the Statement of Comprehensive Income. Where an impairment loss subsequently reverses, impairment losses are reversed through income.

SENSITIVE

C3-7 Property, plant and equipment – balances and reconciliation of carrying amount

2025	Land \$000	Buildings \$000	Infrastructure			Plant and equipment \$000	Work in progress \$000	Total \$000
			Dams and weirs \$000	Water treatment plants \$000	Pipelines and other \$000			
Basis of measurement	Fair value	Fair value	Fair value	Fair value	Fair value	Cost	Cost	
Fair value category	Level 3	Level 3	Level 3	Level 3	Level 3	N/A	N/A	
Amount	934,244	15,180	3,186,402	2,482,492	3,265,518	67,318	717,566	10,668,720
Less: accumulated depreciation	-	-	-	-	-	(36,774)	-	(36,774)
Carrying amount at 30 June 2024	934,244	15,180	3,186,402	2,482,492	3,265,518	30,544	717,437	10,631,947
<i>Represented by movements in carrying amount:</i>								
Balance at 1 July 2024	900,063	15,933	3,194,523	2,573,473	3,234,695	29,589	547,616	10,495,892
Acquisitions	-	-	-	-	-	-	395,085	395,085
Transfer between classes	34,181	-	39,655	33,739	107,172	10,388	(225,135)	-
Disposal	-	(154)	-	-	-	(327)	-	(481)
Depreciation for the year	-	(599)	(47,776)	(124,720)	(76,349)	(9,106)	-	(258,550)
Carrying amount at 30 June 2025	934,244	15,180	3,186,402	2,482,492	3,265,518	30,544	717,566	10,631,946
Carrying amount under cost model at 30 June 2025	531,267	13,549	1,705,712	1,747,164	3,104,585	30,544	717,566	7,850,387

SENSITIVE

C3-7 Property, plant and equipment – balances and reconciliation of carrying amount

2024	Land \$000	Buildings \$000	Infrastructure			Plant and equipment \$000	Work in progress \$000	Total \$000
			Dams and weirs \$000	Water treatment plants \$000	Pipelines and other \$000			
Basis of measurement	Fair value	Fair value	Fair value	Fair value	Fair value	Cost	Cost	
Fair value category	Level 2	Level 2	Level 3	Level 3	Level 3	N/A	N/A	
Amount	900,063	15,933	3,194,523	2,573,473	3,234,695	63,864	547,616	10,530,167
Less: accumulated depreciation	-	-	-	-	-	(34,275)	-	(34,275)
Carrying amount at 30 June 2024	900,063	15,933	3,194,523	2,573,473	3,234,695	29,589	547,616	10,495,892
<i>Represented by movements in carrying amount:</i>								
Balance at 1 July 2023	901,489	12,984	3,234,933	2,661,967	3,301,091	26,782	348,186	10,487,432
Acquisitions	-	-	-	-	-	-	267,972	267,972
Transfer between classes	90	3,483	10,751	34,765	8,311	11,425	(68,542)	283
Disposal	(1,516)	-	-	-	-	(110)	-	(1,626)
Depreciation for the year	-	(534)	(51,161)	(123,259)	(74,707)	(8,508)	-	(258,169)
Carrying amount at 30 June 2024	900,063	15,933	3,194,523	2,573,473	3,234,695	29,589	547,616	10,495,892
Carrying amount under cost model at 30 June 2024	504,567	14,138	1,689,411	1,792,232	3,067,708	29,589	547,616	7,645,261

C4 Intangible assets

C4-1 Recognition of intangible assets

Intangible assets that are acquired by the Entity are initially measured at cost.

Items of intangible assets with a cost or other value equal to, or in excess of, the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Land easement	\$1
Software purchased	\$100,000
Other intangible	\$100,000

Items with a lesser value are expensed in the year of acquisition.

Where there is an active and liquid market, intangible assets are carried at a revalued amount; otherwise they are carried at cost after initial recognition. If revalued, the same rules apply as to those for property, plant and equipment.

It has been determined that there is not an active market for any of the Entity's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses, where applicable.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the profit or loss.

Intangible assets are subject to amortisation and impairment testing.

C4-2 Amortisation

Amortisation is recognised in the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives applied for the current and comparative periods are as follows:

Class of intangible asset	Useful life
Land easement	70 – 150 years
Software purchased	5 years

C4-3 Capital commitments

All intangible capital expenditure commitments are within one year, the commitments as at 30 June are \$1.6 million (2024: \$0.8 million).

C4-4 Impairment

All intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Entity determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Intangible assets are principally assessed for Impairment by reference to the actual and expected continuing use of the asset by the Entity, including discontinuing the use of software and land easements. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value-in-use.

SENSITIVE

C4-5 Intangible assets – balances and reconciliation of carrying amount

2025	Land easements[^] \$000	Software purchased \$000	Software work in progress \$000	Total \$000
Gross	153,035	11,924	5,948	170,907
Less: accumulated amortisation	(24,262)	(9,542)	-	(33,804)
Carrying amount at 30 June 2025	128,773	2,382	5,948	137,103
<i>Represented by movements in carrying amount:</i>				
Balance at 1 July 2024	130,736	3,718	579	135,033
Acquisitions	-	-	6,214	6,214
Transfer between classes	-	845	(845)	-
Disposal	-	(34)	-	(34)
Amortisation for the year	(1,963)	(2,147)	-	(4,110)
Carrying amount at 30 June 2025	128,773	2,382	5,948	137,103

2024	Land easements \$000	Software purchased \$000	Other intangibles \$000	Software work in progress \$000	Total \$000
Gross	153,035	13,088	557	579	167,259
Less: accumulated amortisation	(22,299)	(9,370)	(557)	-	(32,226)
Carrying amount at 30 June 2024	130,736	3,718	-	579	135,033
<i>Represented by movements in carrying amount:</i>					
Balance at 1 July 2023	132,699	2,870	-	3,532	139,101
Acquisitions	-	-	-	1	1
Transfer between classes	-	2,671	-	(2,954)	(283)
Disposal	-	-	-	-	-
Amortisation for the year	(1,963)	(1,823)	-	-	(3,786)
Carrying amount at 30 June 2024	130,736	3,718	-	579	135,033

C5 Trade and other payables

	2025 \$000	2024 \$000
Current		
Trade and other payables	104,132	67,084
Dividend payable	86,653	-
Total	190,785	67,084

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

C6 Employee benefits

	2025 \$000	2024 \$000
Current		
Salaries and wages accrued	3,541	2,565
Liability for long service leave	14,075	13,517
Liability for annual leave	11,203	10,686
Total	28,819	26,768
Non-current		
Liability for long service leave	3,055	2,800
Total	3,055	2,800

Long service leave movement

	2025 \$000	2024 \$000
Balance at 1 July	16,317	15,108
Additional provision made	2,435	3,000
Provision utilised through payments	(1,622)	(1,619)
Changes in discount rate / passage of time	-	(172)
Balance at 30 June	17,130	16,317

Wages, salaries, annual leave and sick leave

Liabilities for short-term employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided up to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Entity expects to pay as at the reporting date, including applicable related on-costs.

For those entitlements not expected to be paid within 12 months, the liabilities are recognised at their present value, calculated using yields on fixed rate high quality corporate bonds of similar maturity.

Non-vesting sick leave is recognised as an expense as it is taken.

Other employee entitlements

Other employee entitlements are payments due to a group of current and former employees that are on individual employment contracts that have been identified to be also covered by the Seqwater Enterprise Agreement and have not received their full entitlement at the reporting date.

Long service leave

The long service leave provision represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to balance date. The provision is calculated using the "shorthand measurement techniques" whereby 95% (2024:95%) valuation factor is applied to the aggregate accrued long service leave liability. The valuation factor is reviewed periodically by Mercer Consulting (Australia) Pty Ltd, an independent actuarial firm, to ensure that it remains appropriate. The last valuation date was 30 June 2024.

C7 Interest bearing liabilities

Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, and then subsequently held at amortised cost using the effective interest method.

Any borrowing costs are added to the carrying amount of the borrowing to the extent they are not settled in the period in which they arise. Borrowings are split between current and non-current liabilities using the principles set out in the foreword and preparation information section of this financial report.

On 30 June 2025, QTC issued a letter confirming that the debt owing by the Entity under its long-term debt facility is not repayable within one year from 30 June 2025.

No assets have been pledged as security for any liabilities.

All borrowings are in Australian dollar denominated amounts with interest being expensed as it accrues, except for assets under construction (refer to Note B4). There have been no defaults or breaches of the loan agreement during the financial years. There is no early debt repayment planned.

Loan interest is payable monthly in arrears on the first day of the new month.

Carrying amount of outstanding loans were as follows:

	2025 \$000	2024 \$000
QTC – Water grid debt	1,043,996	1,349,270
QTC – Core debt	6,830,643	6,620,326
QTC – Long debt	641,835	641,835
Total	8,516,474	8,611,431
Loans interest payable – current	32,003	31,901
Loans principal - current	319,728	304,131
Loans principal – non-current	8,164,743	8,275,399
Total	8,516,474	8,611,431

The Weighted Average Borrowing Rate for QTC borrowings as at 30 June 2025 is 4.77% (2024: 4.69%). Interest payments are made monthly in arrears at rates ranging from 4.21% to 5.05% (2024: 4.21% to 5.04%). Refer to Note D1-2 for sensitivity analysis.

C7-1 Funding facilities

The State Borrowing Program funding application is submitted annually by the Entity and is approved by the Queensland Government. The funding facility is maintained by QTC. The Entity had a \$209 million approved State Borrowing Program funding for 2024-25.

SENSITIVE

C7-2 Credit standby arrangement

	2025 \$000	2024 \$000
Drawn	-	-
Unused	200,000	200,000
Total	200,000	200,000

The credit standby facility remains fully undrawn at 30 June 2025 and is available for use in the next reporting period. The current QTC overdraft interest rate is 4.19% (2024: 4.47%)

C7-3 Fair value disclosures for financial assets and liabilities measured at amortised cost

The Entity does not recognise any financial assets or financial liabilities at fair value, except for cash and cash equivalents.

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

The fair value of borrowings which is determined for disclosure purposes is notified by QTC and calculated using discounted cash flow analysis and the effective interest rate. The fair value is determined by reference to published price quotations in an active market and reflects the value of the debt if the Entity repaid it in full at balance date. As it is the intention of the Entity to hold its borrowing for their full term, no adjustment provision is made in these accounts.

2025	Carrying amount \$000	Fair value \$000
QTC borrowings – loans	8,516,474	8,532,919
Total	8,516,474	8,532,919

2024	Carrying amount \$000	Fair value \$000
QTC borrowings – loans	8,611,431	8,429,661
Total	8,611,431	8,429,661

C8 Deferred tax assets and liabilities

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred income tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A Deferred Tax Asset (DTA) is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. DTAs are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

SENSITIVE

C8-1 Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

2025	Assets \$000	Liabilities \$000	Net \$000
Property, plant and equipment	-	(1,088,638)	(1,088,638)
Lease liability	190	-	190
Provision for employee benefits	9,200	-	9,200
Tax losses	776,145	-	776,145
Government grant	70,985	-	70,985
Inventory	-	(1,114)	(1,114)
Accrued expenses	157	-	157
Total deferred tax assets/(liabilities)	856,677	(1,089,752)	(233,075)

2024	Assets \$000	Liabilities \$000	Net \$000
Property, plant and equipment	-	(1,111,743)	(1,111,743)
Lease liability	240	-	240
Provision for employee benefits	8,914	-	8,914
Tax losses	839,880	-	839,880
Government grant	74,400	-	74,400
Inventory	-	(837)	(837)
Accrued expenses	143	-	143
Total deferred tax assets/(liabilities)	923,577	(1,112,580)	(189,003)

C8-2 Movement in temporary difference during the year

	2024 \$000	Recognised in profit or loss \$000	Acquired in equity \$000	2025 \$000
Property, plant and equipment	(1,111,743)	23,090	15	(1,088,638)
Lease liability	240	(50)	-	190
Provision	8,914	286	-	9,200
Tax losses	839,880	(63,735)	-	776,145
Government grant	74,400	(3,415)	-	70,985
Inventory	(837)	(277)	-	(1,114)
Accrued expenses	143	14	-	156
Total	(189,003)	(44,087)	15	(233,075)

	2023 \$000	Recognised in profit or loss \$000	Acquired in equity \$000	2024 \$000
Property, plant and equipment	(1,139,831)	27,058	1,030	(1,111,743)
Lease liability	216	24	-	240
Provision	7,719	1,195	-	8,914
Tax losses	911,539	(71,659)	-	839,880
Government grant	77,815	(3,415)	-	74,400
Inventory	(808)	(29)	-	(837)
Accrued expenses	1,075	(932)	-	143
Total	(142,275)	(47,758)	1,030	(189,003)

C8-3 Tax losses

A DTA is recognised for unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be utilised. DTAs are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

During the year ended 30 June 2025, \$198 million of tax losses were utilised (2024: \$236 million) with tax losses carried forward at 30 June 2025 amounting to \$2,587 million (2024: \$2,799 million). A DTA of \$776 million has been recognised in relation to these carry forward tax losses as it is considered probable that future taxable profits will be generated against which the tax losses could be utilised.

C9 Other liabilities

	Notes	2025 \$000	2024 \$000
Current			
Unearned revenue – government grant	B1-2	11,382	11,517
Other		354	273
Total		11,736	11,790
Non-current			
Unearned revenue – government grant	B1-2	225,235	236,617
Total		225,235	236,617

C10 Right of use assets and lease liabilities

C10-1 Leases as Lessee

Right-of-use assets

	2025 \$000	2024 \$000
Building lease		
Opening balance at 1 July	4,432	3,531
Additions	-	1,647
Depreciation charge	(896)	(746)
Closing balance at 30 June	3,536	4,432

Lease liabilities

	2025 \$000	2024 \$000
Current		
Lease liabilities	953	859
Non-current		
Lease liabilities	3,217	4,375
Total	4,170	5,234

The Entity measures right-of-use assets at cost subsequent to initial recognition. The Entity has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets. The lease payments are recognised as expenses on a straight-line basis over the lease term. An asset is considered low value where it is expected to cost less than \$10,000 when new.

Where a contract has both lease and non-lease components such as cleaning services, the Entity allocates the contractual payments to each component on the basis of their stand-alone prices. However, for leases of plant and equipment, the Entity has elected not to separate lease and non-lease components and instead accounts for them as a single lease component.

SENSITIVE

When measuring the lease liability, the Entity uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined. To determine the incremental borrowing rate, the Entity uses loan rates provided by QTC that correspond to the commencement date and the term of the lease.

Details of leasing arrangements as lessee

Office accommodation with non-related party	The Entity has 2 leases. A 10-year commercial lease was signed on June 2019, and another 5.5 year signed on January 2024 for office accommodation in Brisbane City. Lease payments for these leases are initially fixed and are subject to market rent review at the fifth year and fixed rent increments in other years, nil option to extend. Refer to Note C10-1 for further details.
Office accommodation lease with QLD Government	In March 2014, The Entity entered a 15-year office accommodation arrangement with the Department of Housing, Local Government, Planning and Public Works for the Ipswich office. As this arrangement is under the Government-wide frameworks and categorised as procurement of services rather than as leases because the Department of Housing, Local Government, Planning and Public Works has substantive substitution rights over the assets. The related expenses are included in Note B3.
Leasehold land	The Entity leases land from the Department of Regional Development, Manufacturing and Water. The total annual leasehold land payments are less than \$25,000. Due to the immaterial payment amount, the Entity is treating these leases under the low value exemption of AASB 16. The related payments are recognised as supplies and consumables in Note B3 when incurred.

	2025 \$000	2024 \$000
(i) Amount recognised in profit or loss		
Interest expense on lease liabilities	265	266
Expenses relating to office accommodation with QLD Government	2,873	2,770
Expenses relating to leasehold lands	23	18
(ii) Cash outflow for leases	1,327	930

C10-2 Leases as Lessor

Details of leasing arrangements as lessor

The Entity receives revenue from various parties for the exclusive right-to-use of the assets.

Grazing leases	Amounts received for the exclusive use of land areas for cattle grazing. These leases are registered on title and can be re-assigned to new landowners. In this instance, the underlying asset is catchment land which has an enduring life and is an integral component of water allocation, hence, the land cannot be sold without restrictions that ensure the quality of catchment water.
Property / Facility Lease	The Entity leases residential properties and commercial facilities in various catchment areas to third parties. Due to the nature of these assets and significance to the Entity's core business, none of these assets will be sold to the lessees.

Lease income from operating lease is reported as other revenue in Note B1-3. The Entity does not have any financial leases.

The following table sets out a maturity analysis of future undiscounted lease payments receivable under the Entity's operating leases.

	2025 \$000	2024 \$000
Less than one year	1,171	835
Between one and five years	2,784	1,796
More than five years	7,452	8,756
Total	11,407	11,387

SENSITIVE

C11 Asset revaluation surplus by asset class

2025	Land \$000	Building \$000	Infrastructure \$000	Total \$000
Balance at 1 July 2024	288,155	3,822	2,259,834	2,551,811
Asset revaluation on disposal	-	(52)	-	(52)
Deferred tax liabilities	-	16	-	16
Balance at 30 June 2025	288,155	3,786	2,259,834	2,551,775

2024	Land \$000	Building \$000	Infrastructure \$000	Total \$000
Balance at 1 July 2023	288,871	3,822	2,261,523	2,554,216
Asset revaluation on disposal	(1,023)	-	(2,412)	(3,435)
Deferred tax liabilities	307	-	723	1,030
Balance at 30 June 2024	288,155	3,822	2,259,834	2,551,811

The asset revaluation surplus represents the net effect of upwards and downwards revaluation of assets to fair value.

C12 Inventories

Stores and chemicals are valued at the lower of cost and net realizable values. Cost have been assigned to individual items on the basis of weighted average cost.

	2025 \$000	2024 \$000
Stores	13,208	12,148
Chemicals	2,510	2,544
Renewable energy certificates	-	106
Total	15,718	14,798

Section 4 – Notes about risk and other accounting uncertainties

D1 Financial risk disclosure

D1-1 Financial instrument categories

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Entity becomes party to the contractual provision of the financial instrument. The Entity has the following categories of financial assets and financial liabilities:

	Notes	2025 \$000	2024 \$000
Financial assets			
Cash and cash equivalents	C1	245,945	209,546
Trade and other receivables	C2	170,950	160,625
Total		416,895	370,171
Financial liabilities			
Trade and other payables	C5	190,785	67,084
Interest bearing liabilities – QTC borrowing	C7	8,516,474	8,611,431
Lease Liabilities	C10-1	4,170	5,234
Total		8,711,429	8,683,749

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

D1-2 Financial risk management

The Entity's activities expose it to a variety of financial risks including credit risk, liquidity risk, and interest rate risk. Exposure to financial risks is managed in accordance with the Entity's approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of the Entity. The Entity measures risk exposure using a variety of methods as follows:

Risk exposure	Measurement Method
Credit risk	Ageing analysis
Liquidity risk	Maturity analysis
Market risk – interest rate	Sensitivity analysis

Credit risk exposure

Credit risk exposure refers to the situation where the Entity may incur a financial loss as a result of another party to a financial asset failing to discharge their obligations.

The Entity is exposed to credit risk through its customers, investments with QTC and deposits held with banks. The Entity has a concentration of credit risk from receivables due from its customers. The QTC cash fund is an asset management portfolio that invests with a wide variety of high credit rating counterparts. Deposits are capital guaranteed. Other investments are held with highly rated and regulated financial institutions and whilst not capital guaranteed the likelihood of a credit failure is considered remote.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross amount of those assets inclusive of any provisions for impairment. The carrying amount of receivables represents the maximum exposure to credit risk (refer to Note C2).

No collateral is held as security and no credit enhancements relate to financial assets held by the Entity.

The following table represents the Entity's maximum exposure to credit risk based on contractual amounts net of any allowances:

SENSITIVE

	Notes	2025 \$000	2024 \$000
Financial liabilities			
Guarantee	D2	1,536	1,536
Total		1,536	1,536

Liquidity risk

Liquidity risk refers to the situation where the Entity may encounter difficulty in meeting obligations associated with financial liabilities. The Entity is exposed to liquidity risk through its trading in the normal course of business and borrowings from the QTC for asset acquisitions and capital works. The Entity manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long-term, to cater for unexpected volatility in cash flows.

88% (2024: 84%) of QTC borrowings are interest only with no fixed repayment date for the principal component. For the purposes of producing the maturity analysis, only the principal amount has been allocated to the over five-year time band.

The following tables set out the liquidity risk of financial liabilities held by the Entity. It represents the contractual maturity of financial liabilities, calculated based on cash flows relating to the repayment of the principal amount outstanding at balance date.

2025	Payable in			Total \$000
	<1 year \$000	1-5 years \$000	>5 years \$000	
Financial liabilities				
QTC borrowings - loans	716,532	2,169,335	7,444,702	10,330,569
Lease liabilities	953	3,217	-	4,170
Trade and other payables	190,785	-	-	190,785
Total	908,270	2,172,552	7,444,702	10,525,524

2024	Payable in			Total \$000
	<1 year \$000	1-5 years \$000	>5 years \$000	
Financial liabilities				
QTC borrowings - loans	699,329	2,465,276	7,235,703	10,400,308
Lease liabilities	859	4,375	-	5,234
Trade and other payables	67,084	-	-	67,084
Total	767,272	2,469,651	7,235,703	10,472,626

Market risk – interest rate

The Entity is exposed to interest rate risk through its borrowings from QTC and cash deposited in interest bearing accounts. The risk in borrowing is effectively managed through QTC's capacity to issue securities with variable terms allowing an appropriate duration for debt. The Entity manages its loan portfolio by setting, monitoring and adjusting the terms and duration as allowed under its commercial financing contract with QTC.

The Entity does not trade in foreign currency and is not materially exposed to commodity price ranges.

Interest rate sensitivity analysis

The following sensitivity analysis depicts the outcome to the Statement of Comprehensive Income if interest rates change by +/- 1% from the year-end rates applicable to the Entity's financial assets and liabilities. The calculations assume that the rate would be held constant over the next financial year, with the change occurring at the beginning of that year. This is mainly attributable to the Entity's exposure to variable interest rates on its borrowings from QTC.

SENSITIVE

2025	Net carrying amounts \$000	-1%		+1%	
		Profit \$000	Equity \$000	Profit \$000	Equity \$000
Cash and cash equivalents	245,945	(2,459)	(2,459)	2,459	2,459
QTC borrowings – loans	8,516,474	3,540	3,540	(2,865)	(2,865)
Overall effect on profit and equity		1,081	1,081	(406)	(406)

2024	Net carrying amounts \$000	-1%		+1%	
		Profit \$000	Equity \$000	Profit \$000	Equity \$000
Cash and cash equivalents	209,546	(2,095)	(2,095)	2,095	2,095
QTC borrowings – loans	8,611,431	3,366	3,366	(2,756)	(2,756)
Overall effect on profit and equity		1,271	1,271	(661)	(661)

D1-3 Capital management

The Entity manages its capital to ensure that it will be able to continue as a going concern. The Board relies on the Queensland Government's commitment to ensuring the solvency and ongoing viability of the Entity. This commitment was affirmed in a letter from the Hon. David Janetzki MP, Treasurer, Minister for Energy and Minister for Home Ownership, and the Hon. Ann Leahy MP, Minister for Local Government and Water and Minister for Fire, Disaster Recovery and Volunteers issued to the Entity on 29 June 2025.

The Entity must give the responsible Ministers an estimate of its net profit for the year, and a recommendation on the amount of annual return to be paid. The recommendation is to be provided to Ministers between 1 and 15 May prior to the end of the financial year. Before the end of the financial year, the responsible Ministers must either approve the recommendation or direct the Entity to pay another amount (though not more than the estimated net profit previously advised) as decided under section 53 of the *South East Queensland Water (Restructuring) Act 2007*. The return must be paid within 6 months after the end of the financial year.

Annual return payable in 2025 is \$87 million (2024: \$0).

	Notes	2025 \$000	2024 \$000
Total borrowings	C7	8,516,474	8,611,431
Total assets (excluding cash and cash equivalents)		10,971,324	10,820,084
Gearing ratio		78%	80%

D2 Contingencies

Insurance claims

The Entity has the following insurance claims in progress as at 30 June 2025:

- in relation to reimbursement of expenses and costs pertaining to a statutory liability matter;
- in relation to a personal injury matter involving a member of the public.

SENSITIVE

Financial guarantees and associated credit risk

	2025 \$000	2024 \$000
A guarantee provided to Sandhurst Trustees Ltd, in relation to the lease premises at 200 Creek Street, Brisbane	806	806
A guarantee provided to Department of Transport and Main Road, in relation to the Canungra sewer main replacement project	720	720
A guarantee provided to Australian Energy Market Operator limited as a market participant to comply with certain prudential requirements	10	10
Total	1,536	1,536

No defaults have occurred and the Entity does not expect that the guarantee will be called upon. The guarantees are not recognised on the Statement of Financial Position as the probability of default is considered remote.

As financial guarantee contracts are measured in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, the Entity has disclosed the details of the guarantee in this note, in addition to Note D1-2 for full transparency purposes.

Litigation in progress

As at 30 June 2025, the Entity is not a party to any proceedings filed in the courts.

As at 30 June 2025, the Entity is a respondent party to six native title claims in areas where the Entity has assets.

It is not possible to make a reliable estimate of the final amounts payable, if any, in respect to the litigation before the courts at this time.

D3 First year application of new accounting standards or change in accounting policy

Accounting standards applied for the first time

No new accounting standards or interpretations that apply to the Entity for the first time in 2024-25.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2024-25.

D4 Future impact of accounting standards not yet effective

All Australian accounting standards and interpretations with future effective dates are either not applicable to the Entity's activities or have no material impact on the Entity.

E1 Key management personnel (KMP) disclosures

E1-1 Details of Ministerial KMP and remuneration policies

The Entity's responsible Ministers are identified as part of the Entity's KMP, consistent with additional guidance included in the revised version of *AASB 124 Related Party Disclosures*. These Ministers are the Hon. David Janetzki MP, Treasurer, Minister for Energy and Minister for Home Ownership, and the Hon. Ann Leahy MP, Minister for Local Government and Water and Minister for Fire, Disaster Recovery and Volunteers. Until 27 October 2024, the Entity's responsible Ministers were the Hon. Cameron Dick, former Deputy Premier, Treasurer and Minister for Trade and Investment and the Hon. Glenn Butcher, former Minister for Regional Development and Manufacturing and Minister for Water.

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The Entity does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers are disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

E1-2 Details of non-Ministerial KMP and remuneration policies

The following details for non-ministerial KMP reflect those positions that had authority and responsibility for planning, directing and controlling the activities of the Entity during 2024-25. Further information on these positions can be found in the body of the Annual Report under the section relating to Governance.

Board Members remuneration

Board members' fees include fees paid for membership of the Audit and Risk Committee, the Investment and Procurement Committee and the People and Culture Committee. The Board members who were paid, or were due to be paid directly or indirectly from the Entity were:

	2025		2024	
	Salary and fees \$	Superannuation contribution \$	Salary and fees \$	Superannuation contribution \$
Neville Ide	89,316	11,388	46,035	5,869
John McEvoy	62,500	7,969	61,250	7,809
Penny Tovey	62,500	7,969	61,250	7,809
Gail Ker	60,475	-	61,039	-
Catherine Mickel	59,000	7,523	57,750	7,363
Anthony Lynham	53,089	6,769	5,675	724
David Hamill	-	-	104,042	13,265
Marita Corbett	-	-	16,208	-
Total	386,880	41,618	413,249	42,839

N Ide was appointed as Member of the Board on 1 October 2023 and subsequently appointed as the Chairperson of the Board on 19 December 2024.

J McEvoy was appointed as Member of the Board on 1 October 2020 and was reappointed on 1 October 2023.

P Tovey was appointed as Member of the Board on 1 October 2018 and was reappointed on 1 October 2021 and 1 June 2024.

G Ker was appointed as Member of the Board on 1 October 2020 and was reappointed on 1 October 2023.

C Mickel appointed as Member of the Board on 1 October 2020 and was reappointed on 1 October 2023.

Hon Dr D Hamill was appointed as Chairperson of the Board on 1 October 2018, his appointment ended on 31 May 2024.

Hon Dr A Lynham was appointed as Chairperson of the Board on 1 June 2024. His appointment ended on 19 December 2024.

M Corbett was appointed as Member of the Board on 13 December 2019, her appointment ended on 30 September 2023.

SENSITIVE

Key executive management personnel

Position	Responsibilities
Chief Executive Officer (CEO)	Ensure the efficient, effective and economic administration of the Entity.
Executive General Manager Operations	Lead asset management and technical services including asset information, engineering and water quality. Operation and maintenance of catchment and bulk water supply services to meet customer service requirements and regulatory obligations. Report on, and optimise, asset and operations performance.
Executive General Manager Infrastructure Planning and Capital Delivery	Undertake the delivery of projects including the design and construction of upgrades and renewals on the Entity's infrastructure. Set and implement the strategy and framework for planning and delivery of the Entity's high value capital projects across the bulk water supply network. Through dynamic multidisciplinary teams' plan and deliver large-scale capital projects.
Executive General Manager Corporate Services	Provide bulk water supply service support functions including financial, commercial services, risk and compliance. Align corporate services to business requirements. Manage and report on corporate performance. Manage corporate assets including property, fleet and facilities.
Executive General Manager People, Culture and Safety	Establish strategies and systems for human resource, health, safety, quality and environment. Provide human resource, health and safety leadership including recruitment, training, investigations, standards, and assurance. Lead culture development, organisational change management and employee engagement.
Executive General Manager Digital Technology and Information	Develop and implement the Entity's strategic technology framework to maximise the value of technology related business investments that assist the Entity to achieve corporate and operational goals. Implement energy management systems and technologies. Support the development of new technologies that deliver efficiency and connectivity.
Executive General Manager Customer, Strategy and Governance	Work directly with customers to manage service delivery, service regulation and water supply planning. Undertake research, regional and local area planning with a focus on water security. Manage pricing and regulatory frameworks. Develop and manage strategic direction, corporate planning, stakeholder engagement, community engagement, communications and education. Coordinate strategic relationships. Provide legal support services and carry out corporate administration of the Entity with a focus on compliance to statutory and regulatory requirements. Align and report on requirements of the Board including internal audit, governance and control, fraud and corruption.

Fixed remuneration packages - Executives

	2025 \$000	2024 \$000
Chief Executive Officer	660	595
Executive General Manager Operations	410	383
Executive General Manager Infrastructure Planning and Capital Delivery	480	474
Executive General Manager Corporate Services	411	374
Executive General Manager People, Culture and Safety	418	391
Executive General Manager Digital Technology and Information	390	379
Executive General Manager Customer, Strategy and Governance	356	-
Executive General Manager Customer, Strategy and Planning	-	451
Executive General Manager Legal and Governance	-	336
Total	3,125	3,383

SENSITIVE

Key executive management remuneration policies

Remuneration policy for the Entity's key executive management is managed by the Board in accordance with the Queensland Government Policy for Chief and Senior Executive Employment Arrangements. The remuneration and other terms of employment for the key executive management personnel are specified in employment contracts.

Remuneration expenses for key executive management personnel comprise the following components:

- short-term employee expenses which include:
 - salary, allowances and leave entitlements earned and expensed for the entire year, or for the part of the year during which the employee was a key management person;
 - performance payments recognised as an expense during the year; and
 - non-monetary benefits - consisting of benefit provided together with fringe benefits tax applicable to the benefit.
- long-term employee expenses include amounts expensed in respect of long service leave entitlements earned;
- post employee expenses include amounts expensed in respect of employer superannuation obligations;
- termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

Position	1 July 2024 – 30 June 2025					
	Short-term employee expenses		Long-term employee expenses	Post employment expenses	Termination benefits	Total expenses
	Monetary expenses	Non-monetary benefits				
	\$	\$	\$	\$	\$	\$
E Thomas - CEO	308,726	-	7,209	15,000	-	330,935
S Dixon - EGM	460,599	714	11,277	30,000	-	502,590
W Harpham – EGM	412,945	8,491	6,069	30,000	-	457,505
M Hutchens - EGM	385,621	8,491	11,603	30,000	-	435,715
D Rooney - EGM	163,991	-	3,808	12,692	-	180,491
M Williams – EGM	396,316	8,491	14,185	30,000	-	448,992
F Zulli - EGM	387,275	8,491	15,120	30,000	-	440,886
Total	2,515,473	34,678	69,271	177,692	-	2,797,114

E Thomas was appointed as CEO on 2 January 2025.

S Dixon was appointed as EGM on 20 May 2024.

W Harpham was appointed as EGM on 27 September 2019, acting as interim CEO from 23 April 2024 to 1 January 2025.

M Hutchens was appointed as EGM on 11 April 2022.

M Williams was appointed as EGM on 4 November 2019.

F Zulli was appointed as EGM on 25 March 2024.

D Rooney was appointed as EGM on 20 January 2025.

SENSITIVE

1 July 2023 – 30 June 2024						
Position	Short-term employee expenses		Long-term employee expenses*	Post employment expenses	Termination benefits	Total expenses
	Monetary expenses \$	Performance Payments^ \$	\$	\$	\$	\$
W Harpham – Interim CEO	313,878	9,397	18,840	27,500	-	369,615
M Hutchens - EGM	351,296	10,200	9,554	27,500	-	398,550
F Zulli - EGM	325,672	7,144	30,053	35,565	-	398,434
S Dixon - EGM	47,796	-	1,066	3,173	-	52,035
M Williams – EGM	347,827	11,055	9,477	27,500	-	395,859
N Brennan – CEO	552,131	17,842	(68,995)	24,327	-	525,305
R Muir – EGM	286,044	13,148	(7,429)	22,212	-	313,975
B Linaker – EGM	304,142	-	(31,479)	25,385	-	298,048
B van Heerden – EGM	63,417	-	(32,532)	6,663	47,232	84,780
Total	2,592,203	68,786	(71,445)	199,825	47,232	2,836,601

*Long-term employee benefits are accrued annually, when an employee leaves or takes long service leave the resulting entry is a reversal.

^ Performance payments during 2023-24 with respect to 2022-23 year.

N Brennan was appointed as CEO on 20 August 2018, left on 10 May 2024.

R Muir was appointed as EGM on 18 September 2017, left on 26 April 2024.

B van Heerden was appointed as EGM on 4 November 2019, left on 23 August 2023.

B Linaker was appointed as EGM on 21 October 2019, left on 14 June 2024.

E2 Related party transactions

Transactions and outstanding balance with State of Queensland controlled entities

The Entity is controlled by the Queensland Government and as a result there are a significant number of interactions with other entities controlled by the same parent. The Entity procures services from a number of Queensland Government departments on normal commercial terms.

The following entities have the same controlling entity as the Entity and therefore are considered to be related parties. Transactions with these entities during the year are:

- QTC, the central financing authority for the Queensland Government, provided loan debt funding to the Entity under normal commercial terms and conditions, refer to Note C7.
- QCA - investigation and recommendation on the price practices as per the Minister's Referral Notice, total amount paid for the bulk water price review in 2024-25 is \$67,100 (2024: \$125,400) and \$22,060 commitment at reporting date;
- Department of Housing, Local Government, Planning and Public Works – Lease of premise, total amount paid \$3,736,038 (2024: \$3,585,987), and commitment at reporting date is \$3,583,133;
- CS Energy – electricity energy supplier for the Entity, refer to Note B3; and
- Department of Regional Development, Manufacturing and Water provided CSO payments to the Entity for the provision of rural irrigation water, refer to Note B1-2.

E3 Climate risk disclosure

Whole-of-Government climate-related reporting

The State of Queensland, as the ultimate parent of the Entity, provides information and resources on climate related strategies and actions accessible at <https://www.energyandclimate.qld.gov.au/climate> and <http://www.treasury.qld.gov.au/energy-and-climate/>.

The Queensland Sustainability Report (QSR) outlines how the Queensland Government measures, monitors and manages sustainability risks and opportunities, including governance structures supporting policy oversight and implementation. To demonstrate progress, the QSR also provides time series data on key sustainability policy responses. The QSR is available via Queensland Treasury's website at <https://www.treasury.qld.gov.au/programs-and-policies/queensland-sustainability-report>.

Accounting estimates and judgements – climate-related risks

The Entity considers specific financial impacts relating to climate-related risks when assessing material accounting judgements and estimates in preparing the financial report. Key estimates and judgements identified includes the potential for changes in operations and cashflow, changes in the fair value of assets, and financing.

The Entity acknowledges that the climate is changing and that historic climate conditions are unlikely to reflect those that will be experienced in the future. In recognition of this, the Entity considers the most up to date and relevant climate change projections in relation to its operations and operating environment.

The financial statements have been prepared acknowledging the Entity's Climate Adaptation Strategy and the Queensland Government Climate Transition Strategy, Climate Action Plan 2020-30 and Built Environment and Infrastructure Sector Adaptation Plan.

Operations and cashflow

The Entity's Climate Adaptation Strategy acknowledges the need for adaptation activity advancement in areas impacting water security, assets and infrastructure, research, communication, insurances, emergency management and catchment resilience, with each of these having the potential to impact financial resources.

Under the current regulatory framework, the Entity is able to recover expenditure that is prudent and efficient, with specified review events for drought, flood and other emergency responses. Given the regulatory ability to recover expenditure for these items, as well as variances in demand, it is possible that any loss of financial resources associated with climate risk is temporary, with no permanent shortfall impacting on medium to long-term financial sustainability.

Asset valuation

The Entity considers climate change risk in the valuation of assets through the inclusion of drought associated scenario overlay, with the drought overlay valuing the impact that drought has on revenue, operations and investment.

At 30 June 2025 the drought overlay probability is 0% (2024: 0%) and is reflected in current year asset valuation.

Financing

The solvency of the Entity is guaranteed by written commitment from the Queensland Government, including the provision of funding facilities.

In the event of climate change related risks transpiring, short-term funding needs will be met under this commitment, with medium to long-term requirements assumed to be met via the pricing recovery mechanisms of the regulatory framework.

Management certificate for year ended 30 June 2025

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 40 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Queensland Bulk Water Supply Authority for the financial year ended 30 June 2025 and of the financial position at the end of that year.

We acknowledge responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.

Neville Ide
Chairman

Emma Thomas
Chief Executive Officer

Mike Hutchens
Executive General Manager Corporate
Services



Signature

21 August 2025



Signature

21 August 2025



Signature

21 August 2025

INDEPENDENT AUDITOR'S REPORT

To the Board of Queensland Bulk Water Supply Authority

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Queensland Bulk Water Supply Authority.

The financial report comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the management certificate

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2025, and its financial performance and cash flows for the year then ended; and
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of property, plant and equipment (infrastructure assets)

Refer to Note C3-3 of the financial statements.

Key audit matter	How my audit addressed the key audit matter
Management has estimated the fair value of the entity's infrastructure assets to be \$8.9 billion as at 30 June 2025. The fair value measurement is based on an estimation of future cash flows discounted to a present value. The valuations are dependent on certain key assumptions that require significant management judgement including the following in respect of: - revenue forecast: uncertainty of price structure post 2028 and estimation of population growth and consumption rates - discount rate: a nominal post-tax discount rate reflecting what a market participant would use - capital expenditure: estimating future capital required to meet demand, comply with legislative obligations and maintain service levels - terminal value: a projected regulatory asset base value to compute the terminal value.	My procedures included, but were not limited to: - obtaining an understanding of the discounted cash flow model, and assessing its design, integrity and appropriateness for fair value with reference to common industry practice - checking, on a sample basis, the accuracy and relevance of the input data used to estimate the fair value, including by reconciling input data to supporting evidence such as approved budgets. - assessing the reasonableness of cash flow forecasts and terminal value estimates relative to the regulator-approved determination, board approved budgets, historical growth trends, long-term asset management plans and other relevant internal and external evidence. - evaluating whether the discount rate applied was within a reasonable range, with reference to market data and industry research - challenging the reasonableness of key assumptions based on our knowledge of the entity and industry - performing a sensitivity analysis on key assumptions - verifying the mathematical accuracy of the net present value calculations.

Useful lives estimated for depreciation expense

Refer to Note C3-4 of the financial statements.

Key audit matter	How my audit addressed the key audit matter
The straight-line depreciation method used required significant judgements for: - identifying the significant parts of infrastructure that have different useful lives - forecasting the remaining useful lives of those significant parts.	My procedures included, but were not limited to: - evaluating management's approach for identifying the parts of infrastructure that have different useful lives, having regard to recent replacement projects and long-term asset management plans - evaluating remaining useful life estimates for reasonableness with reference to management's documented assessments, historical disposal rates, condition assessments for older assets, and long-term asset management plans and budgets.

Other information

Those charged with governance are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar6.pdf

This description forms part of my auditor's report.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2025:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.

Irshaad Asim

22 August 2025

Irshaad Asim
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Annual report requirements for Queensland Government agencies compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	Annual report – inside front cover
Accessibility	Table of contents	ARRs – section 9.1	Annual report – Table of contents
	Glossary		Annual report – Glossary
	Public availability	ARRs – section 9.2	Annual report – About this report
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	Annual report – About this report
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4	Annual report – About this report
	Information Licensing	<i>QGEA – Information Licensing</i> ARRs – section 9.5	Not applicable to Seqwater
General information	Introductory Information	ARRs – section 10	Annual report – About Seqwater Corporate Governance Statement – About Seqwater
Non-financial performance	Government's objectives for the community and whole-of-government plans/specific initiatives	ARRs – section 11.1	Annual report – Commitment to Queensland Government Objectives
	Agency objectives and performance indicators	ARRs – section 11.2	Annual report – Delivering on strategy
	Agency service areas and service standards	ARRs – section 11.3	Annual report – About Seqwater and Performance Corporate Governance Statement – South East Queensland's Water Supply Network
Financial performance	Summary of financial performance	ARRs – section 12.1	Annual report – Strengthen financial sustainability, Financial performance and key performance indicators
Governance – management and structure	Organisational structure	ARRs – section 13.1	Annual report – Management and structure Corporate Governance Statement – Organisational structure
	Executive management	ARRs – section 13.2	Annual report – Executive management Corporate Governance Statement – Executive committees
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	Annual report – Government bodies reporting summary

Summary of requirement		Basis for requirement	Annual report reference
	Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	Annual report – Public sector ethics Corporate Governance Statement – Ethical and responsible decision making
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	Annual report -- Human rights Corporate Governance Statement – Human rights
	Queensland public service values	ARRs – section 13.6	Not applicable to Seqwater
Governance – risk management and accountability	Risk management	ARRs – section 14.1	Annual report – Audit and Risk Committee membership and meetings and Risk management, Corporate Governance Statement – Board committees and Risk Management Framework
	Audit committee	ARRs – section 14.2	Annual report – Board committee membership and meetings Corporate Governance Statement – Board committees
	Internal audit	ARRs – section 14.3	Annual report – Internal audit Corporate Governance Statement – Internal auditor
	External scrutiny	ARRs – section 14.4	Annual report – External scrutiny
	Information systems and recordkeeping	ARRs – section 14.5	Annual report – Information systems, record keeping, and cyber security Corporate Governance Statement – Information systems, record keeping, and cyber security
	Information Security attestation	ARRs – section 14.6	Not applicable to Seqwater
	Strategic workforce planning and performance	ARRs – section 15.1	Annual report - Human Resources Governance Corporate Governance Statement – Diversity and inclusion
Governance – human resources	Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	Not applicable to Seqwater
	Consultancies	ARRs – section 31.1	Annual report – Open data https://data.qld.gov.au
Open Data	Overseas travel	ARRs – section 31.2	Annual report – Open data https://data.qld.gov.au
	Queensland Language Services Policy	ARRs – section 31.3	Not applicable to Seqwater
	Charter of Victims' Rights	<i>VCSVRB Act 2024</i> ARRs – section 31.4	Not applicable to Seqwater

Summary of requirement		Basis for requirement	Annual report reference
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Annual report – Financial statements
	Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Annual report – Financial statements

Glossary

AASB	Australian Accounting Standards Board
ADWG	Australian Drinking Water Guidelines
ARR	<i>Annual Report Requirements for Queensland Government Agencies</i>
APA	Australian Physiotherapy Association
ATO	Australian Taxation Office
BWSA	Bulk Water Supply Agreements
CEO	Chief Executive Officer
CSO	Community Service Obligation
Dr	Doctor
DRs	distributor-retailers
DTA	Deferred Tax Asset FAA
EBIT	Earnings Before Interest and Tax
EGM	Executive General Manager
ESG	Environment, Social and Governance
FAA	<i>Financial Accountability Act 2009</i>
FBT	Fringe benefits tax
FPMS	<i>Financial and Performance Management Standard 2019</i>
FTE	Full Time Equivalent
GST	Goods and Services Tax
Hon.	Honourable
HPIFR	High Potential Injury Frequency Rate
IDAHOBIT	International Day against Homophobia, Biphobia, Intersexism and Transphobia
ISO	International Organisation for Standardisation
ISSN	International Standard Serial Number
IT	Information Technology
KMP	Key Management Personnel
KPI	Key Performance Indicator
LGBTQ+	Lesbian, gay, bisexual, transgender, or queer
Ltd	Limited
LTIFR	Lost Time Injury Frequency Rate
M / m	Million
ML	Megalitres (Million litres)
MP	Member of Parliament

NAIDOC	National Aborigines and Islanders Day Observance Committee
NIST	National Institute of Standards and Technology (US Department of Commerce)
NPAT	Net Profit After Tax
NPI3	Northern Pipeline Interconnector Stage 3
NTER	National Tax Equivalent Regime
OCI	Organisational Culture Index
P3	Portfolio, Program and Project
p.a.	Per annum
Pty Ltd	Proprietary Limited
QAO	Queensland Audit Office
QCA	Queensland Competition Authority
QLD	Queensland
QSA	Queensland State Archives
QSR	Queensland Sustainability Report
QTC	Queensland Treasury Corporation
RAAF	Royal Australian Air Force
ROA	Return on assets
SBFA	<i>Statutory Bodies Financial Arrangements Act 1982 Act</i>
SBS	Special Broadcasting Service
SEQ	South East Queensland
SIEM	Security Information and Event Management
WACC	Weighted Average Cost of Capital

