



Seqwater Operational Plan 2025-26

Performance agreement

Board statement and agreement of responsible Ministers

The Seqwater Operational Plan 2025-26 (the Plan) is presented in accordance with Chapter 2, Part 4 of the *South East Queensland Water (Restructuring) Act 2007* (Restructuring Act).

The Plan is a performance agreement between the Seqwater Board and its responsible Ministers and sets out Seqwater's financial and non-financial performance targets for the year, together with its major activities, objectives, undertakings, policies, investments and borrowings.

This Plan aligns with Seqwater's Strategic Plan 2025-29.

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

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



Mr John McEvoy, FieAust FAICD
Chairperson

Date: 3 November 2025

The year ahead

Seqwater is pleased to present its Operational Plan 2025-26 to its responsible Ministers.

In 2025-26, Seqwater will provide around 364,000 ML of water to the South East Queensland (SEQ) community for drinking, energy generation and primary industry.

Seqwater is playing a critical role in meeting SEQ's water supply needs into the next decade and beyond through its forward planning, efficient operations and timely investment in infrastructure.

Seqwater works with its retailer customers Urban Utilities, Unitywater and the water businesses of the Gold Coast, Logan and Redland city councils to ensure their customers enjoy an affordable, reliable and sustainable water supply.

Population growth and potential climate change impacts present significant challenges for water security.

Through its long-term service delivery strategy and capital program over the next decade, Seqwater is well-placed to support the Queensland Government's water investment and security priorities and deliver sustainable value to its responsible Ministers, customers and communities. The Operational Plan 2025-26 is based on the Board approved Asset Portfolio Management Plan 2025-26. While ensuring water security and dam safety obligations are met, Seqwater is taking steps to maximise value from its existing assets to mitigate the need for new infrastructure. Consistent with responsible Ministers' strategic expectations, actions include:

- maintaining existing assets to ensure their availability, reliability and operational efficiency
- maximising the utilisation of existing assets where efficient to do so
- delivering the capital program on time and on budget
- appropriately staging projects and associated expenditure to manage affordability and financeability.

Seqwater is also advancing important dam improvement projects at a number of major dams including Somerset, Wivenhoe, North Pine and Lake Macdonald. Seqwater's capital program will be the most significant in its history, delivering generational water infrastructure that will secure supply, meet dam safety objectives, prepare for potential climate change impacts and support economic growth.

Seqwater's 2025-26 approved capital program is \$747.3 million¹ and is expected to grow over the coming decade as projects move into delivery. Seqwater is focused on ensuring its infrastructure investments deliver value and will continue to identify strategies to optimise existing assets and operate the SEQ Water Grid efficiently.

In 2025-26 Seqwater will continue to transform the way it delivers its capital program, improve operational resilience and focus on supporting its people, culture and performance to deliver sustainable value to its responsible Ministers, customers and communities.

Meeting community and key stakeholder expectations in relation to social, environmental and governance is central to everything we do.

Seqwater will continue to demonstrate innovation and leadership to safely deliver an affordable, reliable and sustainable water supply to SEQ.

¹ The approved capital program is the Asset Portfolio Management Plan value approved by the Board on 27 March 2025 and excludes capitalisable borrowings.

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1. About Seqwater

1.1 Vision

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

1.2 Purpose

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

1.3 Promise

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

1.4 Values

Seqwater's values are:

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

1.5 Seqwater's role

Seqwater is proud to deliver an affordable, reliable and sustainable bulk water supply for around 3.8 million people across SEQ, including around 75,800 people living in 16 off-grid communities. The water for these communities is sourced and treated locally, then distributed to households and businesses.

It also provides essential flood mitigation services, supports the management of catchment health, manages 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. Seqwater manages water levels across the region to optimise water security across 26 dams. Seqwater's three largest dams, Wivenhoe, Somerset and North Pine provide both water supply and flood mitigation storage capacity. The Wivenhoe and Somerset system is the most significant in terms of existing and potential additional flood mitigation. Wivenhoe Dam is also connected by pipeline to Cressbrook Dam near Toowoomba, and in the future, the network will connect further west to Warwick via the delivery of the Toowoomba to Warwick Pipeline.

A critical part of the urban water supply chain, Seqwater sources, stores, treats and supplies bulk water to its five retailer customers, Unitywater, Urban Utilities and the water businesses of the Logan, Redland and Gold Coast city councils, who in turn deliver drinking water to residents and businesses through their distribution

networks across the region. Seqwater works with its retailer customers to achieve whole-of-system solutions to ensure infrastructure and services are aligned to needs. It also has arrangements in place to supply water to power stations operated by Stanwell Corporation and CleanCo.

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

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

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

2. Risks and opportunities

2.1 Risks

Table 1 highlights the main risks to achieving the objectives of the Operational Plan 2025-26, and the actions that are being or will be taken to mitigate these risks.

Table 1 Risks

Risk	Risk definition	Key controls / mitigations
Strategic assumptions and decisions	The risk that changes in the external environment (e.g., economic and market conditions, legal and regulatory obligations, stakeholder expectations, population growth, and demand for water) may affect the assumptions underpinning Seqwater's strategic plans, budgets and forecasts, or impact delivery of outcomes from strategic decisions.	Seqwater is uplifting capability in achieving data-driven insights to support risk-informed strategic decision making and operational efficiencies. Additionally, Seqwater will proactively develop knowledge sharing relationships and continue to monitor its external environment to identify and respond to changing conditions that may affect its strategic plans, budgets and forecasts.
Strategic execution	The risk that Seqwater fails to implement its strategic initiatives, investments or programs/projects effectively, including the inability to secure resources due to high level of competition in the market from other infrastructure projects, which hinder the achievement of desired outcomes.	To meet future service delivery needs and undertake a significant increase in planning and capital delivery requirements over the next 10 years, Seqwater will build on its previous Capital Delivery Transformation Program. The extended transformation program covers asset management and capital delivery (AMCD Transformation) across all elements of its identified target operating model, including the goal of successful delivery of its significant infrastructure projects on time and on budget. Seqwater will proactively engage with industry through a series of targeted initiatives to promote strong vendor interest and participation through ensuring opportunities are well known and planned for by suppliers. These initiatives include regular industry forums updating the market on the program of works and future plans, as well as undertaking market sounding during program/project development particularly at the Expression of Interest (EOI) stage. Seqwater is also increasing its capability in commercial and contract management, to provide skilled resources to work with industry for both proposed and active contracts. This increased engagement will ensure strong relationships are developed and the market is informed and has visibility of future works to retain their sustained interest and participation in tenders.

Risk	Risk definition	Key controls / mitigations
Supply chain	The risk of significant disruption to Seqwater's upstream supply chain resulting in an inability to deliver its core services.	Seqwater will continue to work jointly with members of the Water Services Association of Australia (WSAA) to promote information sharing among water utilities across different critical supply chain areas (e.g., treatment chemicals). Additionally, Seqwater has developed a critical vendor register for key chemical supply vendors and is continuing to expand this register for other supply categories.
Cyber security	The risk of cyber-attacks on critical systems and operations, including loss resulting from cyber-attacks or data breaches that may affect confidentiality, integrity and availability.	Seqwater's Cyber Security Program aims to strengthen resilience against the evolving cyber threat landscape by enhancing security controls across information technology and operational technology environments, ensuring the protection of critical infrastructure and sensitive data. Seqwater also participates in quarterly strategic discussions with other Queensland Government agencies on cyber security risks, to share critical insights and align on best practices.
Health, safety and wellbeing	The risk of physical and/or psychological harm or injury to employees, contractors or the public due to Seqwater's operations, activities or inactions.	Seqwater is continuing to enhance cultural awareness of safety risks through key programs of work, such as the critical controls verification program. Seqwater will focus on continual improvement of these programs in response to the expansion of its capital works program. Seqwater will deliver a multi-year strategy to achieve continuous improvement in process safety risk management.
Natural hazards	The risk of increasing severity and frequency of extreme weather events such as floods, droughts, cyclones and bushfires, changing rainfall patterns and rising sea levels can present risks to SEQ's service continuity and operations.	Seqwater is committed to continual improvement of its resilience capabilities, particularly in response to natural hazards. This includes the delivery of a business resilience program, together with annual reviews and scenario testing of its operational, emergency and seasonal preparedness functions. Seqwater is developing a robust water security model which incorporates varying climate change scenarios.
Financial sustainability	The risk of Seqwater being unable to manage delivery of approved operational and capital project outcomes.	Seqwater will continue to work with its responsible Ministers to develop a sustainable financing strategy and strengthen its balance sheet.

Seqwater can be impacted by a range of fast and slow-moving threats with the potential to cause Seqwater to function outside its normal operating conditions.

Seqwater will ensure operational resilience and emergency preparedness, by continuing to undertake the following activities:

Table 2 Resilience and emergency preparedness

Activity	Completed by
Bulk Authority Emergency Response Plan biennial review	August 2025
South East Queensland water supply system emergency exercise	August 2025
Seqwater emergency management training and exercises	August 2025
Annual statement of preparedness	September 2025
Seqwater Emergency Management Manual annual review	October 2025
Undertake flood scenarios	November 2025
Ensure flood manuals are current and reviewed	As required

2.2 Opportunities

Table 3 outlines key opportunities that Seqwater will explore in 2025-26.

Table 3 Opportunities

Opportunity area	Opportunity
Bulk water pricing outlook and funding certainty	Continue investigating options to support Seqwater's capital investment program over the next decade with consideration of the impacts of policy for bulk water prices from 2026.
Sustainability	Seqwater acknowledges the opportunities in managing the risks of sustainability, including environment, social and governance (ESG) and reports with guidance from Queensland Treasury. Through consultation with stakeholders Seqwater will identify material sustainability and ESG focus areas.
Strengthen asset maintenance and process safety	Increased maturity in strategic asset management improves clarity of outcomes from asset maintenance in the context of the whole of life management of assets. Seqwater will focus on uplift in capacity, processes, systems and data availability to strengthen its asset maintenance and process safety capability.
Building social licence	Build Seqwater's brand and reputation within the community by continuing to meet shifting service delivery needs in good times and through challenging periods and improve community appreciation of the value Seqwater provides to SEQ.

3. Key activities

3.1 Delivering on strategy

The 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.

3.1.1 Strategic framework

Seqwater's strategic framework is set out in its Strategic Plan 2025-29.

Seqwater's *Water for Life* vision is delivered through its strategic outcomes:

- **water security:** meet long-term demand supply for South East Queensland in accordance with the desired Level of Service objectives set by Government
- **supply continuity:** maintain a continuous supply of safe drinking water to customers, in accordance with regulatory standards and contractual obligations
- **catchment health and dam management:** manage dams and stewardship of South East Queensland water supply catchments for community benefit and sustainable water resources
- **value:** meet the expectations of responsible Ministers for financial performance, affordability and sustainable value of the business for Seqwater's customers and communities.

Seqwater measures its performance against the strategic outcomes set out in its Strategic Plan 2025-29.

3.1.2 Key performance indicators

Table 4 Key performance indicators

Strategic outcomes	Key performance indicator ²	Frequency ³	Target
Supply continuity	Water quality ⁴	Quarterly	100%
	Continuity of supply ⁵	Quarterly	≤2
	Asset management system process maturity	Annual	Improvement in all subject area scores ⁶
	Asset maintenance ⁷	Quarterly	≥95%
	Process safety incidents ⁸	Quarterly	major ≤2
			critical 0
	Process safety program completion ⁹	Quarterly	≥90%
Water security & catchment health and dam management	Capital investment ¹⁰	Quarterly	+/- ≤15%
	Significant projects schedule variance ¹¹	Quarterly	≥85%
Value	Earnings Before Interest Tax Depreciation and Amortisation	Quarterly	\$742.9m ¹²
	Lost Time Injury Frequency Rate ¹³	Quarterly	≤3.5
	Community trust ¹⁴	Annual	≥7.3

² Performance will be reported through quarterly performance reports and in Seqwater's Annual Report, figure reported represent year to date performance.

³ Annual measures will be communicated through Q4 Quarterly Performance Report and reported in Seqwater's Annual Report.

⁴ Compliance with Australian Drinking Water Quality Guideline values. Previously retailer water quality service standards performance (Schedule 2).

⁵ Measured as trigger three demand management notifications issued for SEQ Water Grid connected water treatment plants and Lowood Water Treatment Plant.

⁶ Independent assessment against the Global Forum of Maintenance and Asset Management subject areas benchmark.

⁷ A measure of the percentage of Preventive Maintenance Statutory and Preventive Maintenance Operational Requirement work orders completed to schedule.

⁸ Measures the number of incidents involving the release of hazardous materials or energy with actual consequence of major and critical.

⁹ Process Safety Program deliverables to schedule achieved (within +30 days of schedule).

¹⁰ Percentage variance to the approved capital program. The approved capital program is the Board approved Asset Portfolio Management Plan value approved on 27 March 2025 and may be updated and communicated through quarterly performance reporting in line with investment decisions.

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

¹² Tolerance of +/- ≤5%.

¹³ Seqwater's target for injuries of any type is zero with an upper maximum LTIFR of ≤3.5 for 2025-26, 12 month rolling average.

¹⁴ Measures the community's trust in Seqwater to deliver affordable, reliable and sustainable bulk water supply, based on a survey of a sample of the SEQ community calculated on the average of all responses of the trust based questions on a score of 1-10.

3.1.3 Undertakings

Seqwater has identified four areas of specific focus for the short to medium term to drive the business change to meet long-term service needs of SEQ.

They are:

- asset management and capital delivery
- operational transformation
- social licence
- talent, culture and performance.

Seqwater will undertake the following activities in 2025-26 to progress the focus areas.

Table 5 Strategic undertakings

Focus area	Description	In 2025-26 Seqwater will:
Asset management and capital delivery	Continue a program to uplift asset management and capital delivery capability to meet desired future state.	• pursue strategies to optimise the production and distribution capability of existing assets, while ensuring water security and dam safety obligations are met, noting the Department of Local Government, Water and Volunteers' removal of the requirement to complete dam upgrades by 2035. • expand on the previous capital transformation program initiatives to implement the Asset Management and Capital Delivery (AMCD) Target Operating Model in pursuit of improved capital delivery capability • operationalise its asset strategy as per the revised Strategic Asset Management Plan and Asset Management Improvement Program • establish strategic supply chain services for planning, program management and engineering services.
Operational transformation	Progress a multi-year program improving systems, processes and assets to reduce risk and improve productivity amidst long-term operational challenges.	• develop a Target Operating Model for long term operations aligned to the future state vision • develop and standardise operational processes including chemical management and dam surveillance • plan and deliver enabling technology that supports the Operational Transformation Plan blueprint future state • identify and address key operational risks to improve operational resilience and discipline.
Social licence	Build Seqwater's social licence to operate as a key enabler for operational activities and delivery of capital projects.	• implement Seqwater's stakeholder engagement plan which covers the breadth of stakeholders such as government, communities, customers, regulators and the wider water industry with the outcome of improved trust

Focus area	Description	In 2025-26 Seqwater will:
		- ensure Seqwater's Net Zero 2050 Road Map is consistent with whole of government approach and relevant policies - proactively seek opportunities to engage with shareholders regarding Seqwater's capital program and price path considerations - support the Queensland Government's water investment and security priorities.
Talent, culture and performance	Harness and leverage technology, empowering people and creating a culture of high-performance along with innovative approaches to adapt and respond to the increasing pace of change.	- implement Seqwater's strategic workforce plan supporting asset strategy and planning and capital delivery processes, including workforce strategies for the attraction and retention of critical talent - commence enterprise bargaining in Q3 - mature critical safety risk management and environmental compliance.

3.2 Servicing South East Queensland

While Seqwater is planning and preparing for future service needs, it is committed to maximising value for the SEQ community today. Delivering its core services to its customers and SEQ community remains Seqwater's highest priority, including providing:

- an affordable, reliable and sustainable water supply
- water for irrigation and electricity generation
- public access to water and land-based recreation in and around its lakes
- long-term water security planning.

Seqwater operates dams and utilises or manages its land in ways that benefit the community. It also operates Wivenhoe, Somerset and North Pine dams to provide flood mitigation benefits, in accordance with a prescribed manual.

3.2.1 Operational performance and financial information

In addition to key performance indicators set out in table 4, Seqwater monitors and reports on key operational performance and financial information¹⁵ set out in table 6 and 7.

Table 6 Operational performance

Performance metric	Frequency	Target
High Potential Incident Frequency Rate (HPIFR) ¹⁶	Quarterly	≤3.0
Material environmental harm ¹⁷	Quarterly	≤5

Table 7 Additional financial information

Performance metric	Frequency ¹⁸
Distribution yield (%) ¹⁹	Annual
Distribution cash coverage (times) ²⁰	Annual
Funds from operations on net debt (%) ²¹	Annual
Return on assets (%) ²²	Annual
Asset maintenance expenditure (\$) ²³	Quarterly
Asset renewals expenditure ²⁴	Quarterly
Asset sustainability ratio ²⁵	Annual
Alignment with Queensland Competition Authority allowances (times) ²⁶	Annual

¹⁵ Operational performance and financial information will be reported through quarterly performance reports.

¹⁶ A ratio of the number of High Potential Incidents against the number of hours worked in a 12-month period, expressed per million hours.

¹⁷ Aligned to Seqwater's risk matrix definition, environmental incidents with an actual consequence of moderate or above.

¹⁸ Annual measures will be communicated through Q4 Quarterly Performance Report and in Seqwater's Annual Report.

¹⁹ Measures income from distribution relative to the value of an investment.

²⁰ Measures ability to achieve dividend policy.

²¹ Metric is used to assess an organisation's ability to manage its debt obligations.

²² Measures (as a percentage rate) the operational profitability of an organisation in relation to its average total assets.

²³ As per the Board approved repair and maintenance budget excluding ICT assets and including Gold Coast Desalination Plant and Western Corridor Recycling Water Scheme.

²⁴ As per the Board approved Asset Portfolio Management Plan (APMP), excluding Dam Improvement Program, Water Security Program, Flood Resilience works, Drought Readiness works, Digital Technology led works, and fleet program.

²⁵ The asset sustainability ratio approximates the extent to which the infrastructure assets managed by Seqwater are being replaced as they reach the end of their useful lives.

²⁶ Indicator for Seqwater recovery of costs.

4. Financials

4.1 Financial performance

Table 8 Financial performance ²⁷

Performance metric	Target				
	Q1	Q2	Q3	Q4	Full year
Net profit after tax (NPAT) (\$m) ²⁸	12.1	15.3	11.1	10.9	49.4
Operating expenditure (\$m) ²⁹	117.8	119.9	118.1	118.6	474.3
EBITDA Interest coverage (x) ³⁰	Annual measure				1.9
Debt to RAB ratio (x) ³¹	Annual measure				0.8
Return on equity (%) ³²	Annual measure				2.5

4.2 Assumptions

Seqwater's budget forecast is based on the assumptions outlined in Table 9 and is sensitive to a range of factors including economic and cost inputs for operating and capital expenditure.

Table 9 Assumptions

Economic indices	
Interest rates	As per Queensland Treasury Corporation (QTC) projected interest rates.
Inflation	An inflation adjustment has been included in the operational expenditure base year and salary and wages are escalated in line with Seqwater's Staff Enterprise Agreement 2023.
Revenue	
Prices	Revenue is calculated from prices set by the responsible Ministers and through bulk water supply agreements. For bulk water, Seqwater has adopted prices directed by the former Minister for Water for 2022-2026.

²⁷ Reported in quarterly performance reports.

²⁸ Measures the profit (expressed as a dollar amount) that is available to the organisation to distribute to shareholders each year after interest to debt investors and corporation taxes have been paid.

²⁹ Total expenditure incurred during operations of the business including employee expenses, fixed expenses, variable expenses and bulk water charge but excluding depreciation, amortisation and interest expense.

³⁰ Profit from operations before interest, tax, depreciation, amortisation and asset revaluations as a multiple of interest cost.

³¹ Measure of overall debt compared to the overall value of the Regulated Asset Base (RAB).

³² Measures (as a percentage rate) the profitability of an organisation in relation to its average total equity.

Bulk water sales volumes	Sales volumes are sensitive to factors outside of Seqwater's control, most notably climatic conditions that are a short-term determinant of water demand. Seqwater's forecast demand is built from retailer customer medium-term demand projections to which Seqwater applies monthly profiling based on historical data where required. The 2025-26 demand forecast is determined using the retailer customer forecast data collected in November 2024.
Regulated revenue	As bulk water prices are set on a 100% volumetric charge, regulated revenue will vary with actual demand. Hence Seqwater's revenue, and to a large extent profit, is sensitive to the factors above governing bulk water sales, in particular weather conditions during the year and their impact on water demand. Seqwater assumes the regulatory arrangements, whereby there is a true up for actual versus forecast revenue at the end of each regulatory period, continues along with a corresponding adjustment to prices in the next regulatory period. There is no recognition in revenue of any asset or liability for the under or over recovery for differences between actual collections and Seqwater's Maximum Allowed Revenue (MAR).
Operating expenses	
Total operating expenditure	Operating expenditure is developed using a top-down baseline budgeting methodology with consideration of the Queensland Competition Authority (QCA) Report (March 2022) and with adjustments for known differences and appropriate bottom-up budget requests.
Weather events	Seqwater's budget assumes fair weather conditions. Operational costs are sensitive to weather events. Actual operating costs may be higher if there are weather events (e.g. repair costs, dirty water events, increases to labour costs, activation of the Flood Operations Centre, and operation of the Gold Coast Desalination Plant). Should extended periods of dry conditions occur, operating costs could be higher than budget if Seqwater implements its drought response plan and changes its operating strategy. Seqwater assumes it will continue to be able to recover these additional costs (net of insurance proceeds), through a formal process at the next bulk water price review.
Western Corridor Recycled Water Scheme	The QCA allowance included funding for care and maintenance operation only with no production of purified recycled water (PRW). The 2025-26 budget allows \$14.5m above the QCA allowance for production of 3,833 ML for supply to industrial customers.
Gold Coast Desalination Plant	The QCA allowance includes funding for hot standby (RFRT) including 400 ML of desalinated water provided to the SEQ Water Grid annually. The 2025-26 budget allows \$2.7m above the QCA allowance for production of an additional 1,694 ML to supplement SEQ Water Grid demand.
Capital	
Changes in forecasts	Project cashflows are reviewed regularly under Seqwater's project and program governance processes to ensure projected timings and costs are formulated accurately.
Project gateways	A formal gateway approval structure is used throughout Seqwater for capital projects. Key project status and investment approval status are detailed in Section 4.4.2 Key Projects.

4.3 Financial statements³³

4.3.1 Statement of comprehensive income

Table 10

	2025-26 budget ³⁴				
	Q1 (\$m)	Q2 (\$m)	Q3 (\$m)	Q4 (\$m)	Full Year (\$m)
Operating revenue					
Water services	295.1	303.1	296.4	298.1	1,192.7
Interest income	1.2	1.3	1.2	1.3	5.0
Other revenue	4.9	4.9	4.9	4.9	19.6
Total operating revenue	301.2	309.3	302.5	304.3	1,217.3
Operating expenses	117.8	119.9	118.1	118.6	474.3
EBITDA	183.4	189.4	184.4	185.7	743.0
Depreciation and amortisation	70.1	69.4	68.6	69.4	277.5
EBIT	113.3	120.0	115.8	116.3	465.5
Finance/borrowing costs	96.0	98.2	99.9	100.8	394.9
Profit (loss) before income tax	17.3	21.8	15.9	15.6	70.6
Taxation (expense) benefit	(5.2)	(6.5)	(4.8)	(4.6)	(21.2)
Net profit (loss) after income tax	12.1	15.3	11.1	10.9	49.4

³⁴ Totals may not add due to rounding.

4.3.2 Statement of financial position

Table 11

	2025-26 budget ³⁵			
	Q1 (\$m)	Q2 (\$m)	Q3 (\$m)	Q4 (\$m)
Current assets				
Cash and cash equivalents	250.6	195.8	137.1	26.4
Trade and other receivables	163.4	168.6	165.9	161.3
Inventories	14.8	14.8	14.8	14.8
Other current assets	9.3	9.3	9.3	9.3
Total current assets	438.1	388.5	327.1	211.8
Non-current assets				
Property, plant and equipment	10,965.3	11,076.7	11,197.8	11,328.4
Other non-current assets	3.4	3.2	3.1	2.6
Total non-current assets	10,968.7	11,079.9	11,200.9	11,331.0
TOTAL ASSETS	11,406.8	11,468.4	11,528.0	11,542.8
Current liabilities				
Trade and other payables	62.7	74.8	87.8	59.1
Employee benefits	26.8	26.8	26.8	26.8
Interest/dividend payable	133.4	46.3	57.6	103.7
Interest bearing liabilities	319.7	319.7	419.7	536.2
Other current liabilities	10.8	10.8	10.8	11.8
Total current liabilities	553.4	478.4	602.7	737.6
Non-current liabilities				
Employee benefits	2.8	2.8	2.8	2.8
Interest bearing liabilities	8,380.2	8,494.8	8,414.4	8,316.4
Deferred tax liabilities	237.5	244.2	248.8	253.5
Other non-current liabilities	229.6	229.6	229.6	217.1
Total non-current liabilities	8,850.1	8,971.4	8,895.6	8,789.8
TOTAL LIABILITIES	9,403.5	9,449.8	9,498.3	9,527.4
NET ASSETS	2,003.3	2,018.6	2,029.7	2,015.4
Equity				
Contributed equity	(442.8)	(442.8)	(442.8)	(442.8)
Asset revaluation reserve	2,551.8	2,551.8	2,551.8	2,551.8
Accumulated profit (loss)	(105.7)	(90.4)	(79.3)	(93.6)
TOTAL EQUITY (DEFICIENCY)	2,003.3	2,018.6	2,029.7	2,015.4

³⁵ Totals may not add due to rounding.

4.3.3 Statement of cash flows

Table 12

	2025-26 budget ³⁶				
	Q1 (\$m)	Q2 (\$m)	Q3 (\$m)	Q4 (\$m)	Full year (\$m)
Cash flow from operating activities					
<i>Inflows</i>					
Receipts from water services	278.6	299.0	320.3	292.6	1,190.5
Receipts from leases, rentals and other	1.0	1.0	1.0	1.0	4.0
Interest received	1.2	1.3	1.2	1.3	5.0
<i>Outflows</i>					
Payments to suppliers and employees	(117.9)	(111.6)	(112.3)	(123.1)	(464.9)
Interest paid	(94.5)	(97.6)	(99.3)	(100.0)	(391.4)
Net operating cash flows	68.4	92.1	110.9	71.8	343.2
Cash flow from investing activities					
<i>Inflows</i>					
Proceeds from sale of plant and equipment	0.0	0.0	0.0	0.0	0.0
<i>Outflows</i>					
Payments for acquisition of property, plant and equipment	(202.2)	(180.5)	(188.9)	(200.7)	(772.3) ³⁷
Net investing cash flows	(202.2)	(180.5)	(188.9)	(200.7)	(772.3)
Cash flow from financing activities					
<i>Inflows</i>					
QTC borrowings	300.0	200.0	100.0	100.0	700.0
Equity injection	3.1	0.0	0.0	0.0	3.1
<i>Outflows</i>					
Lease payment	(0.3)	(0.3)	(0.3)	(0.3)	(1.2)
Dividend payment	0.0	(86.7)	0.0	0.0	(86.7)
QTC borrowings – redemption	(78.4)	(79.4)	(80.4)	(81.5)	(319.7)
Net financing cash flows	224.4	33.6	19.3	18.2	295.5
Net increase (decrease) in cash held	90.6	(54.8)	(58.7)	(110.7)	(133.6)
Cash and cash equivalents at the beginning of the financial period	160.0	250.6	195.8	137.1	160.0
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	250.6	195.8	137.1	26.4	26.4

³⁶ Totals may not add due to rounding.

³⁷ Includes capitalisable borrowings.

4.4 Capital program

Seqwater's 2025-26 approved capital program is \$747.3 million ³⁸.

The program has been prioritised through the lens of benefits to SEQ communities and includes capital expenditure to continue the dam improvement and water security investment programs and continue capital works to maintain and optimise utilisation of its asset base – together ensuring continued supply of bulk water services for SEQ. Seqwater's approved capital program for 2025-26 is outlined in Table 13. Table 14 details the approved capital program by sub-portfolio.

4.4.1 Approved capital program ³⁹

Table 13

	2025-26 budget				
	Q1 (\$m)	Q2 (\$m)	Q3 (\$m)	Q4 (\$m)	Full year (\$m)
Key Projects ⁴⁰	108.9	93.3	113.9	112.7	428.7
Infrastructure capital projects	68.7	64.4	54.9	64.9	252.9
Non-infrastructure capital	18.7	16.8	14.1	16.1	65.7
APPROVED CAPITAL PROGRAM	196.2	174.5	182.9	193.7	747.3 ⁴¹

³⁸ The approved capital program is the Asset Portfolio Management Plan value approved by the Board on 27 March 2025 and excludes capitalisable borrowings.

³⁹ Capital program phasing and sub-portfolio distribution totals may not add due to rounding.

⁴⁰ See table 16.

⁴¹ Excludes capitalisable borrowings.

Table 14 2025-26 Seqwater approved capital program shown by sub-portfolio

Sub-portfolio	Key projects (\$m)	Infrastructure capital projects ⁴² (\$m)	Non-infrastructure capital projects (\$m)	Total program (\$m)
Asset Sustainability ⁴³	42.0	177.7	0.0	219.7
Water Security	191.6	29.2	0.0	220.8
Dam Improvement	188.3	30.5	0.0	218.9
Digital	6.8	6.5	22.8	36.1
Other	0.0	8.9	43.0	51.9
APPROVED CAPITAL PROGRAM TOTAL	428.7	252.9	65.7	747.3 ⁴⁴

4.4.2 Key projects

Table 15 describes the project status for Table 16 and 17. This table provides an explanation of the stages and activities aligned to the Queensland Treasury's Project Assessment Framework and the Business Case Development Framework.

Table 15

Stage	Description
Stage 0	Validate strategic option – reconfirms the service need identified by strategic planning and validates the strategic option.
Stage 1	Preliminary business case – prepares a preliminary assessment of several options and recommends the preferred option and delivery approach.
Stage 2	Detailed business case – defines the requirements in detail to deliver the preferred option to realise planned benefits.
Stage 3	Investment decision – prepares the required documentation to take the project to market and obtain approval award a contract.
Stage 4	Readiness for service – executes the delivery of the project (construction, commissioning, and handover) and benefits as planned.
Stage 5	Benefits realisation – evaluates the performance of the project, close and finalise any outstanding requirements.

⁴² Includes planning costs for projects that may result in an investment of greater than \$10m.

⁴³ The Asset Sustainability sub-portfolio is a targeted renewals program focused on optimising lifecycle performance and minimising whole-of-life costs, supporting long term asset stewardship in alignment with government's objective to transition to a sustainable capital program.

⁴⁴ Excludes capitalisable borrowings.

Key projects for 2025-26 are listed in Table 16.

Table 16 Key projects

Project title	Details	2025-26 budget (\$m)	Approved stage gate / project cost (\$m) ⁴⁵	Project status ⁴⁶	Stage gate expected completion ⁴⁷
Somerset Dam Improvement Project	Ensure the dam complies with the latest safety standards and continues to function safely during extreme weather events in line with regulatory requirements.	96.5	514.9 ⁴⁸	Stage 2 Detailed Business Case	2026-27
Lake Macdonald Dam Improvement Project	Ensure the dam complies with the latest safety standards and continues to function safely during extreme weather events in line with regulatory requirements.	62.6	427.7 ⁴⁹	Stage 4 Readiness for Service	2029-30
Toowoomba to Warwick Pipeline	The 109km raw water pipeline will allow water transfer from Wivenhoe Dam to townships in Toowoomba on a permanent basis and drought contingency for Warwick and surrounding communities.	142.7	273.1 ⁵⁰	Stage 3 Investment Decision	2025-26
Gold Coast Desalination Plant augmentation and associated infrastructure	Augment the Gold Coast Desalination Plant for an additional 48 ML/day.	22.6	109.0 ⁵¹	Stage 2 Detailed Business Case	2026-27

⁴⁵ Total project cost is the total budget set at the last stage gate approval unless otherwise stated.

⁴⁶ Project status is in accordance with Queensland Treasury Project Assessment Framework.

⁴⁷ Stage gate expected completion as 23 September 2025.

⁴⁸ Investment approval as per letter from responsible Ministers dated 26 June 2024.

⁴⁹ Responsible Ministers approved supplementary business case in December 2023.

⁵⁰ As per letter from responsible Ministers dated 17 April 2023.

⁵¹ Investment approval as per letter from responsible Ministers dated 16 September 2024.

Project title	Details	2025-26 budget (\$m)	Approved stage gate / project cost (\$m) ⁴⁵	Project status ⁴⁶	Stage gate expected completion ⁴⁷
North Pine Dam staged strengthening	Staged strengthening of the non-overflow monoliths will reduce dam safety risk and allow for integration with North Pine Dam Improvement Project.	29.2	69.6 ⁵²	Stage 4 Readiness for Service	2026-27
Wyaralong Water Treatment Plant and associated infrastructure	Construction of a new water treatment plant, pump station and the Wyaralong Interconnector Pipeline.	17.8	62.0 ⁵³	Stage 3 Investment Decision	2026-27
Mt Crosby East Bank critical electrical infrastructure upgrade	Improve flood resilience through upgrade of the motors and pumps, electrical switchgear and motor control systems and upgrade of power distribution systems at the water treatment plant to match the substation voltage change to 11kV.	11.7	61.8 ⁵⁴	Stage 4 Readiness for Service	2025-26
Mt Crosby Basin Package 1	Refurbish sedimentation and sludge basins throughout the Mt Crosby precinct.	4.4	39.1	Stage 4 Readiness for Service	2028-29
Mt Crosby East Bank substation and enabling works	Upgrade of substation to 11kV and associated enabling works to increase flood resilience.	2.6	34.7 ⁵⁵	Stage 4 Readiness for Service	2027-28

⁵² Investment approval as per letter from responsible Ministers dated 26 June 2024.

⁵³ Investment approval as per letter from responsible Ministers dated 16 September 2024.

⁵⁴ Total project cost includes Critical Electrical Infrastructure Upgrade (\$60.3m) and \$1.5m of works previously identified to be delivered by the Mt Crosby Flood Resilience Project. Changes noted by the Board on 7 December 2023. The responsible Ministers were informed in a letter dated 18 January 2024.

⁵⁵ Change to total project costs noted by the Board on 7 December 2023. The responsible Ministers were informed in a letter dated 18 January 2024.

Project title	Details	2025-26 budget (\$m)	Approved stage gate / project cost (\$m) ⁴⁵	Project status ⁴⁶	Stage gate expected completion ⁴⁷
Mt Crosby Holts Hill and North Pine Water Treatment Plant pH Dosing Package	Upgrade pH correction dosing to allow for the delivery of the Regional Secondary Disinfection Optimisation Program.	10.9	19.8	Stage 4 Readiness for Service	2026-27
Landers Shute Water Treatment Plant Pre-Ozone Alternative	Install an alternative to pre-ozonation to limit biological growth in the primary filters and maintain optimal plant performance.	4.5	17.7	Stage 3 Investment Decision	2025-26
Kilcoy Water Treatment Plant Package 1	Upgrade treated water storage and output capabilities to meet local supply needs.	6.4	13.7	Stage 4 Readiness for Service	2026-27
Central Historian ⁵⁶	Deliver a system and automated process for the collection, storage and presentation of critical operational data, improving asset management analytics and decision making and contributing to strengthening Seqwater's enterprise risk mitigation related to water security, quality and supply, infrastructure assets and operations, technology and information management and security.	8.9	16.3	Stage 4 Readiness for Service	2025-26
Wivenhoe Dam Coatings Package	Maintain reliability of the Wivenhoe Dam radial gates to guarantee operation when required to release water.	1.5	16.2	Stage 4 Readiness for Service	2028-29

⁵⁶ Budget figures represent total expenditure (TOTEX), capital expenditure component of this is \$5.7m for 2025-26 and \$12.1m total project cost.

Project title	Details	2025-26 budget (\$m)	Approved stage gate / project cost (\$m) ⁴⁵	Project status ⁴⁶	Stage gate expected completion ⁴⁷
South West Pipeline ⁵⁷	Complete a pipeline to connect Beaudesert to the SEQ Water Grid to secure long-term water supply.	8.5	106.0	Stage 4 Readiness for Service	2025-26
Mt Crosby Weir Bridge upgrade	To replace the existing bridge crossing over the existing weir at Mt Crosby.	0.1	40.3	Stage 4 Readiness for Service	2025-26

The projects included above have an approved detailed business case. Notification of capital investment decisions between \$10 million and \$40 million will be reported to the responsible Ministers through quarterly performance reports following detailed business case approval. ⁵⁸

⁵⁷ The South West Pipeline project reached practical completion in Q1 2024-25. 2025-26 spend relates to rectifying quality issues.

⁵⁸ Excludes projects that have progressed into Stage 5 – Benefits realisation.

4.4.3 Major projects in planning

Seqwater has a number of projects in early planning phases that would require responsible Minister approval to progress. Projects of significance are included in Table 17. Seqwater will update the responsible Ministers on progress of these projects through quarterly performance reports. Seqwater plans for appropriate staging of planned major projects to manage affordability and financeability impacts.

Table 17 Major projects in planning

Project Title	Details	Project status
Wivenhoe Dam Improvement Project	Ensure the dam complies with the latest safety standards and continues to function safely during extreme weather events in line with regulatory requirements.	Stage 1 Preliminary Business Case
North Pine Dam Improvement Project	Ensure the dam complies with the latest safety standards and continues to function safely during extreme weather events in line with regulatory requirements. This will follow the North Pine Dam Staged Strengthening project.	Stage 2 Detailed Business Case
Northern Pipeline Interconnector Stage 3 (NPI-3) Project	Facilitate the transfer of water from North Pine Water Treatment Plant to the northern region of the SEQ Water Grid.	Stage 2 Detailed Business Case
Lowood Water Supply Scheme upgrade	Ensure long-term water security and service reliability for the Lowood and surrounding communities.	Stage 1 Preliminary Business Case
Mt Crosby Additional Pathogen Barrier Project	Provide an additional process barrier to achieve improved water quality.	Stage 1 Preliminary Business Case
Mt Crosby Westbank Solids Handling Package 1	Increased capability in the sludge handling system at the Mt Crosby West Bank Water Treatment Plant to meet the current and future demand.	Stage 1 Preliminary Business Case

5. Governance

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

5.1 Capital structure strategy and borrowings

Seqwater manages its operations, investment and borrowings prudently and efficiently. Seqwater will continue to manage matters within its control, such as prudent investment in infrastructure, efficient operating costs, interest rate risk management strategies and consideration of refinancing options as appropriate.

Anticipated borrowings for 2025-26 are included in Table 12 Statement of cash flows.

5.2 Treasury policy

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

5.3 Recreation policy

Seqwater has a Board approved Recreation Policy Statement which is available on its website (www.seqwater.com.au).

5.4 Human rights

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

5.5 Cyber security

Cyber security remains a critical enterprise risk for Seqwater, given its responsibility as a custodian of SEQ's water security and critical infrastructure. Recognising the increasing complexity of the cyber threat landscape, Seqwater has made substantial progress to enhance its security posture and align with evolving threats, sector-specific risks and regulatory expectations.

Seqwater's Cyber Security Strategy 2024-28 provides a clear vision for maturing its cyber security capabilities over the next four years and its dedicated 24 hours a day, seven days a week Security Operations Centre (SOC)

has strengthened real-time threat detection and incident response capabilities. Additionally, the focus on delivery of foundational projects has advanced key areas such as threat detection, vulnerability management and privileged access management.

In 2025-26, Seqwater's focus is to embed these enhanced capabilities into operational processes, aligning its cyber operating model with external benchmarking recommendations and expanding resilience across both information technology and operational technology environments. Continued emphasis will be placed on addressing sector-specific risks, enhancing supply chain security and leveraging collaboration with government and industry partners to ensure Seqwater's critical infrastructure is protected against emerging threats.

Table 18 Cyber security reporting

Cyber security reporting	Seqwater's response
What cyber security framework does Seqwater report against?	• Queensland Government Information Security Policy (IS18). • Australian Signals Directorate Essential Eight Maturity Model. • Seqwater's reporting and operations are aligned with the National Institute of Standards and Technology (NIST) Cybersecurity Framework and supported by cyber security policy and procedures. • Regulatory and legislative reporting requirements: Seqwater complies with mandatory reporting of cyber incidents, meeting obligations under the <i>Security of Critical Infrastructure (SOCI) Act 2018</i>, <i>Cyber Security Act 2024</i>, <i>Privacy Act 1988</i> and other applicable laws.
What are the key activities planned for Seqwater's cyber security systems?	• Expand and operationalise cyber security initiatives under Seqwater's Cyber Security Program, including delivery of "no-regrets" foundational projects. • Enhance monitoring and response for operational technology systems with Security Operations Centre integration planned for operational technology environments. • Continue cyber security awareness training, with a focus on high-risk groups. • Monitor Seqwater's supply chain for data breaches and strengthen third-party risk management practices. • Implement advanced relevant cyber defence capabilities to improve resilience against evolving threats, including ransomware and supply chain attacks.

6. Specific purpose plans

6.1 Business resilience

Business resilience plays an integral role within Seqwater's overarching risk management strategy. Business resilience incorporates and integrates risk management, crisis/emergency management, business continuity and ICT disaster recovery, and is an important element of Seqwater's enterprise approach to risk management.

Seqwater maintains the Emergency Management Manual that details Seqwater's approach and processes used to manage an incident or emergency as defined by the Bulk Authority Emergency Response Plan (ERP). The comprehensive approach to emergency management encompasses the management of risk originating from all hazards through a continuous cycle of Prevention, Preparedness, Response and Recovery. The ERP is exercised annually through a whole-of-system joint-interagency exercise.

Seqwater has undertaken a significant uplift of its organisational resilience and business continuity capabilities, including key enhancements to the Business Resilience Framework, a comprehensive review of its business impact assessments and development of three-tier business continuity plan operating model.

Seqwater is also committed to building long-term resilience through strategic investment and enhanced risk planning.

6.2 Procurement

Seqwater has a Procurement Framework which includes Policy, Procedure and supporting guidance documents that address the Queensland Procurement Policy requirements. Seqwater is currently undertaking a review of all its procurement policies and guidance to ensure alignment with *Queensland Procurement Policy 2023* requirements.

6.3 Digital Technology and Information disaster recovery plan

Seqwater manages technology failure and recovery via the Digital Technology and Information Emergency Response Procedure. Emergency response staff are trained annually on the procedures and processes and major systems recovery procedures are tested on an ongoing basis. The procedure includes:

- major incident management
- business continuity and disaster recovery processes
- Flood Operations Centre support.

6.4 Information security management system

Seqwater maintains a Cyber Security Strategy and Information Security Management Framework that governs its approach to protecting information assets across both Information and Communication Technology and Operational Technology environments. This framework includes the Seqwater Information Security Policy, aligned Cyber Security Standards and supporting procedures that collectively establish internal control requirements for managing information and cyber security risks.

As a statutory body, Seqwater aligns its information security practices with the principles of the Queensland Government Information Security Policy (IS18:2018), applying them in the context of internal controls, financial information management systems and enterprise risk management. In addition to meeting IS18 expectations, Seqwater is progressing its cyber security capability uplift aligned to the National Institute of Standards and Technology Cyber Security Framework version 2.0, with a targeted maturity improvement across governance, protection, detection, response and recovery domains.

6.5 Risk Management

Seqwater's Risk Management Policy Statement articulates its commitment to making risk-based decisions and managing its risks to preserve and create value across the organisation. Seqwater's Risk Appetite Statement articulates the nature and level of risk that Seqwater is willing and prepared to take, and those it is not, in pursuit of its objectives. Underpinned by the Risk Appetite Statement, the Enterprise Risk Management Framework provides the overall framework, direction, and oversight for the systematic, disciplined, and consistent identification and assessment of risks and their effective and efficient management. The Enterprise Risk Management Framework and Risk Appetite Statement are approved by the Board and overseen by the Audit and Risk Committee.

These risk management artefacts promote a risk-aware culture across the business, improve clarity of roles, responsibilities, and accountabilities for risk management and controls, and facilitate provision of better information and insights for decisions across the business. In line with Seqwater's commitment to continuous improvement, the Risk Appetite Statement and Enterprise Risk Management Framework are regularly reviewed to ensure that Seqwater is positioned to manage current and emerging threats and opportunities in its strategic and operating environments.

Attachment 1 – Employment and industrial relations

Employment and Industrial Relations approach

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

Seqwater recognises that having a high-performance culture is critical to its success. Through its values Seqwater empowers its people to deliver sound and innovative solutions and to continue to find better ways of working to deliver improved outcomes for the community.

Seqwater is committed to the health, safety and wellbeing of its people and provides inclusive work environments that enable employees to be the best they can be.

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

Employment and industrial relations goals for 2025-26 are to improve human resource processes, systems, governance and culture. Seqwater will:

- continue its commitment to upskilling its front-line leaders and developing improved leadership capability and effectiveness
- review existing work practices across the business to identify opportunities for more effective workforce utilisation through continued implementation of provisions in the Staff Enterprise Agreement 2023
- continue its commitment to effective remuneration practices including wages compliance
- improve strategic workforce planning and resourcing to enable fit-for-purpose resourcing approaches are implemented
- continue strengthening industrial relations capability, employment governance and compliance through the implementation of industrial relations initiatives and improved systems, policies and processes
- comply with applicable State and Federal legislation.

Seqwater will also continue to identify operating efficiencies and process improvements across its administration and operational activities to deliver value to the SEQ community.

Significant and emerging issues

Seqwater's People, Culture and Safety Strategy has identified four key themes for management of the workforce, detailed in Table 19.

Table 19

Leadership and culture	Seqwater recognises the relationship that culture has with performance, productivity, employee engagement, attraction, retention and safety. Seqwater's focus on leadership and culture will drive improved outcomes enhancing collaborative approaches and employee health, safety and wellbeing. In driving effective leadership and a constructive and safe culture Seqwater will implement a range of strategies and initiatives including but not limited to: • implement leadership programs to drive accountability and improved leadership capability in key areas including effective workforce management and employment relations • continue to embed leadership expectations, values, the <i>Safe for Life</i> promise and build trust across the organisation • continue the evolution of a diverse workforce and inclusive culture • continue to build a recognition culture through Seqwater's recognition framework • uplift change capability (change leadership and resilience). With culture as a priority, Seqwater will transition over time to cultural assessment tools that provide greater opportunity for real time sentiment analysis, enabling the organisation to become aware of and respond to culture hot spots/engagement and alignment challenges. By adopting a holistic approach to performance management – one that identifies and addresses improvement opportunities, while enabling leaders to recognise and reward positive performance – Seqwater will be well-placed to achieve its strategic objectives, meet the operational needs of the business, cultivate a high-performance culture and ultimately serve the SEQ community.
Workforce planning and resourcing	With a focus on planning and delivery of critical projects, a Target Operating Model and Strategic Workforce Plan have been developed for asset management and capital delivery. These will now be implemented and operationalised to inform decision making in resourcing and capability uplift required to meet Seqwater's portfolio requirements.
Talent management	Seqwater recognises the vital role that talent management plays in helping to deliver business priorities. It is important to continue to attract, develop and retain talented, capable and engaged people. Seqwater will achieve this through the identification of critical role succession and includes an attraction and retention strategy that aligns with its employment brand and diversity and inclusion strategy. This approach to talent management will embrace the broad range of benefits that a talented and diverse workforce brings, including improved employee engagement, enhanced reputation, improvements in productivity and a diversity in thinking and creativity. To align workforce capabilities with business needs during growth, internal and external strategic sourcing will be required. Seqwater will leverage a strong employee value proposition, workplace flexibility, employee benefits and reward and recognition to attract and retain talent. Employer branding efforts highlighting diversity, inclusion and career growth will attract and retain high-caliber talent while fostering organisational resilience.

	A balanced talent management strategy also considers the retention of existing talent. Seqwater will continue to build on its high-performance culture through the modernisation of existing frameworks to reflect the contemporary needs and challenges of the business. Seqwater remains committed to building its talent pipeline through the Next Generation program which incorporates trainee, apprentice and graduate programs. Driving diversity and innovation, these programs also support succession and workforce planning strategies.
Systems, process and governance	Seqwater values the importance of having robust workplace governance across all areas of employment and industrial relations. Strong employment relations governance increases trust and encourages positive behaviour of employees to act in alignment with Seqwater's values in their efforts, ultimately reducing duplication and waste of effort and resources. Seqwater is committed to introducing a contemporary human resources policy and procedure framework. This framework will incorporate the benefits of system design and the introduction of new technology empowering leaders to manage with confidence and provide the business the ability to better achieve its objectives.

Key issues for Seqwater and its workforce in 2025-26 include:

- implement the Strategic Workforce Plan and associated initiatives to enable the successful delivery of the capital program
- continue to improve organisational culture and safety through targeted improvements in leadership capability and a focus on enabling high performance
- deliver a contemporary talent management strategy that identifies and manages talent risks and opportunities, providing a platform for a sustainable workforce
- continue to develop a pipeline of key frontline operations professionals through traineeships and graduate development
- embrace the diversity of its people and foster an inclusive culture in which people are empowered to be innovative and challenge the status quo
- amend work practices to ensure legislative compliance resulting from the introduction of the *Secure Jobs Better Pay Act 2022* and *Closing the Loopholes Act 2023* that took effect in 2024 (21 legislative amendments in total)
- proactive management of employee health, safety and wellbeing with a focus on psychosocial hazards and ongoing front line leadership capability to ensure compliance with the *Respect at Work Amendment Act 2021*.

Employment and industrial relations plan

Employment conditions

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

Seqwater engages employees under five employment arrangements:

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

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

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

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

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

Enterprise bargaining and productivity initiatives

Enterprise bargaining

The Seqwater Staff Enterprise Agreement 2023 was certified by the Fair Work Commission on 7 April 2024 and came into effect 11 April 2024.

The streamlining, simplification and improved clarity of the terms of the Agreement enables consistent and repeatable interpretation of provisions by both employees and leaders. The Agreement also achieved greater flexibility in approach enabling Seqwater to ensure better utilisation of the workforce whilst achieving improved business resilience. Enhanced conditions for staff were also achieved with improvements to fatigue management and inclusion of a Cost of Living Adjustment (COLA) payment.

The Agreement has a nominal expiry date of 30 June 2026 and will remain in effect until a new Agreement is negotiated. The Seqwater Enterprise Agreement 2016-2019 and the Seqwater Enterprise Agreement 2019-2023 continue in force until replaced or rescinded.

Seqwater continues to review the industrial framework to ensure it effectively supports organisational and employee performance and outcomes. This review includes consideration of options available to replace the Seqwater Enterprise Agreement 2016-2019 and Seqwater Enterprise Agreement 2019-2023.

Productivity initiatives

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

Management of relationship with unions

Seqwater is committed to establishing and maintaining an open and effective relationship with employees and their industrial representatives with a focus on early engagement. Seqwater will continue to abide by the consultative provisions as outlined in the Agreement that apply to Seqwater employees. Seqwater currently has a constructive relationship with the six unions which are party to the Agreement. They are:

- Australian Workers' Union (AWU)
- The Services Union (TSU)
- Professional Services Union
- Electrical Trades Union (ETU)
- Australian Manufacturing Workers' Union (AMWU)
- Construction, Forestry and Maritime Employees Union (CFMEU).

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

Consultation

Seqwater recognises the benefits of early consultation as part of being an employer of choice. Seqwater is committed to building on the strong foundations in place when consulting on a range of key employment and industrial relations matters where it proposes a decision which may constitute major change with significant effect. Key stakeholders in this process include, but are not limited to, employees, industry unions, Queensland Treasury, Department of Local Government, Water and Volunteers and the Office of Industrial Relations (Queensland) on key employment and industrial relations matters.

Employee flexibility

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

Equal employment opportunity and anti-discrimination

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

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

Job security and redundancy provisions

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

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

Health, safety and wellbeing

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

Seqwater will:

- identify, assess and control its risks through the application of simple and effective systems and eliminate workplace hazards wherever possible
- foster a culture in which its people are accountable for their own safety and empowered to constructively challenge safety systems and performance at all levels
- change the relationship with health, safety and wellbeing from one which is compliance driven to one which supports risk-based decision making and the application of its values in its people's approach to health, safety and wellbeing in their everyday work
- communicate and consult with its people and stakeholders to enhance its health, safety and wellbeing systems
- apply organisational and industry learnings to support continued best practice
- develop objectives and targets which are monitored and measured to inform continual improvement opportunities
- support injured or ill employees return to work through the provision of appropriate injury management programs
- comply with legal and other requirements and promote and support proactive safety leadership.

Seqwater's strategy includes an objective to improve safety and organisational culture. In 2025-26 Seqwater will focus on the following key areas:

- promote the health and wellbeing of its employees through implementation of the Health and Wellbeing Plan
- minimise the risk of workplace injuries associated with manual tasks
- proactive management of psychosocial hazards

- enhance risk management practices to mitigate potential hazards and ensure effective control measures.

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

Contracting

Seqwater engages contractors to undertake projects as appropriate. Where Seqwater engages the services of a contractor, the contractor is required to comply with all legal requirements and additional Seqwater criteria, including abiding by its policies and procedures and code of conduct, *The way we work*.

All contractors must meet Seqwater's minimum health, safety, environment and quality (HSEQ) standards and water quality requirements for the role or activity they are being engaged to do as outlined in its Contractor Management Procedure (Health, Safety and Wellbeing, Environment and Drinking Water Quality).

Seqwater has prequalified contractors under several panel arrangements. This includes the Works and Services Standing Offer Arrangement, reactive maintenance, Operational Technology Standing Offer Arrangements and Seqwater's Collaborative Asset Services Contract. Seqwater also utilises contractors via several Whole of Government and Local Buy panel arrangements for identified requirements.

Part of the sourcing process, contractors are required to provide documentation outlining work health and safety and environmental management systems, licences, tickets and insurances as required.

Seqwater expects the contractor to abide by all relevant industrial relations and regulatory compliance obligations and may request information from time to time to ensure these obligations are satisfied.

Workforce⁵⁹

Table 20 represents employees as at 28 February 2025.

Table 20 Employee numbers (headcount)

Employees ⁶⁰	
CEO and Senior Executive (contract)	7
Common Law Contract employees ⁶¹	168
Employees engaged under an Enterprise Agreement	712
Total number of employees	887

⁵⁹ Represents employees as at 28 February 2025.

⁶⁰ Employees are directly employed by Seqwater, excludes contractors and labour hire.

⁶¹ Common Law Contract employees, excluding Chief Executive Officer and Senior Executives, are engaged through common law contracts that are underpinned by the Seqwater Enterprise Agreement 2016-2019, Seqwater Enterprise Agreement 2019-2023 or the Seqwater Enterprise Agreement 2023.

Table 21 represents employees by the following subcategories. Some employees may fall into more than one category.

Table 21 Workforce breakdown by category

Workforce breakdown ⁶²	
Permanent ⁶³	809
Temporary ⁶⁴	43
Casual	2
Graduates	11
Apprentices	3
Trainees	21

Superannuation

Seqwater employees can choose their own superannuation fund or join QSuper as the default fund. Seqwater will contribute at the rate of 12.75% per annum to all employee nominated superannuation funds, calculated on ordinary time earnings (at a minimum) as defined by section 6 of the *Superannuation Guarantee (Administration) Act 1992*. This contribution will remain aligned with the Queensland State Government directive, which is at a higher rate compared to the federal Superannuation Guarantee legislation, currently set at 11.5%, increasing to 12.0% effective 1 July 2025.

Seqwater employees who join QSuper are entitled to benefits calculated in accordance with the governing rules of QSuper. Employees who are engaged on the Enterprise Agreement can vary their superannuation contribution rate between 0.0% and 5.0%. The employer contribution rate will remain at 12.75% irrespective of the QSuper scheme option chosen.

The majority of employees who are members of QSuper have accumulation accounts. On 1 January 2025, 12 employees had QSuper defined benefit accounts, and three employees had LGIA Super Fund defined superannuation accounts. Defined benefits funds are not available to new employees. QSuper defined benefit members who join Seqwater are able to continue as defined benefit members.

⁶² Direct workforce includes employees on the Seqwater's payroll, directly paid by Seqwater as at 28 February 2025.

⁶³ Permanent includes full-time and part-time.

⁶⁴ Temporary includes fixed term / maximum term contract (but not casual employees).

Board member and executive remuneration arrangements

Board

Table 22 Board member remuneration

Board members	Board fees ⁶⁵ (\$)	Committee fees (\$)	Superannuation ⁶⁶ (\$)	Total (\$)
John McEvoy (Chairperson)	100,000	13,500	14,471	127,971
Amanda Cooper	50,000	12,500	7,969	70,469
Mark Girard	50,000	9,000	7,523	66,523
Amanda Kenafake	50,000	12,500	7,969	70,469
Antonia Mercorella	50,000	4,500	6,949	61,449
Catherine Mickel	50,000	9,000	7,523	66,523
Pauline Thomson	50,000	12,500	7,969	70,469

Chief Executive Officer and senior executives

Table 23 Executive remuneration

Executive	Base salary ⁶⁷ (\$)	Employer superannuation contributions ⁶⁸ (\$)	Total fixed remuneration ⁶⁹ (\$)
Chief Executive Officer	682,800	30,000	712,800
Executive General Manager Corporate Services	397,856	30,000	427,856
Executive General Manager Customer, Strategy and Governance	350,000	30,000	380,000
Executive General Manager Digital, Technology and Information	369,104	30,000	399,104
Executive General Manager Infrastructure Planning and Capital Delivery	470,279	30,000	500,279
Executive General Manager Operations	420,000	30,000	450,000
Executive General Manager People, Culture and Safety	404,507	30,000	434,507

⁶⁵ Board and Committee fees are annualised as at 1 September 2025.

⁶⁶ Employer superannuation payments do not include salary sacrificed amounts; these are recorded in Board fee. Invoiced fees include a provision for superannuation.

⁶⁷ Executive remuneration annualised as at 1 September 2025.

⁶⁸ Employer superannuation payments do not include salary sacrificed amounts; these are recorded in base salary.

⁶⁹ The distribution of the base and superannuation components may vary due employee voluntary decision to have their super guarantee capped as per the Maximum Super Contributions Base.

Attachment 2 – Sponsorship, advertising, corporate entertainment and donations

Seqwater has longstanding history of supporting communities in SEQ, through sponsorships and partnerships to help promote water conservation, safety, educational and environmental stewardship and community wellbeing. These programs help build sustainable, informed and resilient communities.

Table 24 lists planned sponsorships, advertising, corporate entertainment and for 2025-26. Sponsorship opportunities that arise during the financial year are assessed on a case-by-case basis against business strategy for alignment and benefit. Actual expenditure is reported to the responsible Ministers through quarterly performance reports.

Table 25 details planned corporate entertainment spend for events under \$5,000.

Table 24 Sponsorship, advertising, corporate entertainment and donations

	Benefit	2024-25 budget	2024-25 actuals	2025-26 budget	Q1	Q2	Q3	Q4	Per Head Budget
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$)
Sponsorship									
Water industry events and sponsorship (unallocated funds)	a	55.1	0.0	20.4	0.0	0.0	0.0	20.4	N/A
Australian National Committee on Large Dams (ANCOLD)	a	6.4	6.4	0.0	0.0	0.0	0.0	0.0	N/A
Water Industry Operations Association of Australia (WIOA)	a	5.0	5.0	5.0	0.0	5.0	0.0	0.0	N/A
QWater	a	5.5	5.5	0.0	0.0	0.0	0.0	0.0	N/A
International River Symposium	a	0.0	0.0	25.0	25.0	0.0	0.0	0.0	N/A
Community sponsorship									
WaterAid	b	20.0	20.0	20.0	20.0	0.0	0.0	0.0	N/A
Foodbank	b	20.0	20.0	20.0	0.0	20.0	0.0	0.0	N/A
EcoMarines	b	10.0	10.0	10.0	0.0	10.0	0.0	0.0	N/A
FarmAngels Queensland	b	10.0	10.0	0.0	0.0	0.0	0.0	0.0	N/A
University of Queensland Innovation and Entrepreneurship Society (UQIES)	b	10.0	10.0	0.0	0.0	0.0	0.0	0.0	N/A
Stanley River Environmental Education – Bunya to the Bay	b	10.0	10.0	0.0	0.0	0.0	0.0	0.0	N/A
Noosa Ultra Trail	b	10.0	10.0	0.0	0.0	0.0	0.0	0.0	N/A
Sponsorship total over \$5,000		162.0	106.9	100.4	45.0	35.0	0.0	20.4	N/A
Other (total) below \$5,000		0.0	7.5	14.0	7.5	3.5	0.0	3.0	N/A
SPONSORSHIP TOTAL		162.0	114.4	114.4	52.5	38.5	0.0	23.4	N/A

	Benefit	2024-25 budget	2024-25 actuals	2025-26 budget	Q1	Q2	Q3	Q4	Per Head Budget
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$)
Public education ⁷⁰	c	90.0	77.4	78.0	0.0	30.0	48.0	0.0	N/A
Total over \$5,000		90.0	77.4	78.0	0.0	30.0	48.0	0.0	N/A
Other (total) below \$5,000		0.0	0.6	0.0	0.0	0.0	0.0	0.0	N/A
TOTAL		90.0	78.0	78.0	0.0	30.0	48.0	0.0	N/A
Corporate entertainment ⁷¹									
Excellence Awards	d	15.0	12.6	12.6	0.0	12.6	0.0	0.0	N/A
Day on the Green	d	30.0	25.8	0.0	0.0	0.0	0.0	0.0	N/A
End of year staff events	d	35.0	27.7	27.7	0.0	27.7	0.0	0.0	N/A
Total over \$5,000		80.0	66.1	40.3	0.0	40.3	0.0	0.0	N/A
Other (total) below \$5,000 ⁷²		12.0	8.8	8.8	2.6	3.1	1.0	2.1	N/A
TOTAL		92.0	74.9	49.1	2.6	43.4	1.0	2.1	N/A
Donations									
Total over \$5,000		0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A
Other (total) below \$5,000		0.0	0.5	0.0	0.0	0.0	0.0	0.0	N/A
TOTAL		0.0	0.5	0.0	0.0	0.0	0.0	0.0	N/A
Other related activities									
Total over \$5,000		0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A
Other (total) below \$5,000		0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A
TOTAL ACTIVITES		344.0	267.8	241.5	55.1	111.9	49.0	25.5	N/A

⁷⁰ Previously reported *Play it safe* campaign, dam release notifications service and community education in Seqwater's Operational Plan 2024-25. Advertising will be budgeted as public education with messaging appropriate to seasonal variance and reported in the quarterly performance reports.

⁷¹ 2024-25 budget and actuals have been restated to align with the revised definition of Entertainment, Hospitality, Gifts and Benefits Management Policy.

⁷² Detailed in table 25.

Benefit notes:

Seqwater has a longstanding history of supporting SEQ communities through sponsorships and partnerships to help promote water conservation, water safety education, environmental stewardship and community wellbeing. These programs help build sustainable, informed and resilient communities.

Seqwater derives benefit from prudent investment in Sponsorship, advertising, corporate entertainment and donations, these are detailed below:

- a. Seqwater provides financial support to a range of water industry events, such as the Australian Water Association's QWater Conference, Water Industry Operators of Australia and WaterAid Australia. These events provide learning and development opportunities for employees to recognise outstanding achievement in the water industry and enable the Australian water industry to support improvements in water and sanitation in developing countries.
- b. Seqwater's Executive approved the 2025-26 community sponsorships program which partners with grassroots and community-based organisations across SEQ whose activities align to key focus areas of water and environmental conservation, agriculture, technology and innovation and cultural preservation and awareness. These partnerships strengthen Seqwater's public profile and brand across SEQ communities through the organisations' media platforms, collateral and brand placement opportunities. Event sponsorships and attendance provide value through direct education, engagement and insight gathering.
- c. The *Be safe for fun's sake* public education campaign promotes visitor safety at Seqwater dams and recreation assets. Research shows many people do not have the same level of awareness about safety around lakes as they do in pools or at the beach. More than a third of all drowning deaths (35%) in Australia are on inland waterways – rivers, creeks and dams – a figure higher than beaches and pools combined (31%). Public education includes advertising to remind the more than 2.5 million people who visit Seqwater's lakes, dams and parks each year to plan ahead and follow safety rules. Typically, this activity is focused around the summer school holiday period when patronage is high.
- d. Seqwater recognises that investing in corporate entertainment by way of reward and recognition is a powerful lever to driving performance, retention and culture. A limited number of events have been identified throughout the year to recognise staff who demonstrate alignment to values and desired behaviours, drive inclusion, connection and belonging, and foster psychological safety. With prudent and efficient expenditure in these activities, Seqwater rewards and further-encourages discretionary effort that drives innovation and excellence. This helps embed cultural norms and align individual actions with organisational priorities.

Table 25 Corporate entertainment below \$5000 ⁷³

Activity	2024-25 budget	2024-25 actuals	2025-26 number ⁷⁴ of activities	2025-26 budget	2025-26 Quarter ⁷⁵			
					Q1	Q2	Q3	Q4
	(\$000)	(\$000)		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Corporate entertainment total	92.0	74.9		49.1	2.6	43.4	1.0	2.1
Internal Engagement ⁷⁶	8.0	6.6	7	6.6	2.6	2.0	1.0	1.0
External Engagement ⁷⁷	4.0	2.2	2	2.2	0.0	1.1	0.0	1.1
TOTAL UNDER \$5,000	12.0	8.8	9	8.8	2.6	3.1	1.0	2.1

⁷³ Details of total budgeted expenditure under \$5,000 (GST exclusive).

⁷⁴ Estimated number of planned activities.

⁷⁵ These figures are not cumulative.

⁷⁶ Includes cultural and safety events which will be communicated in quarterly performance reporting.

⁷⁷ Includes community, industry and stakeholder events which will be communicated in quarterly performance reporting.

Attachment 3 – Community service obligations

As per the Community Service Obligations Agreement (Irrigation Water), each year the Department of Local Government, Water and Volunteers is expected to pay Seqwater compensation for the shortfall between the cost of providing an irrigation service in its water supply schemes and the revenue generated from irrigation customers in accordance with the Irrigation Water Pricing Direction Notice.

Table 26 sets out the forecast fixed community service obligation (CSO) payments for 2025-26 for the period 1 July 2025 to 30 June 2026.⁷⁸

Table 27 sets out the forecast variable CSO forecast payments for 2025-26. Final figures for the variable CSO will be calculated once actual usage is known at the end of the water year.⁷⁹

Table 26 Forecast fixed CSO payments 2025-26

Water supply schemes	CSO forecast payment 2025-26 (\$)
Bulk schemes	
Cedar Pocket	277,507
Central Lockyer Valley	396,784
Logan River	11,148
Lower Lockyer Valley	216,773
Channel distribution schemes	
Morton Vale Pipeline	109,269
Pie Creek	339,759

Table 27 Variable CSO forecast payments 2025-26 (usage volumes (ML))

Water supply schemes	CSO forecast payments 2025-26 (\$)
Bulk schemes	
Cedar Pocket	14,063
Central Lockyer Valley	5,454
Logan River	47,660
Lower Lockyer Valley	47,455
Channel distribution systems	
Morton Vale Pipeline	10,392
Pie Creek	46,040

⁷⁸ Fixed component forecast is based on draft Customer Service Obligation Agreement (Irrigation Water).

⁷⁹ Variable component forecast is based on draft Customer Service Obligation Agreement (Irrigation Water).

