

Seqwater Operational Plan 2022-23



Performance agreement

Board statement and agreement of responsible Ministers

The Seqwater Operational Plan 2022-23 (the Plan) is presented in accordance with Chapter 2, Part 4 of the *South East Queensland Water (Restructuring) Act 2007* (Restructuring Act).

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

The Plan sets out Seqwater's financial and non-financial performance targets for the year, together with its major activities, objectives, undertakings, policies, investments and borrowings. It aligns with Seqwater's *Strategic Plan 2022-26*.

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

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



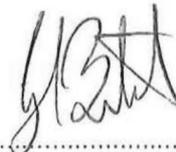
.....
Honourable Dr David Hamill AM
Chairperson

Date: 27-5-22



.....
Honourable Cameron Dick
Treasurer and Minister for Trade and
Investment

Date: 20.12.2022



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

Date: 20.12.2022.

Chairperson's foreword

Seqwater is pleased to present its Operational Plan 2022-23 to its responsible Ministers.

Rain in early 2022 resulted in the SEQ Water Grid combined storage levels recovering to their highest level in seven years. The event highlighted the role the gated and non-gated dams play in mitigating the impact of flood during extreme weather events.

Seqwater recognises the critical role for water security in Queensland's Economic Recovery Plan for COVID-19, which prioritises 'Queensland water resources and infrastructure as a key foundation for economic growth and regional development' and in servicing a global city and region that will host the Olympic Games in 2032.

To meet this challenge and building on the work that has been undertaken to strengthen the foundations over the past two years to progress capital planning and delivery, asset management, core processes and systems and building culture, safety and capability, Seqwater's Board has refreshed its strategy to reflect the current outlook and challenges over both the short term and look ahead to the longer-term needs of the region.

Seqwater will continue to progress capital planning and delivery, asset management, core processes and systems and building culture, safety and capability. In addition, Seqwater has set four new strategic priorities to respond to increasing demand growth and the future climate and the need to complete dam improvements by progressively delivering upgrades to 2035, maintain and grow Seqwater's social licence to operate through making a positive contribution and increase community knowledge and understanding of water security issues and approaches and build trust in planning and decision making. The four new strategic priorities are supply augmentation, dam improvement program, community awareness and customer centricity, and sustainability with a particular focus on reducing greenhouse gas emissions.

Seqwater's operational activities will continue to focus on delivering a safe, sustainable and valued water supply to SEQ.

Honourable Dr David Hamill AM
Chairperson of Seqwater Board

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1. About Seqwater

1.1 Organisational context

1.1.1 Vision

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

1.1.2 Purpose

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

1.1.3 Promise

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

1.1.4 Values

Seqwater's corporate values are:

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

1.1.5 Seqwater's role

On behalf of the community, Seqwater manages and maintains water supply assets, including dams, weirs, conventional water treatment plants, reservoirs, pumps and pipelines, as well as the climate resilient water sources, the Gold Coast Desalination Plant and the Western Corridor Recycled Water Scheme.

It owns and operates the SEQ Water Grid, a 600 km two-way pipeline network that enables treated drinking water to be moved around the region, between Greater Brisbane and the Sunshine Coast, Redlands Coast and Gold Coast.

Seqwater supplies bulk treated drinking water to five retailer customers: Unitywater, Urban Utilities and the water businesses of the Logan, Redland and Gold Coast councils. These retailers in turn deliver drinking water to consumers through their distribution networks. Seqwater works with its retailer customers to achieve the best whole-of-system solutions.

In addition to urban bulk water supply, Seqwater supplies irrigation water to about 1,200 customers through seven schemes. Seqwater also has arrangements in place to supply water to Toowoomba and Gympie regional councils and power stations operated by Stanwell Corporation and CleanCo.

Seqwater provides access to diverse recreation opportunities on Seqwater's land and water storages.

1.2 Policies

Seqwater will comply with all relevant legislation, Government policies and guidelines.

1.2.1 Capital structure strategy and borrowings

Seqwater manages operations, investment and borrowings prudently and efficiently. Seqwater will continue to manage matters within its current control, such as prudent investment in infrastructure, efficient operating costs, interest rate risk management strategies and consideration of refinancing options as appropriate. Seqwater's debt to equity ratio projection is set in table 6.

No new debt or borrowings are anticipated in 2022-23 based on fair weather.

1.2.2 Treasury policy

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

1.2.3 Recreation policy

Seqwater has a Board approved Recreation Policy Statement which outlines its commitment to providing access to diverse recreation opportunities on Seqwater's land and water storages without compromising its ability to provide safe, secure and cost-effective water and catchment services.

1.2.4 Human rights policy

Seqwater will respect, protect and promote human rights in its conduct and decision making.

Following the approval of its Human Rights Policy Statement, in 2022-23 Seqwater will continue to develop and provide employee awareness and training around its obligations under the *Human Rights Act 2019*, while further considering opportunities to further embed human rights considerations into business processes.

2. Delivering on strategy

2.1 Strategic framework

Seqwater recently reviewed its corporate strategy. The Board reconfirmed the five strategic objectives in pursuit of Seqwater's *Water for Life* vision - they are to:

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

In 2020 Seqwater set four priorities to strengthen the foundations of the business. Seqwater will continue to build on the progress made over the past two years, specifically in the areas of:

- contemporary capital planning and delivery
- asset information and management
- core processes and systems uplift
- culture, safety and capabilities.

In addition, Seqwater has set four strategic priorities over the two years to 2024 to advance its critical programs:

- supply augmentation
- dam improvement program
- sustainability
- community awareness and customer centricity.

Seqwater's strategic framework is set out in its *Strategic Plan 2022-26*.

2.2 Undertakings

Strengthening the foundations

Table 1 details Seqwater’s undertakings for 2022-23 that will continue to strengthen its foundations.

Table 1

			In 2022-23 Seqwater will:
	Contemporary capital planning and delivery	Enhance end-to-end capital planning, delivery and reporting.	<ul style="list-style-type: none"> • improve strategic and master planning and prioritisation • implement delivery support tools and templates.
	Asset information and management	Optimise capital and maintenance decisions through delivering the Asset Management Improvement Program and establish a customer centric approach.	<ul style="list-style-type: none"> • develop an asset information model and system strategy • implement Strategic Asset Management Plan improvements.
	Core processes and systems uplift	Ensure its enterprise environment remains secure, stable and fit for purpose. Align and deliver core architecture and technology improvements and continue to deliver strategic system improvements in key areas.	<ul style="list-style-type: none"> • improve access to online resources through connectivity and mobility • assist and support the business to research and utilise technology to innovate • continue to deliver improvements in finance, asset and works management, enterprise budgeting and supply chain through Enterprise Resource Planning (ERP) capability.
	Culture, safety and capabilities	Improve safety and human resource processes, systems and governance.	<ul style="list-style-type: none"> • develop workforce planning and initiate a work practices review • develop a leadership strategy • implement its health and wellbeing strategy.

2.3 Opportunities

Advancing critical programs

To ensure that Seqwater continues to deliver on the strategic objectives into the future, Seqwater has identified opportunities to advance its critical programs by concentrating on four strategic priority areas of improvement over the next two years. Table 2 sets out those opportunities, Seqwater will provide updates on its progress against its priorities through its quarterly performance reporting.

Table 2 Opportunities to advance critical programs

	Strategic priority area	Driver	Opportunities
	Supply augmentation	Respond to increasing demands and the future climate through augmenting supply capacity over the next 10 years.	<ul style="list-style-type: none"> integrate supply augmentation and dam improvement programs utilise program strategic assessments and integrated master planning to determine options identify and acquire strategically located land packages for future supply sources publish the Water Security Program version 3 engage with Department of Energy and Public Works on Borumba Dam hydro project.
	Dam improvement program	Respond to the need to complete dam improvements by progressively delivering upgrades to 2035.	<ul style="list-style-type: none"> complete a portfolio risk assessment for all referable dams progress planning of the dam improvement program.
	Sustainability	Maintain and grow Seqwater's social license to operate through making a positive contribution.	<ul style="list-style-type: none"> commence abatement of greenhouse gas emissions and set interim targets for this decade' aligned with Seqwater's 2050 net zero carbon commitment progress planning to make improvements in other sustainability areas that are important to stakeholders.

	Strategic priority area	Driver	Opportunities
	<p>Community awareness and customer centricity</p>	<p>Increase community knowledge, trust and understanding of water security issues planning and decision making. Engage with Seqwater’s customers to improve its understanding of their needs and meet those needs in a commercial manner.</p>	<ul style="list-style-type: none"> • promote water literacy and water security awareness through community engagement and communication • build awareness and knowledge among the community and key stakeholders on Seqwater’s flood mitigation role and activities • improve understanding of Seqwater’s customer’s needs and move towards a customer centric approach.

2.4 Risks

Table 3 highlights the main risks to achieving the objectives of the Operational Plan 2022-23, and the actions that are being or will be taken to mitigate these risks. It is worth noting that these risks will evolve with time and as circumstances change.

Table 3 Seqwater’s risks and key mitigation strategies

Risk	Risk description	Key mitigation strategies
<p>Pandemic related disruptions and challenges</p>	<p>The COVID-19 pandemic continues to generate numerous disruptions and challenges affecting Seqwater to varying degrees and create other uncertainties for the organisation. The main areas at risk due to the pandemic include employee mental health and wellbeing, continuity of core operations, employee and organisational performance and productivity, and organisational culture and employee morale. Also, there is a risk that Seqwater may not be able to attract and/or retain top talents due to the tightening labour market partly caused by pandemic-driven labour supply constraints.</p>	<p>Seqwater has introduced flexible and hybrid working arrangements to allow employees to better manage the pandemic from a personal and work perspective.</p> <p>To protect core operations and frontline employees, the business continues to evolve its COVID-19 restrictions and safety controls in light of changing public health and social measures and COVID-19 implications, such as mask and rapid antigen testing requirements at operational sites.</p> <p>Seqwater is continuing with vaccine encouragement including the provision of paid vaccination leave and opportunities for consultation with the Chief Medical Officer for vaccine hesitant employees.</p> <p>Seqwater will continue to support employee mental health and wellbeing in the workplace through leader-led Water for Life conversations, internal network of accredited mental health first aid officers, and a professional third-party employee assistance program counselling service as well as webinars on topics such as mental health and hybrid work.</p> <p>Seqwater continues to monitor the talent market to identify impacts arising from COVID-19. Improved remuneration approaches have been developed to enable agility to respond to market pressures. Fit-for-purpose labour solutions are also being implemented to mitigate issues associated with skills shortage.</p>

Risk	Risk description	Key mitigation strategies
Supply chain resilience	<p>Due to local and global market conditions and supply chain challenges generated by and/or in response to COVID-19 and associated geopolitical (including hostilities and armed conflicts between countries) and economic issues, there is a significant risk of critical resources (goods, services, skills, labour, etc.) not being available at the required quality, quantity, time and price. Such resource constraints combined with increased prices will adversely affect the operational costs of the organisation, and the delivery of Seqwater's capital investment program.</p>	<p>Seqwater will continue to enhance its resource planning and financial governance and management practices to ensure resources are available within approved cost parameters and acceptable quality and timeframes. Capital investment, planning, procurement and delivery frameworks and practices will continue to be streamlined in alignment with leading practices to enable and ensure successful delivery of projects and programs. Seqwater is maintaining a constant vigilance of and interaction with its supply chain partners with respect to operationally critical materials such as water treatment chemicals. In addition, there has been a systematic consolidation of chemical supply contracts with in-built supplier relationship management measures and performance criteria.</p>
Cybersecurity and cyber terrorism	<p>With the increase in the number of cases globally of cyber criminals attacking critical infrastructure facilities to disrupt, coerce and/or obtain financial and other benefits, there is an increased risk of such attacks in Australia targeting water infrastructure facilities, assets and systems including water distribution networks, and associated infrastructure and systems such as power supplies, transport systems and communication grids and networks.</p>	<p>Cybersecurity management is an ongoing collaboration between Seqwater's people, process and technology, working together to safeguard its assets from digital threats that could disrupt its business operations and prevent it from meeting regulatory obligations. Seqwater has a cyber security team dedicated to dealing with cyberattacks and breaches and day-to-day security matters relating to both corporate and operational technologies. Continued cybersecurity awareness training and communications aim to educate employees, particularly first line responders, to quickly identify, validate and respond to cyber threats such as ransomware, phishing, and malware.</p>
Natural disasters and extreme weather events	<p>The increasing severity and frequency of natural disasters and weather events such as floods, droughts, cyclones and bushfires, combined with extreme temperatures, more intense and changing rainfall patterns, and rising sea level present risks to SEQ's water security, supply and quality. Some of these underlying factors are directly or indirectly associated with climate change.</p>	<p>To ensure an enhanced level of resilience and redundancy in Seqwater's operations across SEQ and to better coordinate emergency responses, Seqwater has emergency operations centres (EOCs) in Brisbane and Ipswich. In the event of an operational emergency, Seqwater can operate the EOCs (including 24-hour network control) 24 hours 7 days a week and work closely with the Bureau of Meteorology and water supply partners to enable timely responses to events as they evolve, minimise downstream impacts from dam operations and ensure safe and continuous water supply to the community.</p> <p>Seqwater will continue to undertake annual reviews of its operational, emergency and seasonal preparedness focusing on emergency operations, water quality, flood management, fire management and drought readiness, amongst other matters. These reviews are underpinned by training and exercises based on realistic scenarios to test</p>

Risk	Risk description	Key mitigation strategies
Climate change – adaptation and mitigation	<p>Climate change and associated regulatory and government policy response present several types of risks to Seqwater including:</p> <ul style="list-style-type: none"> • <i>adaptation</i> – impact on Seqwater’s assets and operations arising from climate change • <i>mitigation</i> – impact on Seqwater arising from its commitment to lower its carbon footprint • <i>governance</i> – impact on Seqwater arising from its obligation to comply with climate change related government policy and regulations. 	<p>the relevance and reliability of plans, procedures protocols and systems for responding to natural disasters and extreme weather events.</p> <p>Seqwater has developed a climate change adaptation strategy which provides guidance on a whole of business approach to considering expected future climate in organisational assessments, investments and decision-making processes. Further work is underway to better understand Seqwater’s current and future greenhouse gas (GHG) emissions and plan for investment in reducing its carbon footprint.</p>
Shifts in stakeholder expectations	<p>With the increased focus on environment, social and governance (ESG) risks and issues by governments and business, combined with the increasing prevalence and intensity of public interest and activism on these evolving matters, largely driven by social media, there is an increased risk of not meeting the expectations of our key stakeholders on these matters resulting in adverse impact on Seqwater’s reputation as a responsible business.</p>	<p>A program of work has commenced to identify, assess and address ESG risks and issues, including any associated opportunities.</p>
Volatility in key planning factors	<p>Seqwater’s plans, budgets and forecasts are underpinned by various factors including economic and market conditions, legal and regulatory obligations, stakeholder expectations, government policies, population growth, demand for water and climate change. Some of these factors are inherently volatile. There is a risk that these factors will not remain realistic or within expected parameters during the year, resulting in adverse impacts on the usefulness of the plan, budget and forecasts for governance, management and operational purposes.</p>	<p>Regular monitoring and reviews will be undertaken, with advice and input from experts, of Seqwater’s plans, budgets and forecasts (relating to demand, revenue and expenditure) to manage this risk to the extent practicable.</p>

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

2.5 Business performance

Table 4 sets out Seqwater’s key performance indicators (KPIs) and targets for 2022-23. Performance against KPIs is measured annually and will be reported in Seqwater’s Annual Report 2022-23.

The business performance measures are focussed on Seqwater’s external stakeholders:

- community trust underpins Seqwater’s social license to operate, and is critical to support ongoing operational activities such as drinking water production, supply augmentation, drought response, managing the safety of dams, recreational services and flood mitigation
- Seqwater’s responsible Ministers set the expectations for the business, and Seqwater needs to respond accordingly
- Seqwater’s retailer, irrigation and other water supply customers are critical to business success, and it is critical to understand the needs of the customers and deliver services accordingly, on a commercial basis
- Organisational culture is a key driver of performance - a high-performance culture will enable Seqwater to achieve its strategic objectives.

Table 4 Key performance indicators

KPI	2022-23 Target
Non-financial	
Community trust	≥ 7
Shareholder satisfaction	Very good
Customer net promoter score (NPS)	≥ 5-point improvement
Irrigator net promoter score	≥ 5-point improvement
Power stations net promoter score	≥ 5-point improvement
Organisational culture	≥ 5 defensive styles ≤ 50 th percentile in the Organisational Culture Index
Financial	
Return on equity	7.4%
Return on assets	1.2%
Gearing ratio	0.98
Retained cash flow to net debt	0.05

3. Service delivery

Seqwater is committed to maximising value to South East Queenslanders. Delivering its core services to its customers and the SEQ community remains Seqwater’s priority, including:

- a safe, reliable and affordable bulk drinking water supply in SEQ via its retailer customers
- water to irrigation, industrial and electricity generation customers
- long-term water security planning,

while also:

- providing public access to water and land-based recreation in and around its lakes
- providing flood mitigation services
- delivering its capital program with an emphasis on delivering its dam improvement program.

3.1 Operational performance information

Table 5 sets out production forecasts and operational performance targets, these will be reported against through quarterly performance reporting.

Table 5 Operational performance information

	2022-23				
	Q1	Q2	Q3	Q4	Full year
Forecast water production – (retailer customer demand only) (ML)	84,776	89,091	86,735	84,621	345,222
Lost time injury frequency rate ¹	≤3.5	≤3.5	≤3.5	≤3.5	≤3.5
Supply interruptions to the end customer	0 interruptions to end customer > 5 hours	0 interruptions to end customer > 5 hours	0 interruptions to end customer > 5 hours	0 interruptions to end customer > 5 hours	0 interruptions to end customer > 5 hours
Zones compliant with Australian Drinking Water Guidelines	100%	100%	100%	100%	100%

¹ Seqwater’s target for injuries of any type is always zero with an upper maximum LTIFR of ≤3.5 for 2022-23.

4. Financials²

Seqwater acknowledges the Queensland Government Savings and Efficiency Program for Government Owned Corporations and is committed to implementing savings measures consistent with Queensland Government and Government Owned Corporation policies. Seqwater will report on its progress to responsible Ministers through quarterly performance reports.

4.1 Financial summary

Table 6 sets out financial forecasts, these will be reported against through quarterly performance reporting.

Table 6 Financial forecasts

	2022-23				
	Q1	Q2	Q3	Q4	Full year
Operating revenue \$000	296,992	305,159	297,708	290,814	1,190,673
Operating expenditure \$000	72,665	78,249	71,778	78,030	300,722
Depreciation and amortisation \$000	67,824	67,824	66,353	67,091	269,092
EBIT \$000	156,503	159,086	159,577	145,693	620,859
Net profit after tax (NPAT) \$000	35,422	37,827	38,773	29,665	141,687
Cash and cash equivalents \$000	311,096	312,610	342,481	325,000	325,000
Total current assets \$000	473,347	486,582	512,664	505,902	505,902
Capital expenditure \$000	54,409	35,705	25,749	55,258	171,121
Debt to equity ratio	5.34	5.20	5.06	4.96	4.96
FFO Interest coverage	N/A	N/A	N/A	N/A	1.48
Current ratio	1.56	2.11	3.19	1.26	1.26

² Rounding has been used in these calculations.

4.2 Assumptions

Seqwater's budget forecast is based on the assumptions outlined in Table 7.

Table 7 Assumptions

Economic indices	
Interest rates	As per Queensland Treasury Corporation (QTC) projected interest rates as at January 2022.
Revenue	
Prices	Revenue is calculated from prices set by the responsible Ministers and through bulk water supply agreements. For bulk water, Seqwater has adopted the recommended prices in the Queensland Competition Authority (QCA) Report (March 2022) for 2022-26.
Bulk water sales volumes	Consistent with Seqwater's Annual Operating Strategy for 2022-23. The following have been considered for the 2022-23 budget demand profile for bulk water sales: <ul style="list-style-type: none"> • Queensland Government Statistician's Office population projections 2018 edition medium series • short-term consumption influence such as rebound, and short-term weather trends • residential and non-residential consumption split • average daily per capita residential consumption • non-residential sector consumption and account and corresponding historical growth trends • SEQ retailer customer local development planning targets.
Operating expenses	
Total operating expenditure	Developed using a top-down baseline budgeting methodology aligning to the QCA Report (March 2022).
Capital	
Phasing	Phasing of cash flows across quarterly increments has been attempted using best known estimates of timing and peer review.
Changes in forecasts	Project cashflows are reviewed by peers and senior leaders regularly to ensure projected timings and costs are formulated accurately. The 2022-23 capital program will be reviewed and updated on a monthly basis to align with expected cash outflows.
Project gateways	A formal gateway approval structure is used throughout Seqwater for capital projects. These structures are overseen by program management offices that employ Project Management Body of Knowledge (PMBOK) based structures and methodologies aligned with the Government's Project Assurance Framework (PAF) and Business Case Development Framework (BCDF).

4.3 Financial statements

4.3.1 Statement of comprehensive income

Table 8

	2022-23 budget				
	Q1	Q2	Q3	Q4	Full year
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Operating revenue					
Water services	291,743	299,886	292,484	285,522	1,169,635
Interest income	437	450	451	442	1,780
Other revenue	4,812	4,823	4,773	4,850	19,258
Total operating revenue	296,992	305,159	297,708	290,814	1,190,673
Operating expenses					
Employee expenses	28,061	32,738	28,061	32,740	121,600
Supplies and services	44,604	45,511	43,717	45,290	179,122
Total operating expenses	72,665	78,249	71,778	78,030	300,722
EBITDA	224,327	226,910	225,930	212,784	889,951
Depreciation and amortisation	67,824	67,824	66,353	67,091	269,092
Other asset revaluations, losses and write downs	0	0	0	0	0
EBIT	156,503	159,086	159,577	145,693	620,859
Finance/borrowing costs	105,900	105,048	104,187	103,315	418,450
Profit (loss) before income tax	50,603	54,038	55,390	42,378	202,409
Taxation (expense) benefit	(15,181)	(16,211)	(16,617)	(12,713)	(60,722)
Net profit (loss) after income tax	35,422	37,827	38,773	29,665	141,687

4.3.2 Statement of financial position

Table 9

	2022-23 budget			
	Q1	Q2	Q3	Q4
	(\$000)	(\$000)	(\$000)	(\$000)
Current assets				
Cash and cash equivalents	311,096	312,610	342,481	325,000
Trade and other receivables	147,074	158,795	155,006	165,725
Inventories	9,374	9,374	9,374	9,374
Other current assets	5,803	5,803	5,803	5,803
Total current assets	473,347	486,582	512,664	505,902
Non-current assets				
Property, plant and equipment	10,838,199	10,807,609	10,768,505	10,758,140
Other non-current assets	151,674	150,143	148,643	147,179
Total non-current assets	10,989,873	10,957,752	10,917,148	10,905,319
TOTAL ASSETS	11,463,220	11,444,334	11,429,812	11,411,221
Current liabilities				
Trade and other payables	24,068	22,637	25,084	38,000
Employee benefits	24,523	24,523	24,523	24,523
Interest payable	242,874	174,225	104,710	323,648
Other current liabilities	11,990	9,146	6,302	14,678
Total current liabilities	303,455	230,531	160,619	400,849
Non-current liabilities				
Employee benefits	3,704	3,704	3,704	3,704
Interest bearing liabilities	8,868,925	8,868,925	8,868,925	8,579,596
Deferred tax liabilities	214,035	230,246	246,863	259,577
Other non-current liabilities	264,123	264,123	264,123	252,252
Total non-current liabilities	9,350,787	9,366,998	9,383,615	9,095,129
TOTAL LIABILITIES	9,654,242	9,597,529	9,544,234	9,495,978
NET ASSETS	1,808,978	1,846,805	1,885,578	1,915,243
Equity				
Contributed equity	(715,888)	(715,888)	(715,888)	(715,888)
Asset revaluation reserve	2,755,888	2,755,888	2,755,888	2,755,888
Accumulated profit (loss)	(231,022)	(193,195)	(154,422)	(124,757)
TOTAL EQUITY (DEFICIENCY)	1,808,978	1,846,805	1,885,578	1,915,243

4.3.3 Statement of cash flows

Table 10

	2022-23 budget				
	Q1	Q2	Q3	Q4	Full year
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Cash flow from operating activities					
<i>Inflows</i>					
Receipts from water services	273,337	293,061	299,722	288,302	1,154,422
Receipts from leases, rentals and other	972	972	972	979	3,895
Interest received	422	443	460	455	1,780
<i>Outflows</i>					
Payments to suppliers and employees	(67,314)	(83,437)	(71,710)	(78,129)	(300,590)
Interest paid	(107,211)	(105,269)	(104,412)	(103,543)	(420,435)
Net operating cash flows	100,206	105,770	125,032	108,064	439,072
Cash flow from investing activities					
<i>Inflows</i>					
Proceeds from sale of plant and equipment	0	0	0	0	0
<i>Outflows</i>					
Payments for acquisition of property, plant and equipment	(54,409)	(35,705)	(25,749)	(55,258)	(171,121)
Net investing cash flows	(54,409)	(35,705)	(25,749)	(55,258)	(171,121)
Cash flow from financing activities					
<i>Inflows</i>					
QTC borrowings	0	0	0	0	0
<i>Outflows</i>					
Lease payment	(186)	(186)	(186)	(188)	(746)
QTC borrowings – redemption	(67,515)	(68,365)	(69,226)	(70,099)	(275,205)
Net financing cash flows	(67,701)	(68,551)	(69,412)	(70,287)	(275,951)
Net increase (decrease) in cash held	(21,904)	1,514	29,871	(17,481)	(8,000)
Cash and cash equivalents at the beginning of the financial period	333,000	311,096	312,610	342,481	333,000
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	311,096	312,610	342,481	325,000	325,000

4.4 Capital program

Seqwater’s 2022-23 capital program is budgeted at \$171.1m. The planned program for 2022-23 includes significant capital expenditure to complete the South West Pipeline, continue the dam improvement program and upgrade several water treatment plants, together with capital works to maintain its asset base. Seqwater’s capital expenditure or 2022-23 is outlined in table 11.

4.4.1 Capital expenditure

Table 11

	2022-23 budget				
	Q1	Q2	Q3	Q4	Full year
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Infrastructure capital	53,141	33,983	23,627	53,431	164,182
Non-infrastructure capital	1,268	1,723	2,122	1,826	6,939
TOTAL CAPITAL EXPENDITURE	54,409	35,706	25,749	55,257	171,121

4.4.2 Key projects

Key projects for 2022-23 are listed in Table 12.

Table 12

Project	Details	Project expected completion	2022-23 budget (\$000) ³	Total project cost (\$000) ⁴	Project status ⁵	Investment approval level	Investment approval status
Projects over \$10 million							
South West Pipeline	Pipeline to connect Beaudesert to the SEQ Water Grid to secure long-term water supply.	2022-23	\$38,305	\$95,200	Deliver service	Responsible Minister	Ministerial approval received
Mt Crosby Weir Bridge structure upgrade	A new vehicle bridge is being constructed to improve flood resilient access between Mt Crosby East Bank and West Bank water treatment plants and upgrade safety to current standards.	2023-24	\$20,347	\$29,450	Source suppliers	Board	Board approved
Mt Crosby East Bank Substation and enabling works	Upgrade of substation to 11kV and associated enabling works to increase flood resilience.	2023-24	\$8,942	\$35,600	Deliver service	Board	Board approved
Mt Crosby East Bank critical electrical infrastructure upgrade	Improve flood resilience through upgrade of the motors and pumps, electrical switchgear and motor control systems and upgrade of power distribution systems at the water treatment plant to match the substation voltage change to 11kV.	2025-26	\$3,068	\$49,400	Supply strategy development	Responsible Minister	Board approved detailed business case.

³ Project contingency has been separated from the 2022-23 capital expenditure budget and is not included in these figures.

⁴ Total project cost is from the Board approved business case unless otherwise stated.

⁵ Project status is in accordance with Queensland Treasury Project Assessment Framework.

Operational Plan 2022-23

Project	Details	Project expected completion	2022-23 budget (\$000) ³	Total project cost (\$000) ⁴	Project status ⁵	Investment approval level	Investment approval status
Mt Crosby West Bank Water Treatment Plant Centrifuge installation	Improve capacity and reliability of the Plant.	2025-26	\$300	\$13,935	Source suppliers	Board	Board approved detailed business case.
Somerset Dam upgrade	Upgrade to comply with dam safety regulations.	TBC	\$5,353	\$325,660 ⁶	Business case development	Responsible Minister	Detailed business case in development.
Lake Macdonald Dam upgrade	Upgrade to comply with dam safety regulations	2031-32	\$950	TBD	Strategic options review	Responsible Minister	Approval of strategic options review, leading up to preferred strategic option

Notes:

1. The projects included above are the projects that have received detailed business case approval. Notification of capital projects between \$10 million and \$40 million will be included in this Plan and reported to the responsible Ministers through quarterly performance reports following Board approval of a detailed business case.
2. The figures above are draft and will change during the approval process of the Asset Portfolio Management Plan, including consideration of contingency and finalisation of budgets.

⁶ Total project cost is as per Board approved preliminary business case. This is subject to change through the development of the detailed business case, with a high probability that it will significantly increase.

Attachment 1 – Employment and industrial relations

Employment and industrial relations approach

To achieve its *Water for Life* vision, Seqwater needs 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 the right culture is critical to its success and by living the values it aims to drive high performance and empower its people to deliver sound and innovative outcomes to continue to find a better way.

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

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

Employment and industrial relations goals for 2022-23 are to improve human resource processes, systems, governance and culture through:

- continued implementation of processes to support the correct application of the Seqwater Enterprise Agreement 2019-2023 (the Agreement)
- continued improvements to industrial relations capability across leaders and employees to ensure correct application of the Agreement
- review of existing work practices across the business to identify more efficient approaches to work
- development of an Enterprise Bargaining strategy and plan for the next agreement
- implementation of the Reconciliation Action Plan
- improved workforce planning and resourcing approaches
- strengthened industrial relations and employment governance through a contemporary review and update of human resources systems, policies and processes.

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

Significant and emerging issues

Seqwater's People, Culture and Safety Strategy has identified three key themes in emerging issues for management of the workforce, detailed in Table 13.

Table 13

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

Key issues for Seqwater and its workforce in 2022-23 include:

- finalising and implementing the Enterprise Workforce Management Plan
- coordinating its response to COVID-19 focusing on reliable workforce availability to ensure consistent operational delivery
- continuing to improve safety and organisational culture through targeted improvements in leadership capability and the revised leadership strategy
- delivering a contemporary talent management strategy that identifies and manages talent risks and opportunities, providing a platform for a sustainable workforce
- embracing the diversity of its people and fostering an inclusive culture in which people are empowered to be innovative and challenge the status quo
- providing safe workplaces where employees are treated with dignity and respect and where discrimination, harassment and bullying is not tolerated
- proactive management of employee health and wellbeing.

Employment and industrial relations plan

Employment conditions

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

Seqwater engages employees under four employment arrangements:

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

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

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

For employees engaged under the Agreement on the Administration (AO) and Professional (PO) streams and for common law contract employees, ordinary hours of duty are 38 hours per week. The ordinary spread of hours is from 6am to 6pm Monday to Friday.

For employees engaged under the Agreement on the Operational (OO), Water (WO) and Trade (TO) streams, ordinary hours of work are an average of 38 hours per week to be worked on one of the following:

- 38 hours within a work cycle not exceeding 7 consecutive days

- 76 hours within a work cycle not exceeding 14 consecutive days
- 114 hours within a work cycle not exceeding 21 consecutive days
- 152 hours within a work cycle not exceeding 28 consecutive days.

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

Enterprise bargaining and productivity initiatives

Enterprise bargaining

Seqwater Enterprise Agreement 2019-2023 was certified by the Fair Work Commission on 24 December 2020 and came into effect 31 December 2020. The Agreement has a nominal expiry date of 30 June 2023 and will remain in effect until a new Agreement is negotiated.

Productivity initiatives

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

Management relationship with unions

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

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

Consultation

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

Employee flexibility

Seqwater is committed to providing work policies and practices that promote and support employees to work flexibly. Seqwater revised its accommodation strategy to consider the impacts of COVID-19 on the way work is conducted in conjunction with a focus on agile and activity-based working for its employees. Seqwater's Enterprise Agreement provides 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 Agreement.

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

Health, safety and wellbeing

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

Seqwater will achieve this by:

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

Seqwater's strategy includes the strategic objective to improve safety and organisational culture. In 2022-23 culture, safety and capabilities is a priority for Seqwater. It will focus on the following key areas:

- leadership and culture
- health and wellbeing
- contractor management capability and discipline.

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

Contracting

Seqwater engages contractors to undertake projects where a level of expertise is required that is not otherwise available within Seqwater and to alleviate short-term employee shortages. Where Seqwater engages the services of a contractor, the contractor will comply with Seqwater's terms of business and supply all necessary documentation. Emphasis is placed on contractors abiding by Seqwater policies and procedures, including *The way we work*, Seqwater's code of conduct and safety obligations.

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

Workforce direction

Table 14 details full time equivalent (FTEs) employees employed on 28 February 2022 and does not include vacant positions, table 16 represents the budgeted positions for 2022-23 and includes vacant or planned roles, versus the 'point in time' actual reference. The two tables are not comparable.

Table 14

Full time equivalent actuals	
As at 28 February 2022	
Employment category	
Directly employed workforce⁷	
Permanent ⁸	650.7
Temporary ⁹	105.8
CEO and Senior Executive contract ¹⁰	8.0
Apprentices – in house ¹¹	10.0
Trainees – in house ¹³	19.0
Casual	0.2
Other	3.0
Total directly employed workforce	796.7
Indirectly employed workforce	
Apprentices – group ¹³	0
Trainees – group ¹³	0
Contractor and labour hire – trade/technical	1.0
Contractor and labour hire – professional/ administrative/ technical	8.0
Other	0
Total indirectly employed workforce	9.0
TOTAL WORKFORCE¹²	805.7

⁷ Direct workforce includes employees on the Seqwater's payroll, including permanent, temporary, casual employees and apprentices and trainees directly paid by Seqwater (in house).

⁸ Permanent includes full-time and part-time.

⁹ Temporary includes fixed term / maximum term contract (but not casual employees).

¹⁰ Relates to the Chief Executive Officer and direct reports only.

¹¹ 'In house' apprentices and trainees are those employed directly by Seqwater for the term of the training contract (and would be covered under the Enterprise Agreement). 'Group' apprentices and trainees are those who fall outside of this classification.

¹² The above table represents the total workforce which are costed to both capital and operating expenditure.

Table 15

Category	Full time equivalent (2021-22) ¹³	
	Number	Percentage
(a) All employees ¹⁴	796.7	100.0%
(b) CEO and direct reports	8.0	1.0%
(c) Employees covered by an award, enterprise agreement, agreement made under the <i>Fair Work Act 2009</i> ¹⁵	788.7	99.0%
(d) Employees under other arrangements	0.0	0.0%
Total: (a) = (b) + (c) + (d)	796.7	100.0%

Table 16

Employment category	Full time equivalent positions budgeted ¹⁶	
	2022-23	
Directly employed workforce¹⁷		
Permanent ¹⁸		696.9
Temporary ¹⁹		107.2
CEO and Senior Executive contract ²⁰		8.0
Apprentices – in house ²¹		10.0
Trainees – in house ²³		23.0
Casual		0.2
Other		10.0
Total directly employed workforce		855.3
Indirectly employed workforce		
Apprentices – group ²³		0
Trainees – group ²³		0
Contractor and labour hire – trade/technical		1.0
Contractor and labour hire – professional/ administrative/ technical		7.0
Other		0
Total indirectly employed workforce		8.0
TOTAL WORKFORCE²²		863.3

¹³ As at 28 February 2022.

¹⁴ These figures are for direct workforce.

¹⁵ Employees in this category are underpinned and covered by either the Seqwater Enterprise Agreement 2016-2019 or the Seqwater Enterprise Agreement 2019-2023.

¹⁶ Figures represent budgeted positions for 2022-23.

¹⁷ Direct workforce includes employees on the Seqwater's payroll, including permanent, temporary, casual employees and apprentices and trainees directly paid by Seqwater (in house).

¹⁸ Permanent includes full-time and part-time.

¹⁹ Temporary includes fixed term / maximum term contract (but not casual employees).

²⁰ Relates to the Chief Executive Officer and direct reports only.

²¹ 'In house' apprentices and trainees are those employed directly by Seqwater for the term of the training contract (and would be covered under the Enterprise Agreement). 'Group' apprentices and trainees are those who fall outside of this classification.

²² The above table represents the total workforce which are costed to both capital and operating expenditure.

Superannuation

Seqwater employees can choose their own superannuation fund or join QSuper as the default fund. Seqwater will contribute the Superannuation Guarantee Contribution currently set at 10.0% to all employee nominated superannuation funds. This contribution will remain aligned with the federal Superannuation Guarantee legislation.

Enterprise Agreement employees who join QSuper are entitled to benefits calculated in accordance with the governing rules of QSuper. In addition to employer contributions, employees may choose to contribute the minimum Superannuation Guarantee Contribution or to contribute to their superannuation. Employees who are engaged on the Enterprise Agreement can vary their superannuation contribution rate between 0% and 5.0%. The employer contribution rate is dependent on the rate of contribution the employee makes, as outlined in Table 17.

Table 17

Employee contribution	Employer contribution
0% of superannuable salary	10.00% of superannuable salary
2% of superannuable salary	10.00% of superannuable salary
3% of superannuable salary	10.75% of superannuable salary
4% of superannuable salary	11.75% of superannuable salary
5% of superannuable salary	12.75% of superannuable salary

The majority of employees who are members of QSuper have accumulation accounts. On 1 January 2022, 17 employees had QSuper defined benefit accounts. Defined benefits funds are not available to new employees. However, QSuper defined benefit members who join Seqwater are able to continue as defined benefit members.

Board member and executive remuneration arrangements

Board members

Table 18

Board members	Board fees ²³ (\$)	Committee fees (\$)	Superannuation ²⁴ (\$)	Total (\$)
Dr David Hamill AM, Chairperson	100,000	13,500	11,350	124,850
Marita Corbett	45,000	12,500	5,750 ²⁵	63,250
John McEvoy	45,000	12,500	5,750	63,250
Penny Tovey	45,000	12,500	5,750	63,250
Gail Ker	45,000	9,000	5,400 ²⁶	59,400
Catherine Mickel	45,000	9,000	5,400	59,400

²³ Board and Committee fees are annualised as at 1 January 2022. No allowance for future increases has been taken into account as not known at this point in time.

²⁴ Employer superannuation payments do not include salary sacrificed amounts; these are recorded in Board fee.

²⁵ Invoiced fees include a provision for superannuation.

Chief Executive Officer and senior executives

Table 19

Executive (As at 1 January 2021)	Base salary ²⁶ (\$)	Employer superannuation contributions ²⁷ (\$)	Total fixed remuneration ²⁸ (\$)	Performance payment made ²⁹ (\$)
Neil Brennan, Chief Executive Officer	513,172	27,500	540,672	0
Stuart Cassie, Chief Operating Officer	420,120	27,500	447,620	0
Ross Muir, General Manager Customer, Strategy and Planning	401,921	27,500	429,421	0
Mike Hutchens, General Manager Corporate Services ³⁰	321,500	27,500	340,000	0
Barbara van Heerden, General Manager Major Projects	346,325	27,500	373,825	0
Bruce Linaker, General Manager Digital, Technology and Information	330,631	27,500	358,131	0
Melissa Williams, General Manager, People, Culture and Safety	330,631	27,500	358,131	0
William Harpham, Company Secretary and General Counsel	258,881	25,888	284,769	0

²⁶ Remuneration calculated based on annualised earnings as at 1 January 2022. No allowance for future salary increases has been taken into account as future increases are not guaranteed or known at this point in time.

²⁷ Employer superannuation payments do not include salary sacrificed amounts; these are recorded in base salary.

²⁸ While the base and superannuation components that make up the TFR totals are relevant as at (1 January 2022), note that the distribution of these components may vary due to employee voluntary decisions surrounding superannuation with respect to the QSuper employer co-contributions opportunity, or employee voluntary decision to have their super guarantee capped as per the Maximum Super Contributions Base.

²⁹ In accordance with Government Policy, no performance payments were made to the CEO or Executives during 2021-22 for the 2020-21 financial year.

³⁰ Mike Hutchens commenced employment with Seqwater on 11 April 2022. The above salary is an annualised amount as at 30 April 2022.

Attachment 2 – Sponsorship, advertising, corporate entertainment and donations

Table 20

		2021-22 budget	2021-22 estimates actuals	2022-23 budget	Q1	Q2	Q3	Q4	2022-23 per head budget
Project	Benefit	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sponsorship ³¹									
Bunya to the Bay Program		30.0	30.0	0	0	0	0	0	
Brisbane Exhibition (Ekka)		110.0	0	0	0	0	0	0	
Noosa Festival of Water		5.0	0	0	0	0	0	0	
Water industry events	a.	20.0	85.0	100.0	25.0	25.0	25.0	25.0	
Total over \$5,000		165.0	115.0	100.0	25.0	25.0	25.0	25.0	
Other (total) below \$5,000		0	1.0	0	0	0	0	0	
TOTAL		165.0	116.0	100.0	25.0	25.0	25.0	25.0	
Advertising ³²									
Public education - <i>Play it safe</i> campaign	b.	250.0	0	50.0	0	25.0	25.0	0	
Dam release notification service	c.	22.0	22.0	25.0	0	0	25.0	0	
Drought response		1,600.0	204.0	0	0	0	0	0	
Community Engagement	d.	0	0	200.0	50.0	50.0	50.0	50.0	
Total over \$5,000		1,872.0	226.0	275.0	50.0	75.0	100.0	50.0	
Other (total) below \$5,000		0	0.3	0	0	0	0	0	
TOTAL		1,872.0	226.3	275.0	50.0	75.0	100.0	50.0	
Corporate entertainment ³³									
Total over \$5,000		0	0	0	0	0	0	0	
Other (total) below \$5,000		4.0	0	0	0	0	0	0	

³¹ The association of Seqwater's name with a sponsored organisation's service, product or activity, in return for negotiated and specific benefits.

³² Messages paid for by Seqwater intended to educate or inform the people who receive them (excludes recruitment advertising).

³³ Seqwater hospitality offered to corporate customers, key stakeholders and interest groups.

		2021-22 budget	2021-22 estimates actuals	2022-23 budget	Q1	Q2	Q3	Q4	2022-23 per head budget
Project	Benefit	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
TOTAL		4.0	0	0	0	0	0	0	
Donations ³⁴									
Total over \$5,000		0	0	0	0	0	0	0	
Other (total) below \$5,000		0	0	0	0	0	0	0	
TOTAL		0	0	0	0	0	0	0	
Other related activities									
Total over \$5,000		0	0	0	0	0	0	0	
Other (total) below \$5,000		0	0	0	0	0	0	0	
TOTAL		0	0	0	0	0	0	0	
TOTAL ACTIVITES		2,041.0	342.3	375.0	75.0	100.0	125.0	75.0	

Table 20 lists budgeted sponsorships, advertising, corporate entertainment and donations as at March 2022. Sponsorship opportunities that arise during the financial year are assessed on a case-by-case basis against business strategy for alignment and benefit. Expenditure against any additional approved sponsorships is reported to the responsible Ministers in the quarterly performance reports.

Benefit notes:

- a. Seqwater will provide financial support to a range of water industry events, such as the Australian Water Association's QWater Conference, the Water Industry Operators Association of Australia Awards, the Australian National Committee on Large Dams forums and conferences, and WaterAid Australia events. 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. The *Play it safe* public education campaign will promote 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; that is more than beaches and pools combined (31%). Public education includes advertising to remind the more than three million people who visit Seqwater's lakes, dams and parks each year to plan ahead and follow safety rules.
- c. The dam release notification service public education campaign will encourage the community to register for Seqwater's dam release notification service to be advised when gated dams are releasing water and un-gated dams are spilling. This advertising to raise public awareness of the service supports the recommendations from the 2015 Inspector-General of Emergency Management's dam communication review.
- d. Other advertising campaigns to respond to emerging events and requirements.

³⁴ A voluntary transfer of money or property by Seqwater that the organisation receives no material benefit or advantage for. Seqwater does not make monetary donations.

Attachment 3 – Community service obligations

Table 21 sets out the fixed estimated³⁵ community service obligations (CSO) payments for water entitlements by water supply scheme that the Department of Regional Development, Manufacturing and Water is expected to pay to Seqwater for the period 1 July 2022 to 30 June 2023. Table 22 sets out the CSO calculation for payment for water usage. Figures will be calculated once usage is known at the end of the water year.

Table 21 Fixed CSO payments

Water supply schemes	CSO payment (\$) ³⁶
Bulk schemes	
Cedar Pocket	334.89 x Water entitlement (ML)
Central Brisbane River	1.10 x Water entitlement (ML)
Central Lockyer Valley	((16,357 minus the volume of water entitlements not being provided for an irrigation service) multiplied by 62.26)) minus (the volume of medium priority A and medium priority C water entitlements being provided for an irrigation service X 35.61).
Lower Lockyer Valley	58.85 x Water entitlement (ML)
Channel distribution schemes	
Morton Vale Pipeline (Part A)	26.65 x Water entitlement (ML)
Morton Vale Pipeline (Part C)	0.94 x Water entitlement (ML)
Pie Creek	375.98 x Water entitlement (ML)

Table 22

Water Supply Schemes	2022-23 Amount (\$)
Bulk schemes	
Cedar Pocket	36.29 x Water usage (ML)
Central Brisbane River	0.45 x Water usage (ML)
Central Lockyer Valley	1.94 x Water usage (ML)
Lower Lockyer Valley	11.83 x Water usage (ML)
Channel distribution systems	
Morton Vale Pipeline (Part A)	4.54 x Water usage (ML)
Morton Vale Pipeline (Part C)	1.32 x Water usage (ML)
Pie Creek	187.81 x Water usage (ML)

³⁵ Based on 2021-22 financial year actuals.

Attachment 4 – Water security outlook

In March 2022 the SEQ Water Grid combined storage level was at 88% and the outlook for 2022-23 shows the need for drought measures during 2022-23 are highly unlikely.

Seqwater publishes regular updates to the SEQ water security position and outlook in its Water Security Status Report at <https://www.seqwater.com.au/waterforlife>.