



ENRICHING QUALITY OF LIFE

FY24 ANNUAL REPORT

WELCOME

WE ARE PLEASED TO PRESENT URBAN UTILITIES' ANNUAL REPORT FOR FY24.

This report provides an overview of our performance between 1 July 2023 and 30 June 2024 and documents our progress against our Participant Council-approved strategic direction.

Our integrated corporate reporting approach sees us bring together material information about our operating environment, business strategy, governance, and financial and non-financial performance to demonstrate how we deliver value for our customers, Participant Councils and communities.

This report has been prepared in accordance with the Annual report requirements for Queensland Government agencies, issued by the Queensland Government in April 2024.

The letter of compliance and the compliance checklist can be found on pages 131 and 132.

READERSHIP

The annual report is intended to provide comprehensive information to a broad range of stakeholders, including: our customers, current and future team members, our Participant Councils, government departments and agencies, non-government organisations and our partners.

ACCESSING THIS REPORT

This report is available on our website:

***[urbanutilities.com.au/about-us/
corporateinformation/performance-reports](https://urbanutilities.com.au/about-us/corporateinformation/performance-reports)***

INTERPRETER SERVICE STATEMENT

We are committed to providing accessible services to our customers and stakeholders from culturally and linguistically diverse backgrounds. If you have difficulty in understanding this report, please contact us on **13 14 50** and we will arrange an interpreter to communicate the report to you effectively.

TELL US WHAT YOU THINK ABOUT THIS REPORT

Visit us at our Head Office:

Level 10, 31 Duncan Street
Fortitude Valley QLD 4006
Monday – Friday 8:30am – 4pm

Phone us on:

13 26 57 (8am – 5pm weekdays)

Email us at:

customerservice@urbanutilities.com.au

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ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Traditional Owners of the lands on which we operate and recognise their continuing connection to land, waters and community. We pay our respects to them and their cultures, and to elders both past and present.

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A MESSAGE FROM OUR CHAIR AND CEO

COMMITTING TO THE CONTINUOUS IMPROVEMENT OF OUR HEALTH AND SAFETY PERFORMANCE

Our ongoing commitment to improve our health and safety performance is guided by our Health, Safety and Wellbeing Improvement Program, which we began developing and implementing this year. As part of the program, we've rationalised and prioritised work for streamlined delivery, developed frameworks to inform our process safety, critical risk management and control of work, and conducted formal safety assessments and reviews on some of our most critical and complex treatment facilities to improve safety relating to high-risk work.

Importantly, we continue to record, share and learn from High Potential Events (HPEs), which refer to incidents that could have resulted in serious injury or fatality. In FY24, we recorded 46 HPEs, compared to 29 in FY23, demonstrating our focus on raising awareness of health and safety issues, learning from mistakes, and building trust with our people, management, and contractors.

Overall, we're pleased to see a 26% year-on-year reduction in the number of injuries to our team of employees and delivery partners (37 recordable injuries down from 50), with the rate of injuries sustained by Urban Utilities team members falling by 32%. While the number of injuries remains too high, the downwards trend is encouraging and reflective of the progress we've made to address safety risks and eliminate hazards to our people and the community.

Between December 2023 and June 2024, we saw an 8% increase in our people saying that 'Safety risks are being corrected quickly', which is a step in the right direction.

MANAGING THE CHALLENGES OF THE BULIMBA-HAMILTON SIPHON RENEWAL PROGRAM

During the first half of the financial year, we made substantial progress on the \$209 million Bulimba-Hamilton Siphon Renewal Program, which involves replacing two 70-year-old wastewater pipes inside the siphon. This is one of the most critical and complex projects we have undertaken in a decade as it poses many risks to our business, particularly around safety and the environment.

In January 2024, we experienced a significant challenge when a break occurred in one of the pipes, causing wastewater to enter the tunnel. Pleasingly, due to careful planning, there were no safety concerns for our workers and or delivery partners at the time of the break. Following a stringent assessment of our responsive options, we will be installing a temporary bypass pipeline across the bed of the Brisbane River, which will transport wastewater across the river, enabling our crews to undertake responsive works to the impacted pipe. The temporary bypass will remain in place until the project works are completed.

Given the complexity of the task, we are working closely with the Department of Environment, Science and Innovation, Queensland Health, and other stakeholders to minimise any potential customer, community and environmental impacts.

BALANCING GROWTH AND FINANCIAL SUSTAINABILITY

We continue to operate in a volatile national and local economy, characterised by higher interest rates, inflationary pressures and ongoing supply chain issues. Like most businesses, Urban Utilities has been, and continues to be, impacted by these challenges. We are especially mindful of the sustained cost of living crisis that has emerged for our customers and communities on the back of this economic volatility and continue to work hard to keep our customer bills as low as possible. Since 2020, we've kept the annual average of our component of bill changes below CPI. This means typical residential customer bills have reduced in real terms over this period.

Despite the economic pressures and challenges we face, we remain committed to operating our business in a financially prudent and efficient manner, seeking operational efficiencies whilst continuing to provide safe and reliable services for our customers and communities.

With the population in our region expected to increase by almost 50 per cent over the next 20 years, we are planning well ahead to accommodate this growth. We recently announced our plan to invest around \$403 million in new and existing infrastructure across our five council regions in FY25, which follows our \$377 million infrastructure investment in FY24. Major projects progressed or completed this year include the \$45 million Breakfast Creek Trunk Sewer Main Upgrade, which involves building a new kilometre-long, two-metre-diameter wastewater pipe that will be one of the biggest in our network, as well as the \$9.4 million water pump station in Ipswich, which will help cater for future growth in the area.

In addition to investing in essential water and wastewater infrastructure, we're actively exploring opportunities for our business to grow in ways that

enable and support our communities, commercial customers and new industries. For example, we're exploring new partnerships with leading South East Queensland businesses to create new water and waste products and services, and we're investigating opportunities to provide customers in new emergent markets with both traditional and new products and services that will enable regional and precinct business growth whilst meeting our customers' sustainability targets.

TRANSITIONING TO A NEW STATEMENT OF STRATEGIC INTENT

This will be our final Annual Report to report against our 2019-24 Statement of Strategic Intent (SOSI), with our new SOSI coming into effect on 1 July 2024. The next five years to 2029 will see us organise our work around three priority areas, known as The Critical Few. This will allow us to focus our efforts on what really matters, and better support our purpose, Enrich Quality of Life. We will measure our success against five Critical Outcomes using key performance indicators and defined targets.

These Critical Outcomes are closely aligned with the ambitions of our five Participant Councils, meaning we're collectively working towards the same goals for our shared customers and communities.

You can read more about our 2025-29 strategic direction on page 11.

ACKNOWLEDGEMENTS

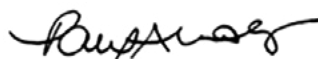
We'd like to convey our appreciation to our five Participant Councils for their ongoing support and partnership. We'd also like to thank our respective Board and Executive Leadership Team colleagues for their commitment and guidance, as well as our people for their dedication to Enriching Quality of Life for our customers and communities.

This year, we bid farewell to our outgoing Chair, Bronwyn Morris AM, who has been a member of the Urban Utilities Board for seven years, five of those as Chair. Bronwyn brought more than 25 years of experience as a company director to our organisation, with particular expertise in strategy, operations and finance. During her tenure she has been a thoughtful and considered leader, who worked closely with both the Board and senior leaders, to ensure we were serving our people, customers and communities in the best way possible. We thank Bronwyn for her outstanding contribution to Urban Utilities and extend our best wishes for her future endeavours.

We also say goodbye to Julie-Anne Schafer, who served six years as a Board member, as well as Chair of the Audit, Finance and Risk Committee, and Amanda Cooper who served two-and-a-half years as a Board member. We and thank them both for their service and valued contributions to Urban Utilities.



Paul Vincent
Chair



Paul Arnold
Chief Executive Officer

AWARDS & RECOGNITION



AUSTRALIAN WATER ASSOCIATION NATIONAL WATER AWARDS 2024

ORGANISATIONAL EXCELLENCE AWARD

Finalist: Urban Utilities' Integrated Solutions team for *Planning Our Journey to Excellence and Empowered People*, in partnership with Stantec, KBR and Ajile (Aurecon and Jacobs)

PROJECT INNOVATION AWARD (METRO)

Finalist: *How Queensland's Oldest and Largest Sewer (S1) Was Upgraded While the City Slept*, in partnership with Interflow

CUSTOMER EXPERIENCE AWARD

Finalist: *Service Moment Ready* customer service program



AUSTRALASIAN REPORTING AWARDS 2024

GENERAL ANNUAL REPORTING

Silver Award: Urban Utilities' FY23 Annual Report

SUSTAINABILITY REPORTING

Bronze Award: Urban Utilities' FY23 Sustainability Report



AUSTRALIAN WATER ASSOCIATION QUEENSLAND WATER AWARDS 2024

ORGANISATIONAL EXCELLENCE AWARD

Winner: Urban Utilities' Integrated Solutions team for *Planning Our Journey to Excellence and Empowered People*, in partnership with Stantec, KBR and Ajile (Aurecon and Jacobs)

PROJECT INNOVATION AWARD (METRO)

Winner: *How Queensland's Oldest and Largest Sewer (S1) was Upgraded While the City Slept*, in partnership with Interflow

R&D EXCELLENCE AWARD

Finalist: *Enabling Mainstream Anammox Through Technology Innovation*, in partnership with the University of Queensland, Melbourne Water, SA Water and the District of Columbia Water and Sewer Authority



PLANNING INSTITUTE OF AUSTRALIA QUEENSLAND PLANNING AWARDS 2023

IMPROVING PLANNING PROCESSES AWARD & TECHNOLOGY AND DIGITAL INNOVATION AWARD

Finalist: Urban Utilities' Developer Services team for its Development Transformation Program

PERFORMANCE SNAPSHOT

STRATEGIC GOAL 1: CONSTRUCTIVE CULTURE (PAGES 15-21)

HIGHLIGHTS AND CHALLENGES

- Reduced total recordable injuries by 26%
- Introduced our first Disability Inclusion Action Plan
- Achieved 70% Employee Engagement – comparable to the Australian Norm
- Refreshed our people recognition program
- Promoted greater acceptance and inclusion of our LGBTQIA+ community
- Ranked in Australia's top 101 workplaces for women, as identified by Work180
- Implemented active controls to maintain and improve our gender pay gap (+/- 5% at all levels), which is consistent with benchmarking guidance provided by the Workplace Gender Equality Agency
- 40% female leaders compared with the industry average of 25%

STRATEGIC GOAL 2: FOUNDATIONAL SUCCESS (PAGES 22-31)

HIGHLIGHTS AND CHALLENGES

- Achieved 100% of our Customer Service Standards
- \$377.3 million invested in new and existing infrastructure
- Navigated challenges around our \$209 million high-risk Bulimba-Hamilton Siphon Renewal Program
- Continued work on the \$45 million Breakfast Creek Trunk Sewer Main Upgrade
- Adopted innovative techniques to proactively manage our network
- Continued planning for the infrastructure requirements of the 2032 Olympic and Paralympic Games
- Maintained our focus on building trust with our customers and communities through meaningful, timely and transparent engagement

STRATEGIC GOAL 3: ENVIRONMENTAL LEADERSHIP (PAGES 32-35)

HIGHLIGHTS AND CHALLENGES

- 235% year-on-year increase in our solar power generation performance following remediation works
- 10,749 MWh generated from biogas produced during the wastewater treatment process
- Our Scientific Analytical Services Laboratory became fully certified against the International Standard for Environmental Management ISO 14001
- Irrigated seven hectares of native forest in the Lockyer Valley with 33,300 kilolitres of recycled water from our Helidon Resource Recovery Centre
- Maintained focus on driving water literacy in our communities
- Furthered our ongoing research program into ecosystem health

STRATEGIC GOAL 4: SOCIAL & ECONOMIC VALUE (PAGES 36-39)

HIGHLIGHTS AND CHALLENGES

- Published our inaugural Sustainability Report
- Continued to educate and empower school students through our Education Program
- Supported numerous community events and initiatives through our Sponsorship and Events Program
- Completed our first Innovate Reconciliation Action Plan (RAP), and commenced the delivery of our second Innovate RAP
- Implemented a new process to better understand our suppliers' modern slavery risks and controls
- 87% of our workforce completed Welcome to Country and Acknowledgement of Country protocols training

CHAPTER I: ABOUT US

WHO WE ARE

On 1 July 2010, the Central SEQ Distributor-Retailer Authority, trading as Queensland Urban Utilities, was established as a statutory body under the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009* and a service provider under the *Water Supply (Safety and Reliability) Act 2008*.

Our Participants are the councils of Brisbane, Ipswich, Lockyer Valley, Scenic Rim, and Somerset, and we are governed by an independent Board (see page 45). We operate in a unique environment where we serve the same customers and communities as our Participant Councils.

We are responsible for delivering drinking water, recycled water, and wastewater services to approximately 646,570 residential properties and 30,410 commercial properties in South East Queensland, and we deliver these services via our vast \$7 billion infrastructure network.

To enable the delivery of these services, we undertake a number of related functions, including:

- future services planning
- asset planning and management
- water meter management and billing
- development assessments and approvals
- waste management (including trade waste)
- research and development.

We also operate the Scientific Analytical Services Laboratory, which is responsible for providing water sampling services and chemical and microbiological analysis to a range of industries. You can find out more at www.saslaboratory.com.au.

WHERE WE OPERATE

Our 14,384km² geographic area is made up of five local government areas: Brisbane, Ipswich, Lockyer Valley, Scenic Rim, and Somerset.



OUR STRATEGIC DIRECTION

OUR PURPOSE

Enrich quality of life.

OUR STRATEGIC GOALS

Our strategic goals are our “big picture” objectives for the business. They drive our priority setting, resource allocation, capability requirements, and budgeting activities.

- **CONSTRUCTIVE CULTURE** – We inspire, create, and sustain a constructive culture to deliver high performance.
- **FOUNDATIONAL SUCCESS** – We know our business, we know our customers, and we deliver value for both.
- **ENVIRONMENTAL LEADERSHIP** – We protect and enhance our environment for current and future generations through excellence in water cycle management.
- **SOCIAL & ECONOMIC VALUE** – We advance the wellbeing and prosperity of society by leveraging our unique capabilities.

OUR VALUES

Our values support our purpose and the development of a constructive culture for Urban Utilities. They provide guidelines for employees on what behaviour is expected and how decisions should be made.

WE CARE

- **WE'RE CONNECTED.** We're here for each other and our customers. We generously share our talent, time and knowledge.
- **WE'RE ALL IN.** We're one team. We've got grit, can always be counted on and love what we do.
- **WE KEEP IT REAL.** We're good humans. We embrace real and meaningful conversations. We bring our whole self to work.
- **WE'RE EVOLVING.** We're curious, we challenge the status quo to create change that adds value.

OUR STAKEHOLDERS

As a water and wastewater service provider, the essential services we provide directly and indirectly impact a wide range of external stakeholders. Equally, external activities, such as policy changes and local planning decisions, can influence our activities and the way we work. To help prioritise material topics and better address our stakeholders' needs, we engage with them through a wide range of forums.

HOW WE ENGAGED WITH OUR STAKEHOLDERS

Stakeholders	Key interest areas	How we engaged
Customers and Communities	<ul style="list-style-type: none"> • Water and sewerage prices • Public health • Customer service • Environmental impact • Billing • Financial hardship • Community relations • Corporate and charitable support • Capital works and infrastructure maintenance 	<ul style="list-style-type: none"> • Contact Centre • Printed collateral • Website • Traditional and social media • Events • Focus groups • Customer and Community Reference Group • Water 2032 and Beyond Advocacy Group
Participant Councils	<ul style="list-style-type: none"> • Strategic direction • Business performance • Economic development • Research and development • Service and infrastructure delivery • Financial performance 	<ul style="list-style-type: none"> • Proactive and reactive shareholder relations • Performance reports • Chair communication (bi monthly) • Special General Meeting (annual) • Water Netserv Plan
Department of Regional Development, Manufacturing and Water + other QLD government regulators	<ul style="list-style-type: none"> • Legislative compliance • Public health • Environmental management • Financial management • Sustainable policy and legislation • Economic development 	<ul style="list-style-type: none"> • Executive meetings • Relationship management • Advocacy groups • Steering and working committees
Seqwater	<ul style="list-style-type: none"> • Water security & water quality • Bulk water supply 	<ul style="list-style-type: none"> • Operational meetings • Regional planning
Developers	<ul style="list-style-type: none"> • Customer service • Research and development • Infrastructure delivery • Economic development • Technical standards & planning policy 	<ul style="list-style-type: none"> • Relationship management • Industry forums • Dedicated website portal
Partners	<ul style="list-style-type: none"> • Collaborative opportunities • Research and development • Sponsorship • Knowledge sharing 	<ul style="list-style-type: none"> • Forums and events • Site and facility tours • Working group membership • Workshops and meetings • Research partnerships
Suppliers and Contractors	<ul style="list-style-type: none"> • Fairness, equity and transparency in awarding work • Forward visibility of work • On-time payment of invoices • Fairness in dealing with unforeseen circumstances • Compliance with contracts • Modern slavery 	<ul style="list-style-type: none"> • Contract management meetings • Site visits and audits • Variation management • Tenders and expressions of interest

OUR BUSINESS IN NUMBERS

1.6 million
customers

\$7 billion
asset base

2.1 million
water meter readings

140,593 ML
of drinking water supplied

\$224 million
total return to Participant
Councils

136,000+
drinking water quality tests

136,540 ML
of wastewater collected,
transported, and treated

100% of Customer
Service Standards achieved

2,086
water approval applications
processed

3,595 ML
of recycled water supplied

9,750 km
of water mains

\$200,000+
invested in community
organisations, initiatives
and events

\$377.3 million
invested in infrastructure

10,076 km
of wastewater mains

28 wastewater
treatment plants

10,749 MWh
generated from waste

CHAPTER 2: PERFORMANCE AGAINST STRATEGIC DIRECTION

Our four strategic goals are vital to the ongoing success of our business. They inform the way we prioritise, plan and deliver our products and services and are the basis of our performance reporting.

STRATEGIC GOAL 1:

CONSTRUCTIVE CULTURE

We inspire, create and sustain a constructive culture to deliver high performance.

STRATEGIC GOAL 2:

FOUNDATIONAL SUCCESS

We know our business, we know our customers and we deliver value for both.

STRATEGIC GOAL 3:

ENVIRONMENTAL LEADERSHIP

We protect and enhance our environment for current and future generations through excellence in water cycle management.

STRATEGIC GOAL 4:

SOCIAL & ECONOMIC VALUE

We advance the wellbeing and prosperity of society by leveraging our unique capabilities.

Chapter 2 summarises our performance against the program of work we committed to with our Board and Participant Councils to realise our four strategic goals.

Under our strategic goals, we have set longer-term business objectives to ensure we remain on track to realise our purpose. We use strategic measures to assess our performance against these business objectives.

Chapter 2 also reports against the delivery of 12 strategic priorities (see page 14). These are the transformational pieces of work Urban Utilities is focusing on to progress the delivery of our strategic direction.

Status reporting

Throughout this chapter, our overall performance against strategic measures and strategic priorities is reported using the following indicators:

Strategic measure	Strategic project
✓ Achieved target	Planned outcomes achieved
– Slightly outside of target	Majority of planned outcomes achieved
✗ Significantly outside of target	Planned outcomes not achieved

STRATEGIC GOAL 1: CONSTRUCTIVE CULTURE

Enriching quality of life starts with employing the right people – people who are purpose-driven and care about providing the best products and services for our customers and communities. It is vital they have clarity on how their role aligns to our purpose and that they feel engaged, enabled, and rewarded. If we take care of our people, they will take care of our business.

PERFORMANCE SUMMARY

- Conducted our first business-wide Health, Safety and Wellbeing Survey.
- Introduced our first Disability Inclusion Action Plan – a significant milestone in our organisation's journey to create a barrier-free workplace for people with disability.
- Achieved 70% Employee Engagement – comparable to the Australian Norm.
- Refreshed our people recognition program to better align with our organisational values.
- Strengthened the governance around our Urban Pride program, which promotes greater acceptance and inclusion of our LGBTQIA+ community.
- Ranked in Australia's top 101 workplaces for women, as identified by Work180.
- Implemented active controls to maintain and improve our gender pay gap (+/- 5% at all levels), which is consistent with benchmarking guidance provided by the Workplace Gender Equality Agency.
- Saw an increase in High Potential Events reported, the learnings from which have helped us improve our safety controls and processes.

26%

reduction in total
recordable injuries

40%

of our leaders are female
compared to the industry norm
of 25%

76%

of our people say they would
recommend Urban Utilities as a
great place to work

87%

of our people say they feel
safe while they are at work

OUR WORKFORCE PROFILE

1,210

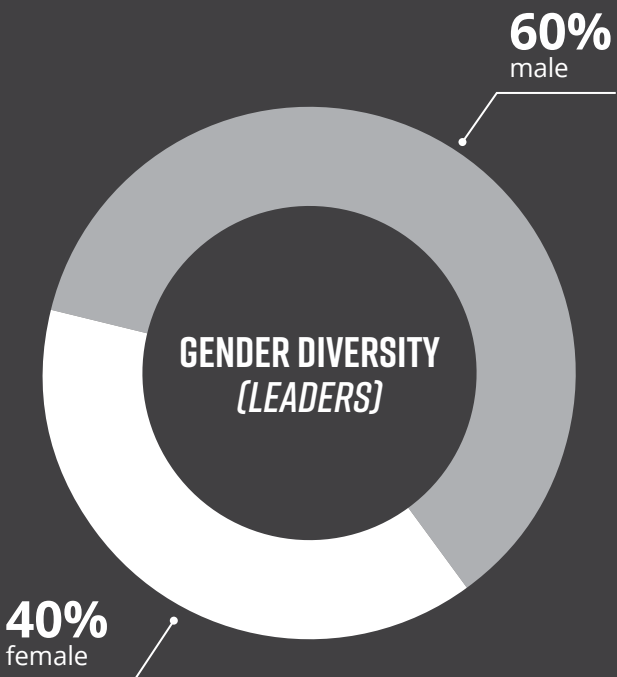
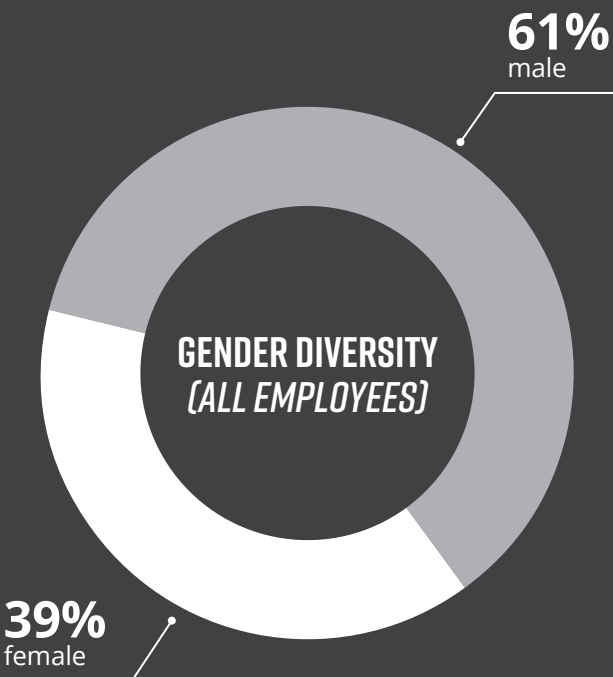
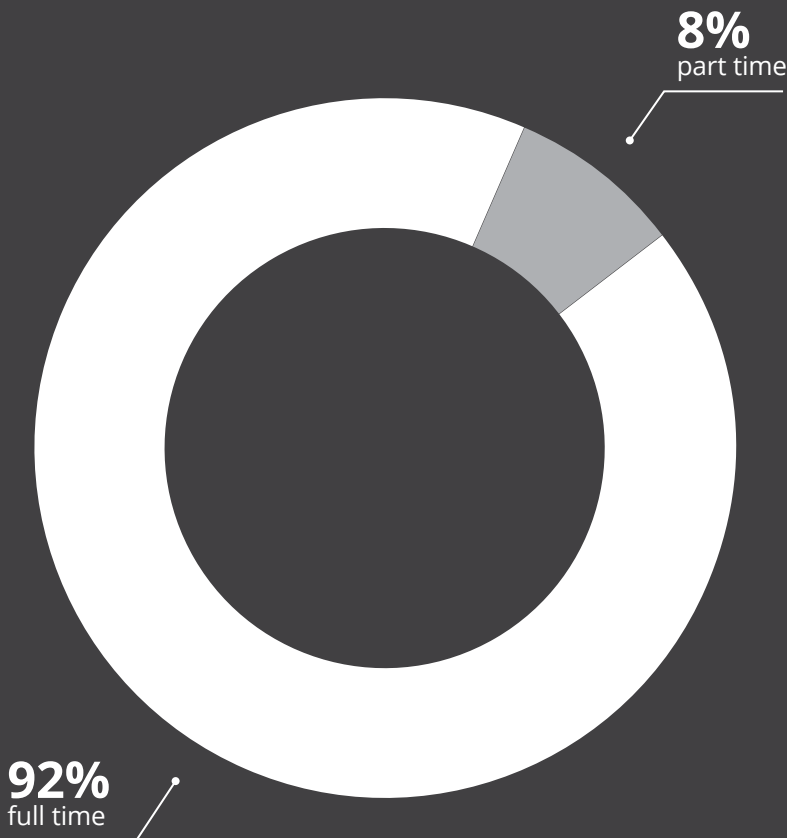
Employees

1,186

FTE

13.1%

Turnover rate



OUR WORKFORCE

OUR WORKFORCE PROFILE

In FY24, our total workforce (1,210) comprised a range of professional and trade roles in permanent full-time and permanent part-time capacities, working under enterprise or individual employee arrangements. This figure excludes agency resources who were employed on a short-term basis to meet ad-hoc business requirements.

Year-on-year, our total workforce increased by 34 team members, which can be attributed to the insourcing of previously outsourced IT initiatives.

Of our permanent team members, 92% were employed in full-time roles, with the remaining 8% employed in part-time roles.

Research continues to show that diversity is essential for any organisation to grow and prosper. In a typically male-dominated industry, Urban Utilities' female representation is markedly higher than the utility industry norm, both overall and in leadership. As cited in the Australian Government's 2023 Gender Equality Scorecard, the proportion of women in the Electricity, Gas, Water and Waste Services industry was 26%, with 25% in leadership roles. At Urban Utilities, 39% of our overall workforce is female, and 40% of our leaders are female.

Finally, our retention rate (86.9%) increased by 1.3%, while our separation rate (13.1%) decreased by the same percentage.

WORKFORCE DIVERSITY

We are working to strengthen our workforce diversity data, which is stored in our Human Resources Information System (HRIS). We will start collecting disability data in FY25.

DIVERSITY GROUPS	NUMBER (HEADCOUNT)	PERCENTAGE OF TOTAL WORKFORCE (CALCULATED ON HEADCOUNT)
Women	472	39%
Aboriginal and Torres Strait Islander Peoples	6	0.5%
People with disability	Data not currently collected in our HRIS	
Culturally and linguistically diverse – speak a language at home other than English	Data not currently collected in our HRIS	

It must be noted that the majority (87%) of our permanent and fixed term employees do not disclose whether they identify as Aboriginal or Torres Strait Islander, nor are they required to.

While we don't currently collect disability or cultural/linguistic data in our HRIS, we included these diversity questions as part of our FY24 Annual Voice of U employee engagement survey. Of our overall workforce (excluding contractors), we achieved an impressive 84% response rate (1,016 of 1,210 people).

Of those 1,016 respondents:

- 3.24% or 32 identified as having a disability
- 6.89% or 70 said they speak a language other than English at home.

INDUSTRIAL AND EMPLOYEE RELATIONS

Under the *Fair Work Act 2009 (Cth)*, we operate to three enterprise agreements:

1. Operational and Field Services Employees' Enterprise Agreement 2021 (operational 4 February 2022);
2. Administrative and Technical Employees' Enterprise Agreement 2022 (operational 21 June 2022); and
3. SAS Laboratory Employees' Enterprise Agreement 2023 (operational 30 August 2023).

Negotiations for the subsequent SAS Laboratory Employees' Enterprise Agreement are underway.

CODE OF CONDUCT (PUBLIC SECTOR ETHICS ACT 1994)

All Urban Utilities team members are expected to display the highest ethical standards and conduct themselves in a way that is reflective of our organisational values, policies, and legal obligations.

Prepared in accordance with the *Public Sector Ethics Act 1994*, our *Code of Conduct* sets the minimum standard of behaviour expected in the workplace. It makes it clear that all team members are responsible and accountable for their own conduct and that they are expected to contribute to a constructive, productive and safe workplace.

Our *Code of Conduct* was last revised in 2020, with an update expected in FY25.

OFFICIAL MISCONDUCT

Matters that raise a suspicion of corrupt conduct are referred to the Crime and Corruption Commission. Where necessary, investigations are undertaken, with outcomes reviewed and monitored.

PROMOTING A WORK-LIFE BALANCE

We recognise the importance of work-life balance and offer access to various paid and unpaid leave arrangements, over and above the National Employment Standards, including an additional five days of personal/carer's leave each year and study leave. We also offer flexible work patterns and hours of work. This dynamic approach is enabled by smart technology, which allows our people to stay productive and connected, regardless of their location.

We also offer two unique paid leave days, Connection Day and CARE Day, which provide greater flexibility around how our people can access their leave. A Connection Day is for our people to connect with their friends, family, or community, while a CARE Day is intended for proactive self-care or to provide care for others not covered by Carer's Leave. Examples of self-care include prioritising mental health and having preventative health check-ups, while caring for others includes looking after a grandchild or volunteering within the community.

In addition, we offer generous parental leave provisions to support either parent, regardless of gender or birthing parent, provided they are the primary care giver. These include paid parental leave for 18 weeks, up to 52 weeks of paid superannuation during both paid and unpaid parental leave, and eligibility to take parental leave after six months of employment.

WORKFORCE PLANNING AND ATTRACTION

The success of Urban Utilities is built on the commitment, skills and mindsets of our people. Therefore, it is critical that we attract, develop and retain the right people, to help move us closer to realising our purpose.

To help us better understand our future workforce requirements and to nurture and develop our existing workforce, we have:

- A well-established Diversity, Equity, Inclusion and Belonging Program.
- A successful Pathways and Graduate Program, which includes the provision of Water Industry Worker Cert III Traineeships.
- A dedicated Talent Acquisition Team and Learning and Capability Team.

Specifically in FY24, we:

- Designed and delivered an enterprise Talent Management Framework that identifies tools and frameworks at each stage of the employee lifecycle.
- Developed a new Behavioural Capability Framework to set the standards of behaviour for all levels of the business.
- Designed and delivered a refreshed performance framework, Enabling U, with new tools and resources for leaders to enable performance and development conversations within their teams.
- Engaged with our people to develop our first Disability and Inclusion Action Plan.
- Refreshed our people recognition program, Recognising U, to reflect our CARE values, and incorporate more specific award categories, including leadership.
- Were identified as one of WORK180's Top 101 Australian workplaces for women in 2024, demonstrating our commitment to improving our workplace practices to attract and retain more women.

HEALTH AND SAFETY COMMITTEES

Our Health, Safety and Wellbeing structure is specifically designed to support consultation and communication on relevant issues across our organisation.

The committee structure has two distinct layers:

- **Executive Health, Safety and Wellbeing**

Group: This group provides strategic direction and oversight to the application and performance of Urban Utilities' health, safety and wellbeing policies, practices, and management, which commit to protecting the health, safety and wellbeing of our people, contractors, customers and communities.

- **Line Committees:** These committees bring together Health and Safety Representatives (HSRs), team members and leaders to discuss health and safety issues, and are responsible for implementing best practice safety solutions for their workgroups. The line committees include:

- Service Delivery Workplace Health and Safety (WHS) Committee
- Environmental and Industrial WHS Committee
- Corporate Services WHS Committee
- Petroleum and Gas Advisory Group
- Electrical Safety Advisory Group
- One Team Safety Forum

In FY24, we had 36 trained HSRs.

PERFORMANCE AGAINST BUSINESS OBJECTIVES

BUSINESS OBJECTIVE I: Embrace our leadership philosophy and create a work environment that delivers high performance	
PERFORMANCE COMMENTARY	HOW WE MEASURED OUR SUCCESS
<ul style="list-style-type: none">Transitioned to a new method of regularly measuring our employee experience (EX). The Qualtrics 'EX25' model is a holistic framework that captures critical aspects of the EX through an assessment of five EX performance measures (Engagement, Experience vs Expectation, Intent to stay, Inclusion, and Wellbeing) and related drivers. In the absence of a baseline, our FY24 employee engagement target was based on the Australian Norm of 72%.Initiated a business-wide Health, Safety and Wellbeing (HSW) Improvement Program designed to uplift our HSW Management System. This year, we had a particular focus on preventing events related to Process Safety, Critical Risks, and Control of Work whilst maturing our safety culture.Conducted our first dedicated HSW survey to help us better understand how our people experience safety, wellbeing, inclusion and burnout at Urban Utilities. Survey results were communicated business wide, with action plans being developed to address opportunity areas and incorporated into the uplift of our HSW Management System.Hosted a Leaders Forum for 210 people leaders, which focused on HSW leadership, psychological safety and psychosocial risks. Participants were given simple tools to implement to realise immediate improvements.Established an approach for critical risk identification and management for our field services crews, which will be rolled out business wide in FY25. A key aspect of this approach is in-field verification which, since its launch in March, has resulted in 5,669 critical control observations recorded via e-form.Improved our rehabilitation and return to work (RTW) process, and incorporated a specific focus on psychosocial hazard management to enable sustainable and supported RTW.Completed a comprehensive occupational hygiene qualitative assessment, which will inform quantitative assessment requirements in FY25 and will drive a risk-based medical program.Following identification of our most physically demanding roles, we completed a task analysis to quantify the forces and weights required by workers to perform each task. This will enable targeted injury reduction programs, with a focus on redesigning work to reduce musculo-skeletal hazards.	<div><div>Target: 72% Employee engagement</div><div>Result: 70%</div><div>While our result was 2% below our overall target, we were pleased to achieve a score comparable to the Australian Norm. Moving forward, this result will provide us with a firm baseline upon which to measure and track our performance. The survey results highlighted the EX performance measures against which we are performing comparatively well (Engagement, Intent to Stay, Wellbeing, Safety, Burnout), as well as those that require attention (Inclusion, Experience vs Expectation).</div></div> <div><div>Total Recordable Injury Frequency Rate</div><div>Target: 9.2* (30% reduction on FY23)</div><div>Result: 9.38 (26% reduction)</div><div>Our ultimate safety goal is for every one of our people to leave work each day unharmed. While there is still much progress to make, we were pleased to achieve a 26% reduction in recordable injuries, which means fewer people were hurt in FY24 than in previous years.</div><div>*The original target of 9 was readjusted in September 2023 to account for an additional injury in FY23 that was reclassified as recordable.</div></div>

BUSINESS OBJECTIVE 2:**Enhance the efficient delivery of work through improved employee experience****PERFORMANCE COMMENTARY**

- Continued our work on the Wages Remediation Review to identify and remediate historical payment errors to current and former employees. Throughout the Review, we've remained committed to providing our people with regular and transparent updates.
- Launched our refreshed annual performance framework, Enabling U, which is focused on empowering our people's career growth, development and performance. It also provides our leaders with the tools they need to have valuable 'check-in' conversations throughout the year.
- Onboarded six new graduates of varied disciplines as part of our thriving UrbanGrad program. Over two years, the graduates will rotate through different parts of Urban Utilities, exposing them to all facets of our operations, during which time they'll be encouraged to bring fresh perspectives and new ideas into our business.
- Established a framework to support the delivery of our Urban Pride Program. Launched in 2023, Urban Pride aims to foster a safe and inclusive workforce to ensure our LGBTQIA+ workmates feel encouraged and empowered to bring their authentic selves to work. This year, we hosted various educational events to support all aspects of LGBTQIA+ workplace inclusion.
- Introduced our first Disability and Inclusion Action Plan, which will guide us to become a barrier-free organisation that enables and empowers people with disability. To support us in this commitment, we are establishing a Disability Employee Advisory Group, which will help us to tap into the lived experience of our people who have or care for a person with a disability.
- Implemented controls as part of our strategy to maintain and improve our current performance in relation to gender pay gap. These controls include internal equity and gender equity assessments upon appointment to ensure we are considering equal pay for equal jobs at the appointment phase, avoiding the creation of a gender pay gap. Urban Utilities' gender pay gap performance at all levels is +/- 5%, which is consistent with benchmarking guidance provided by the Workplace Gender Equality Agency.
- Updated and implemented our Respecting U Policy (previously the Anti-Discrimination, Harassment and Bullying Policy) in accordance with recent legislative changes.
- Was identified as one of WORK180's Top 101 Australian workplaces for women in 2024, demonstrating our commitment to improving our workplace practices to attract and retain more women in a typically male-dominated industry.
- Refreshed our people recognition program based on feedback from stakeholders across the business. The improved program, called Recognising U, is now connected to our CARE values (see page 11), incorporates more specific award categories, including leadership, and increases the frequency of recognition.

HOW WE MEASURED OUR SUCCESS**Target:** 72% Employee engagement**Result:** 70%

While our result was 2% below our overall target, we were pleased to achieve a score comparable to the Australian Norm. Moving forward, this result will provide us with a firm baseline upon which to measure and track our performance.



STRATEGIC GOAL 2: FOUNDATIONAL SUCCESS

We want to build long-term, meaningful customer relationships that are based on trust, value, and respect. Our customers have told us that to build trust, we must continue to enhance the delivery and cost effectiveness of our water and wastewater services. To us, Foundational Success means adopting new technologies and smarter ways of working so we can continue to provide sustainable products and services for current and future generations. With this strong foundation in place, we can continue to explore opportunities where we can provide and support increased social, economic, and environmental value for our customers and communities.

PERFORMANCE SUMMARY

- Made initial progress on the high-risk Bulimba-Hamilton Siphon Renewal Program, which involves replacing two 70-year-old wastewater pipes located 60m below the Brisbane River. Following a break in one of the pipes, the project was paused while responsive options were thoroughly assessed.
- Completed works on a \$9.4 million water pump station in Ipswich, which will help cater for future growth in the area.
- Continued work on the \$45 million Breakfast Creek Trunk Sewer Main Upgrade, which involves building a new pipe that will be one of the biggest in our network.
- Delivered a number of innovative initiatives to enhance our proactive network management.
- Continued planning for the infrastructure requirements of the 2032 Olympic and Paralympic Games.
- Continued to evolve our digital channels to improve the customer experience.
- Maintained our focus on building trust with our customers and communities through meaningful, timely and transparent engagement.

\$377.3m

invested in new and existing infrastructure

100%

of Customer Service Standards achieved for the fifth consecutive year

100%

compliance with Australian Drinking Water Guidelines

PERFORMANCE AGAINST CUSTOMER SERVICE STANDARDS

Specific to the Foundational Success strategic goal are our Customer Service Standards, which inform our customers of the level of service they can expect to receive from us.

The following table shows how we have performed against these standards over the past five years.

INDICATOR	SERVICE STANDARD	2019/20 RESULT	2020/21 RESULT	2021/22 RESULT	2022/23 RESULT	2023/24 RESULT	ACHIEVED?
WATER QUALITY							
Annual chemical compliance with <i>Australian Drinking Water Guidelines</i> health limits	All relevant schemes compliant	12/12 schemes compliant	12/12 schemes compliant	12/12 schemes compliant	12/12 schemes compliant	12/12 schemes compliant	Yes
Bacteriological compliance with the <i>Public Health Act 2005</i>	All relevant schemes compliant	12/12 schemes compliant	12/12 schemes compliant	12/12 schemes compliant	12/12 schemes compliant	12/12 schemes compliant	Yes
Chemical compliance with the <i>Public Health Act 2005</i>	All relevant schemes compliant	8/8 schemes compliant	8/8 schemes compliant	8/8 schemes compliant	8/8 schemes compliant	8/8 schemes compliant	Yes
Water quality complaints	≤6 Per 1,000 properties	0.46	0.33	0.52	0.58	0.49	Yes
WATER SERVICE RELIABILITY							
Number of unplanned water supply interruptions	≤100 per 1000 properties per annum	89	55	43	46	70	Yes
Water main breaks	39 breaks per 100 km of water main per year	31.1	25.35	17.9	18.05	18.17	Yes
RESPONDING TO UNPLANNED WATER AND WASTEWATER INTERRUPTIONS							
Urgent incidents	80% within 1 hour	88%	81%	92%	100%	100%	Yes
Non-urgent incidents	80% within 24 hours	92%	91%	91%	97%	95%	Yes
RESTORATION OF SUPPLY AFTER UNPLANNED WATER AND WASTEWATER INTERRUPTIONS							
Restoration of supply	≥90% unplanned interruptions restored within 5 hours	96%	97%	97%	96%	95%	Yes
RESPONDING TO UNPLANNED WATER AND WASTEWATER INTERRUPTIONS							

INDICATOR	SERVICE STANDARD	2019/20 RESULT	2020/21 RESULT	2021/22 RESULT	2022/23 RESULT	2023/24 RESULT	ACHIEVED?
Urgent incidents	80% within 1 hour	88%	81%	92%	100%	100%	Yes
Non-urgent incidents	80% within 24 hours	92%	91%	91%	97%	95%	Yes
RESTORATION OF SUPPLY AFTER UNPLANNED WATER AND WASTEWATER INTERRUPTIONS							
Restoration of supply	≥90% unplanned interruptions restored within 5 hours	96%	97%	97%	96%	95%	Yes
SEWERAGE SERVICE RELIABILITY							
Sewerage main breaks and chokes	30 breaks per 100 km of sewerage main per year	21.1	23.9	17.56	14.6	19.4	Yes
WATER PRESSURE AND FLOW							
Water pressure	Urban area ≥21 metres head of water	Urban Utilities undertakes ongoing electronic and manual monitoring of the water network to ensure water supply pressure and volume standards are met. Where an issue is detected or a complaint received, it is investigated and corrective action is undertaken.					
	Trickle feed areas (and private booster) ≥10 metres head of water						
Water flow	Urban areas ≥25 L/min						
	Trickle feed areas ≥3.2 L/min						

MAJOR INFRASTRUCTURE PROJECTS COMPLETED OR PROGRESSED

In FY24, we invested \$377.3 million in new and upgraded infrastructure to improve the reliability and sustainability of our water and wastewater networks. The table below shows the key infrastructure works that were commenced, progressed, or completed during the year.

The balance of the funds was invested in ongoing programs for the renewal, enhancement, and replacement of existing infrastructure across our service territory.

	PROJECT TITLE	TOTAL PROJECT INVESTMENT (\$'M)	FY24 INVESTMENT (\$'M)	COMMENCED	COMPLETED/ ESTIMATED COMPLETION
Brisbane	Bulimba-Hamilton Siphon Renewal Program - Stage 2	94.4	23.9	FY23	FY25
	Virginia Branch Sewer Section 1 Augmentation (Cannery Creek)	65.5	14.5	FY22	FY26
	Breakfast Creek Trunk Sewer Augmentation - Stage 1	46.0	13.0	FY22	FY25
	Grey Street Sewer Infrastructure Upgrade Phase 3	28.9	7.1	FY22	FY24
	Gibson Island STP (ST032) Main (HV) Switchboard and Cable Replacement	12.3	2.0	FY21	FY24
	Luggage Point STP (ST018) Blowers 2 & 3 Replacement Installation	8.7	3.7	FY22	FY25
	Luggage Pt STP (ST018) FST Flowmeter Renewals	7.2	3.4	FY22	FY24
	Luggage Point (ST018) STP Outfall Channels Rehabilitation	4.4	3.6	FY23	FY25
	Luggage Point STP Permanent Ferrous Chloride Storage Facility for Digester Dosing	3.6	2.3	FY23	FY25
	Outlook Reservoir (R023), Mt Gravatt Chloramination Facility	3.4	3.4	FY23	FY24
Ipswich	Tantivy St, Tivoli (SP351) Pump Station Upgrade Stage 1	24.5	12.2	FY23	FY25
	Ipswich RTU Telemetry Network Upgrade	15.0	4.5	FY22	FY25
	Redbank Plains High Level Zone Water Pump Station and Trunk Main - Stage 2	8.3	6.0	FY24	FY24
	Rosewood STP (ST042) Recycled Water Strategy	7.9	2.6	FY24	FY25
	Haig St, Ipswich Rising Main (RM355) Renewal	8.2	4.3	FY23	FY24
	Hanlon Street Sewage Pump Station (SP322) Upgrade - Stage 1	7.3	4.7	FY24	FY24

PROJECT TITLE		TOTAL PROJECT INVESTMENT (\$'M)	FY24 INVESTMENT (\$'M)	COMMENCED	COMPLETED/ ESTIMATED COMPLETION
Lockyer Valley	Plainland Diversion to Laidley STP	22.8	2.8	FY22	FY24
	Laidley STP Effluent Reuse	10.1	2.1	FY22	FY24
	Small Site Free Chlorination Unit Upgrade and Standardisation - Phase 1	3.7	2.7	FY24	FY25
Scenic Rim	Appel St, Canungra Reservoir 2 (R133) Rehabilitation	2.6	1.3	FY23	FY24
	Elliot Rd, Boonah Pump Station (SP435) Rehabilitation and Upgrade	1.4	1.4	FY23	FY24
	Christie St, Canungra SPS SP449 Access Driveway	0.9	0.5	FY23	FY25
Somerset	Esk Reservoir Implementation	17.3	2.5	FY24	FY26
	Kilcoy (FP-SOM-KIL-CAN) Pipeline Augmentation	2.2	0.9	FY23	FY26
	Lowood Recycled Water Scheme	1.1	1.1	FY23	FY24

N.B. In some instances, the estimated completion dates vary between this report and our last year's Annual Report. Project extensions can be attributed to longer field trials, scope additions and disputes.

PERFORMANCE AGAINST BUSINESS OBJECTIVES

BUSINESS OBJECTIVE 3:

Shape the way future services are provided to ensure we meet community requirements at the lowest sustainable cost

PERFORMANCE COMMENTARY

- Held sessions with the Department of Environment, Science and Innovation's (DESI) policy, science and compliance teams to commence the development of an enabling regulatory environment to underpin the delivery of the S1 Integrated Catchment Plan (ICP).
- Continued to engage with DESI, as well as Queensland Health, to develop a shared understanding of urban and regional water cycle challenges. This will enable a systems-based approach to protecting and enhancing the environment.
- Conducted regular meetings with both regulator departments regarding the Bulimba-Hamilton Siphon challenge (see Foreword on page 4). At these meetings, we provided operational-level information to demonstrate our General Environmental Duty whilst devising an appropriate solution to the issue and formulating key messages for media and stakeholder engagement purposes.
- Progressed work to examine options for critical infrastructure, commencing with the mapping of outcomes and benefits for potential options, as well as engagement with stakeholders.

HOW WE MEASURED OUR SUCCESS

Target: Create an enabling arrangement with the environmental regulator Department of Environment, Science and Innovation (DESI) for our S1 (sewerage) Integrated Catchment Plans (ICPs) and Regional One Water Plans.



Result: Engagement with DESI underway and on-track.

Target: Secure a footprint at Breakfast Creek



Result: Solutions have been further developed for a range of locations. We are currently refining options to prepare for investment decision making.

BUSINESS OBJECTIVE 4:**Deliver products and services that our customers prefer****PERFORMANCE COMMENTARY**

- Drinking water quality 100% compliant with requirements in the *Public Health Regulation 2018*.
 - Delivered a number of initiatives in line with our Pathway to Zero Water Quality Incident Roadmap, as outlined in our Drinking Water Quality Management Plan. These initiatives were in relation to reservoir integrity, disinfection residual, operational monitoring and predictive modelling.
 - Implemented operational improvements to our recycled water infrastructure. The controls we have in place effectively protect public health.
 - Refurbished infrastructure at one of our regional Resource Recovery Centres (RRC) to address a non-compliance issue. We are exploring an upgrade and/or licence amendment for a different regional RRC.
 - Experienced minor biosolids non-compliance at a Resource Recovery Centre in July 2023, with remedial action taken.
 - For the majority of the year, the Strategic Engagement Framework (SEF) was in place for the Regional Secondary Disinfection Optimisation Program (RSDOP), with the development of an Internal Communication and Engagement Plan completed. Likewise, the SEF was in place for the S1 Program, with engagement occurring in Q2 around the Breakfast Creek priority site. The SEF has continued to evolve to meet business needs.
- The SEF is designed to support our goal to reshape the water cycle by uplifting engagement across relevant Participant Council, stakeholder and community groups.
- Developed the first version of our Service Value Framework following extensive consultation with internal key stakeholders. Further engagement is underway to develop supporting service outcomes, values and measures.
 - Developed Service Value Framework training material to support organisational understanding and adoption. Training commenced in Q3.

HOW WE MEASURED OUR SUCCESS

Target: 100% of drinking water supplied to customers meets standard



Result: 100%

Target: 100% of recycled water supplied to customers meets standard



Result: 99.99%

Target: 100% of effluent product meets compliance testing requirements



Result: 99.98%

Target: Deliver the Strategic Engagement Framework (SEF) across the Regional Secondary Disinfection Optimisation Program (RSDOP) and S1 (sewerage) Program of Work



Result: Achieved engagement outcomes for RSDOP and the S1.

Target: Embed the Service Value Framework that will inform optimised planning outcomes to achieve lowest cost of asset ownership



Result: Training is underway to support organisational understanding and adoption of the Service Value Framework.

Target: 69% Residential Customer Satisfaction



Result: 67%

Year on year, our Residential Customer Satisfaction score declined to 67%, 2% below our FY24 target and slightly below our FY23 result (68%). Overall customer satisfaction has remained stable since 2020. Key opportunities remain in providing timely and proactive information and enhancing perception of fair charges and value for money.

BUSINESS OBJECTIVE 5:**Become a truly customer-centric business that delivers an effortless CX****PERFORMANCE COMMENTARY**

- Continued to deliver key programs of work to improve customer satisfaction. For example, we:
 - Launched our new customer service standards program, Service Moment Ready, to enable and empower our customer-facing team members to deliver exceptional customer experiences that leave a positive, lasting memory with our customers.
 - Conducted a Let's Talk Water (customer engagement) online forum to enhance our understanding of what matters most to our customers with respect to our services.
 - Developed a customer experience blueprint on how we can build a shared sense of responsibility in our community to fix non-compliant connections to our wastewater network.
 - Furthered our program of work to build perception of value for money with our customers, which included launching a new 'Bill Explainer' video to help residential customers understand the breakdown of charges on their bill. This is the first in a series of explainer videos that will cover frequently asked questions, with the aim of increasing bill literacy and value perception, as well as reducing calls to the contact centre.
- Continued to build trust with our customers and communities through various actions and initiatives. For example, we:
 - Engaged with local communities regarding existing and potential impacts relating to odour management, as well as various infrastructure projects, including the Bulimba-Hamilton Siphon.
 - Furthered our program of work to drive water literacy in the community through various community events, our Education Program, and our social media channels.
 - Continued to strengthen our online presence through the creation of engaging, entertaining and educational content for our social media channels. In FY24, we created 721 content pieces (70% increase on FY23) and saw impressive engagement rates when compared to industry averages. For example, we achieved 15% engagement on LinkedIn (7x industry average), 5% engagement on Facebook (3x industry average) and 8% engagement on Instagram (4x industry average).

HOW WE MEASURED OUR SUCCESS

Target: 69% Residential Customer Satisfaction



Result: 67%

Year on year, our Residential Customer Satisfaction score declined to 67%, 2% below our FY24 target and slightly below our FY23 result (68%). Overall customer satisfaction has remained stable since 2020. Key opportunities remain in providing timely and proactive information and enhancing perception of fair charges and value for money.

Target: 61% Community Trust



Result: 61%

Trust in Urban Utilities increased slightly in FY24, up from 60% in FY23. Focus areas to build trust include influencing perceptions of value for money, providing open, transparent and timely communications, increasing our community engagement and brand presence, and delivering valued experiences when customers need us most.

Target: All senior leaders have at least one customer-related KPI



Result: All Executive Leaders have 'Trust' as a customer-related KPI in their scorecards. We are currently developing our new 10-year Customer Strategy, the process of which involves exploring options to integrate customer measures into future performance scorecards.

BUSINESS OBJECTIVE 6:

Harness technologies to improve the customer and employee experience and the use of digital systems that provide proactive and real-time monitoring of performance

PERFORMANCE COMMENTARY

- Launched phase one of our website upgrade, the purpose of which is to enhance our customers' digital experience. Phase one included a backend technical platform upgrade, as well as a refreshed look and feel to align with our new branding.
- Launched our Customer Journey Dashboard, which gives our employees access to in-depth customer insights based on customers' interactions with us, from queries about bills and payments, to network disruptions. Placing insights at our employees' fingertips enables them to identify customer pain points and prioritise improvement initiatives.
- Addressed pain points for developer customers by improving technical solutions, reducing assessment times, delivering process and service improvements and enhancing approval transparency. Specifically, we continued to deliver updates to our Developer Services Portal, which offers improved online functionality and guidance for our developer customers.
- Throughout FY24, we progressed the delivery of four key projects to digitally uplift our workforce. These included:
 - 1. Developer Services workflow system** – This system supports statutory obligations, increases developer customer satisfaction and improves Developer Services processes. Throughout FY24, we developed and implemented the majority of the workflows for this system and will implement remaining workflows by August 2024.
 - 2. UrbanFlow** – This new system will support improved trade waste management. While system development is progressing, it will take longer than planned due to unforeseen complexities. The project plan has been revised, with an expected delivery date in March 2025.
 - 3. Roster, Time & Attendance** – This contemporary roster, time and attendance solution will support the wage remediation that was undertaken in FY24 and will provide Urban Utilities with a system that supports fulfilment of regulatory obligations. In FY24, we selected a vendor, and completed discovery and detailed planning work. The project is planned for implementation in the second half of FY25.
 - 4. IT service management** – This solution provides real-time alerts when services are impacted, enabling rapid response and restoration. This project was completed on time at the end of June 2024.

HOW WE MEASURED OUR SUCCESS

Target: 69% Residential Customer Satisfaction



Result: 67%

Year on year, our Residential Customer Satisfaction score declined to 67%, 2% below our FY24 target and slightly below our FY23 result (68%). Overall customer satisfaction has remained stable since 2020. Key opportunities remain in providing timely and proactive information and enhancing perception of fair charges and value for money.

Target: 70% Developer Customer Satisfaction



Result: 64%

In FY24, we were 6% below target and saw a 5% decline on our FY23 result. This can be attributed to reduced satisfaction amongst Medium Touch and Full Spectrum segments, which includes minor works customers and standard and non-standard connection customers. It is important to note that Developer Customers are currently facing a host of challenges to develop in Queensland. Key opportunities to increase customer satisfaction scores include improved process efficiency, faster response times and better access to information. All new initiatives from the Developer team, including improvements to the customer portal, have had a net positive effect.

Target: Deliver four projects that digitally uplift the workforce



Result: Whilst the four digital projects were unable to be finalised in FY24, the progress made against each project to date has delivered significant value to the business.

Each project is governed by a project board, whose decision to extend timeframes is carefully considered in relation to managing project scope, cost, quality and risk.

PERFORMANCE COMMENTARY

- Delivered multiple initiatives relating to the proactive management of our water and wastewater networks to reduce network risk and avoid service failures. In FY24, our focus was on:
 - Water quality – disinfection and disinfection by-product management.
 - Wastewater overflows – identifying partial blockages and other hidden issues in the network.
 - Leaks - early identification of leaks before being visible to customers.
- Made significant progress on our in-house IoT (Internet of Things) platform. Through a cost-effective system of sensors (such as level, flow, and thermal) and other devices, like rain gauges, we can proactively monitor our networks and identify issues and inefficiencies before they impact our customers. In the wastewater network, this enhanced monitoring will help us reduce inflow and infiltration, and predict and prevent overflows, thereby improving environmental compliance, public health, and customer satisfaction. Following a successful trial of the IoT platform, we are now in the process of up-scaling the platform for initial roll-out of wastewater network monitoring in three priority catchments in the Brisbane region: Kedron Brook, Breakfast Creek, and Norman Creek and Perrin Creek.

HOW WE MEASURED OUR SUCCESS

Target: >25 operations and maintenance events predicted and avoided per month



Result: Predicted and avoided 406 operations and maintenance events for FY24.

BUSINESS OBJECTIVE 7:

Maintain affordable and transparent pricing for our customers

PERFORMANCE COMMENTARY

- Cognisant of the ongoing cost-of-living pressures impacting many in our community, we continue to work hard to keep our customer bills as low as possible whilst allowing for continued investment in new and existing infrastructure to support our growing communities.
- In FY25 (from 1 July 2024), the typical household water and wastewater bill in Urban Utilities' service region will increase by 3.6 per cent. Urban Utilities' component of the typical household bill will increase by 4.4%, while the bulk water component will increase by 2.17%, according to the Seqwater published price path for FY25.
- Since 2020, we've kept our component of annual bill changes below CPI, on average. This means typical residential customer bills have reduced in real terms over this period.

HOW WE MEASURED OUR SUCCESS

Target: Average annual utility price increase not exceeding CPI in medium term (FY20-26)



Result: Urban Utilities' typical residential customer bill increase of 4.4%, and overall increase of 3.6%, is roughly in line with Brisbane March-to-March 12-month rolling inflation of 3.4% and national inflation of 3.6%.

Since FY20, Urban Utilities' typical residential bills have increased on average by 3.1% compared with average inflation of 4.1% over the same period (based on compound annual growth rate values from FY20 to FY25 inclusive).

STRATEGIC GOAL 3: ENVIRONMENTAL LEADERSHIP

While we successfully deliver our water and wastewater services against a strict compliance framework, we are committed to further reducing our impact on waterways and the broader landscape by working in harmony with environmental processes. Bolstered by our vast experience and innovative culture, we are exploring alternative servicing solutions that will help us improve the health of our waterways and bays, deliver a more secure long-term water supply and build liveable communities that are resilient to the effects of our changing climate.

PERFORMANCE SUMMARY

- Saw a 235% year-on-year increase in our solar performance following remediation works.
- Our Scientific Analytical Services Laboratory became fully certified against the International Standard for Environmental Management ISO 14001.
- Launched the Water 2032 and Beyond Advocacy Group, which brings together influential leaders to support and advocate for our plans to provide our region with sustainable water now and in the future.
- Irrigated seven hectares of native forest in the Lockyer Valley with 33,300 kilolitres of recycled water from our Helidon Resource Recovery Centre. The habitat is flourishing and has welcomed two koalas in the past year.
- Maintained our focus on driving water literacy in our communities by delivering engaging and educational experiences, and having face-to-face conversations about water security and the water cycle.

526.9

MWh generated from solar arrays across 13 sites

10,749

MWh generated from waste through cogeneration

13

event activations focused on driving water literacy in the community

PERFORMANCE AGAINST BUSINESS OBJECTIVES

BUSINESS OBJECTIVE 8:

Reduce our environmental footprint

PERFORMANCE COMMENTARY

- Engaged climate and energy transition experts, Energetics, to undertake a full review of our National Greenhouse and Energy Reporting, improving our data collation and governance in the process.
- Remediated our solar assets across 13 sites, totalling an installed capacity of 412kW. As a result of these works, our solar assets generated a total of 526.9 MWh in FY24, which is an 235% increase on FY23.
- Undertook a market activity for passenger and light commercial vehicles, resulting in the addition of two fully electric vehicles and two plug-in hybrid electric vehicles to our fleet. In FY25, we expect to add an additional 24 hybrids vehicles to our fleet.
- Developed approaches to reduce embedded carbon across our network delivery frameworks, primarily through refinement of our construction methodologies and materials. Our engineering and delivery teams continue to explore additional approaches.
- Developed an Environmental Management System based on the International Standard for Environmental Management ISO 14001. Known as UrbanEnvironment, the system is a vital part of ensuring Urban Utilities demonstrates and maintains our commitment to protecting public health and delivering on environmental values. In November 2023, our SAS Laboratory became fully certified.
- Furthered our ongoing research program into ecosystem health, which revealed the key drivers of degradation in the Brisbane River and Moreton Bay. This science is being integrated into a planned strategic business case to underpin the validity and financial prudence of setting corporate nutrient emissions targets. These would include mechanisms such as riparian rehabilitation that help reduce the sediment loads that are of greatest impact to Moreton Bay.
- Over 12 months, we monitored the real-world performance of an algae-based technology that we co-developed which supercharges algae's ability to naturally treat wastewater. Results from the demonstration plant in Helidon validated the efficacy of the technology, with benefits including significantly faster wastewater treatment times (7.5x faster than the traditional process), fewer greenhouse gas emissions produced during treatment, and a higher quality of recycled water.

HOW WE MEASURED OUR SUCCESS

Target: No increase in year-on-year greenhouse gas emissions (GHG) ✓

Result: Saw a 4% reduction in total carbon emissions reported to the Clean Energy Regulator between FY22 and FY23. FY24 data will be available in October 2024.

Target: Continue to progress capital interventions to reduce Scope 1 fugitive emissions, including flare programs at Luggage Point and Oxley Creek Resource Recovery Centres (RRC) ✓

Result: Progressed work on the Luggage Point and Oxley Creek RRC flares, in line with the agreed schedule. Increasing flare capacity will allow us to capture and burn excess methane generated by the plant's digesters and will support the reduction of our operational emissions.

Target: Transition Scope 2 emissions (energy) to renewable energy in line with our Net Zero Roadmap ✓

Result: With our existing electricity contracts set to expire in December 2024, we developed a procurement strategy for electricity sourcing, which was approved by the Board in June 2024. While the proposed strategy will test renewable pathways, the preferred option has been formulated to support the delivery of our FY29 emissions reduction target (35% reduction in GHG emissions on FY23 baseline).

Target: Include embedded carbon in investment decision making to reduce Scope 3 emissions, where possible ✓

Result: Adopted new approaches to successfully reduce embedded carbon across our network delivery frameworks, with further opportunities being explored.

BUSINESS OBJECTIVE 9:**Reshape the water cycle by reusing and recycling to maximise the value of water****PERFORMANCE COMMENTARY**

- All strategic business cases approved or in development adopt the Urban Utilities wet weather flow management framework. The objective of the framework is to ensure that planned investment delivers value for money by highlighting areas of the network where the greatest benefits could be achieved through the development of detailed localised targets based on actual impacts.
- Maintained our focus on driving water literacy in our communities by delivering engaging and educational experiences, and having face-to-face conversations about water security and the water cycle. For example, we:
 - Shared our water security messaging at 13 events across our service territory, including the Ekka, Ipswich Show, Esk Show, Gatton Show, Kalbar Sunflower Festival, and Brisbane's Green Heart Fair. One of our most popular activations was Top Drop – a custom-designed mini golf course, with each of the four holes representing a different stage of the water cycle.
 - Continued to engage with customers and share water security information via WaterTalk, our online community hub. In FY24, the 'Water Security in SEQ' page attracted over 6,000 views.
 - Shared a number of educational and thought-leadership posts via our social media channels, covering topics such as the impacts of climate change on the water industry, tips to save water in the garden, and 'sustainable swaps' to reduce water use.
 - Entertained and educated kindy and school children with age-appropriate, curriculum-aligned performances and workshops about the urban water cycle and the value of water.

HOW WE MEASURED OUR SUCCESS

Target: 100% of strategic business cases adopt the standard for wet weather management



Result: Achieved

Target: Maintain and grow >60% community acceptance of indirect potable reuse accepted by the community



Result: 65%

Community acceptance of Purified Recycled Water (PRW) was historically tracked by Seqwater; however, this year, we collected this information as part of our Customer Relationship Study. The favourable result is reflective of our ongoing efforts to drive water literacy in our communities through both face-to-face engagement and online communications.

BUSINESS OBJECTIVE 10:**Partner locally to improve environmental liveability, sustainability and resilience in our communities****PERFORMANCE COMMENTARY**

- Throughout the year, we continued to apply the Strategic Engagement Framework (SEF) to the S1 Sewer Program, with engagement activity undertaken in Q2 regarding the priority site at Breakfast Creek.
- Launched our Water 2032 and Beyond Advocacy Group, which is comprised of five influential leaders from across our region. The purpose of the group is to build and leverage partnerships and relationships that support our strategic plans to reshape the water cycle and improve water security for our region. In FY24, the group met twice.
- Upheld our commitment to engage with and keep the community informed, which fostered trust and transparency. For example, we:
 - Facilitated multiple meetings with a group of community members who had provided us feedback about changes in the types and frequency of odours experienced in North East Brisbane in 2022 and 2023. These meetings enabled us to share information about our odour investigations and operational improvements in the area. We also exchanged information with community members by phone, email and printed communications.
 - Began the first phases of engagement with residents and businesses in water supply areas affected by Seqwater's water quality enhancements, which will occur in the second half of 2025. Engagement began in April 2024 and involved a combination of meetings, phone calls, emails and letters to approximately 2,000 residential and business customers. A project page was also established on our online engagement hub, WaterTalk, and information provided on our website. Engagement will continue over the coming year.

HOW WE MEASURED OUR SUCCESS

Target: Deliver the Strategic Engagement Framework (SEF) across all Integrated Catchment and Zone Plans to provide community input and partnership in capital delivery

**Result:**

Progress was made throughout the year, with the SEF evolving in April to meet business needs.

Target: 61% community trust



Result: Trust in Urban Utilities increased slightly in FY24, up from 60% in FY23. Focus areas to build trust include influencing perceptions of value for money, providing open, transparent and timely communications, increasing our community engagement and brand presence, and delivering valued experiences when customers need us most.

STRATEGIC GOAL 4: SOCIAL & ECONOMIC VALUE

The provision of quality water and wastewater services is fundamental to the health and wellbeing of our communities – the social and economic value of which is indisputable. Similar to our Environmental Leadership strategic goal, we are committed to exploring opportunities and solutions beyond our core services to further contribute to the prosperity of our region. We will primarily focus on how we work with key customers to increase economic value for industry and communities, alongside government and communities to build social value through more connected and liveable communities, and with government and industry to implement an environmentally responsible approach to waste management.

PERFORMANCE SUMMARY

- Published our inaugural Sustainability Report.
- Continued to educate and empower school students through our Education Program.
- Supported numerous community events and initiatives through our Sponsorship and Events Program.
- Completed our first Innovate Reconciliation Action Plan (RAP), and commenced the delivery of our second Innovate RAP.
- Donated two 22,500 litre water tanks to the Canungra Rural Fire Brigade to provide dedicated water storage for fighting fires.
- Partnered with Vivid Cleaning – a commercial cleaning business that creates direct and aspirational employment for Australia's First Peoples.
- Implemented a new process to better understand our suppliers' modern slavery risks and controls.

18,214

people engaged by our
Education Program

\$200k+

invested in community events
and initiatives

87%

of our workforce have completed
Welcome to Country and
Acknowledgement of Country
protocols training

\$1.37M

spent across 13 First
Nations suppliers

99%

of our people in relevant
roles have completed modern
slavery training

PERFORMANCE AGAINST BUSINESS OBJECTIVES

BUSINESS OBJECTIVE II:

Create societal value through our essential products and services

PERFORMANCE COMMENTARY

- In December 2023, the Queensland Government requested our support in Far North Queensland following the destruction inflicted by Tropical Cyclone Jasper. In response, we swiftly activated a Mutual Aid Coordination Cell made up of representatives from Urban Utilities, other water industry organisations, and key state government departments. As part of the cell, we provided operational expertise and logistical support to Douglas Shire Council and Wujal Wujal Aboriginal Shire Council to help restore their respective water and wastewater services as quickly and safely as possible.
- Donated two 22,500L water tanks to the Canungra Rural Fire Brigade. This gift to the community will supply water for four fire trucks and helicopters, helping the team of 30 firefighting volunteers to keep the Canungra community safe from bushfires.

HOW WE MEASURED OUR SUCCESS

Target: 61% community trust



Result: Trust in Urban Utilities increased slightly in FY24, up from 60% in FY23. Focus areas to build trust include influencing perceptions of value for money, providing open, transparent and timely communications, increasing our community engagement and brand presence, and delivering valued experiences when customers need us most.

BUSINESS OBJECTIVE 12:

Enhance community liveability by embracing circular economy practices and protecting the community from emerging contaminants

PERFORMANCE COMMENTARY

- Invested in and/or were directly involved in 10 research and development projects with a focus on managing contaminants of emerging concern (CEC). One of the projects is SewAus, in which we are closely working with the lead scientists to assess human use of and exposure to CECs, including drugs, pharmaceuticals, lifestyle chemicals, and unintentional exposure to environmental pollutants in the Australian population through the collection and analysis of wastewater. Further to this, the research seeks to understand the fate and impacts of these chemicals in our wastewater treatment processes and beyond.
- Continued to explore opportunities to partner with industry to process organic waste. After considering multiple expressions of interest, we entered into contracts with a number of commercial organic waste management operators.
- Signed long-term recycled water beneficial re-use agreements with the University of Queensland in Gatton and Somerset Regional Council.
- Continued to engage and work with our Participant Councils on alignment opportunities for future organic waste strategies, including co-funding an organics precinct study with Brisbane City Council.
- In partnership with the Australian Research Council Hub for Nutrients in a Circular Economy (NiCE), the University of Queensland and Griffith University, we made significant progress on a project to that uses world-first electrochemical technology (UGold) to convert urine into fertiliser for use in urban areas.

HOW WE MEASURED OUR SUCCESS

Target: 5% of Research and Development budget committed towards emerging contaminants research



Result: 4.99% of overall research budget committed over 10 individual projects.

Target: One or more strategic partnerships established to create scale in organics valorisation



Result: Continued our strategic partnership with Cleanaway, Australia's largest waste management company, to generate green energy from organic food waste that cannot be sold or donated by major supermarkets.

Target: Establish partnerships with one of more regional councils for organics processing






Result: Developed a joint roadmap with Brisbane City Council that explores new ways to manage food waste from multi-unit dwellings in our region.

BUSINESS OBJECTIVE 13:

Enhance community prosperity and wellbeing by supporting vulnerable customers, minority groups and local business, and by creating employment and education opportunities

PERFORMANCE COMMENTARY**HOW WE MEASURED OUR SUCCESS**

<ul style="list-style-type: none"> Partnered with Vivid Cleaning to provide commercial cleaning services across all of our sites. A 50% Indigenous-owned business, Vivid creates direct and aspirational employment for Australia's First Peoples and has a vision to achieve economic independence for Indigenous Australians in the cleaning and property services sector. 	<p>Target: Innovate Reconciliation Action Plan (RAP) delivered </p> <p>Result: Delivered our first Innovate RAP.</p>
<ul style="list-style-type: none"> Continued to provide school children with innovative, entertaining and interactive learning experiences through our Education Program. FY24 was our most eventful year yet, with 142 individual engagements delivered, reaching over 18,000 people. Our newest initiative, Water Stories, is a First Nations visual art experience, which teaches students about the value of water and its deep connection to First Nations culture, histories and stories. Supported a variety of not-for-profit organisations and community events across our five service regions. In FY24, we invested over \$200,000 in community events and initiatives, including the EKKA, the Ipswich Show, the Scenic Rim Winter Harvest Festival, the Somerset Rail Trail Classic and the Esk Show. Finalised our first Innovate Reconciliation Action Plan (RAP). This included the delivery of a number of initiatives, including: <ul style="list-style-type: none"> Launched Welcome to Country and Acknowledgement of Country protocols, with 87% of our workforce completing the training. Supported two First Nations internships through our partnership with CareerTrackers. Supported NAIDOC Week and National Reconciliation Week by giving our people the opportunity to participate in a First Nations visual art experience, immersive walking tours exploring rich Aboriginal history, and a webinar about how to be a First Nations ally. Maintained our membership with Supply Nation, which assists us in identifying First Nations suppliers with whom we can engage to supply goods/services. As at 30 June 2024, we had spent \$1.37 million across 13 First Nations suppliers (8 more than in FY23). 	<p>Target: First Nations economic uplift incorporated into the Next Generation 4D (NG4D) Framework Contract </p> <p>Result: Incorporated KPIs into our NG4D (capital delivery) Framework Contract to drive positive economic outcomes for First Nations peoples. Aligning with our RAP commitment to increase First Nations supplier diversity, the KPIs set the expectation for our delivery partners to engage First Nations suppliers through our contracting and project delivery framework, and also offer direct employment and training of First Nations peoples.</p>
<ul style="list-style-type: none"> Implemented a new supplier due diligence tool, which requires our suppliers to complete a customised questionnaire around their modern slavery risks and controls. This new process helps us to gain better visibility of the risks of modern slavery in our suppliers' down-stream supply chains and improve the way we measure and communicate the effectiveness of our actions. Continued to offer support to vulnerable customers through our Urban Care financial hardship program. We know that many in our community are being impacted by cost-of-living pressures and are pleased to offer a range of payment options, including interest-free flexible payment plans and payment extensions. 	<p>Target: Stretch RAP approved by Reconciliation Australia </p> <p>Result: Following consideration of our reconciliation progress and maturity to date, it was decided, with Reconciliation Australia's support, to remain within the Innovate stage of the RAP framework and continue our focus on establishing the best approach for advancing reconciliation within our organisation. As such, we have delayed the development of our Stretch RAP, and will instead deliver our second Innovate RAP over the next two years.</p>

DELIVERY OF STRATEGIC INITIATIVES

Effective from FY24, our strategic priorities are the areas where we will focus our attention to progress the delivery of our strategic direction. Each priority is linked to a related outcome and a number of key deliverables, our performance against which is summarised below.

STRATEGIC PRIORITY & OUTCOME	KEY FY24 DELIVERABLES	STATUS	PERFORMANCE COMMENTARY
Safe and efficient water services every day Get the foundations right to deliver liveability outcomes for our customers and communities every day.	Assure compliance with Security of Critical Infrastructure	✓	<ul style="list-style-type: none"> Finalised Board attestation audit in June 2024, with any improvements to be delivered ahead of the Board finalising their attestation in September 2024.
	Complete phase 1 of Holistic Health and Wellbeing Program	—	<ul style="list-style-type: none"> Progressed work under the program workstreams within business areas. Re-evaluating the program structure, resources and methodology due to resourcing changes.
	Drinking Water Quality strategic business case approved	✓	<ul style="list-style-type: none"> Water Quality strategic business case was approved in late FY23. The business case is being progressed through the capital development program for execution with our framework delivery partners.
	Complete customer privacy audit actions	✓	<ul style="list-style-type: none"> Completed customer privacy audit actions. Completed Year 1 deliverables of the Privacy Management Plan. Established WSAA Customer Safety & Privacy Steering Committee and Working Group, as well as an Urban Utilities Privacy Working Group. Reduced Privacy Complaints in FY24 through delivery of systems and process improvements in Customer Delivery.

STRATEGIC PRIORITY & OUTCOME	KEY FY24 DELIVERABLES	STATUS	PERFORMANCE COMMENTARY
Build trust Never fail on our promise to customers and remain the trusted custodians of our communities' water assets	Complete Let's Talk Water discovery and capture insights	✓	<ul style="list-style-type: none"> Engaged Let's Talk Water focus groups in H1 FY24. The insights captured will inform the refresh of our Customer Strategy.
	Launch Service Moment Ready (customer service program) to all frontline teams	—	<ul style="list-style-type: none"> Launched program to Customer Services team in Q1 FY24. Completed discovery and design for Field Services, program rollout to occur in Q1 of FY25. Design for Development Services to commence in FY25. Roll out to remaining frontline teams to occur in FY25.
	Confirm Affordability aspiration and framework	✓	<ul style="list-style-type: none"> Affordability analysis improved with development of customer cohorts and segmentation, exploring impacts of price changes to different customer groups. Introduced targets to improve the efficiency of our expenditure over the next five years.
Shape and grow our future Sustain long-term value, address climate and asset risk and leverage new value from core capabilities and innovative partnerships.	Deliver solutions for five Integrated Catchment / Zone Plans	✓	<ul style="list-style-type: none"> Completed Strategic Business Cases for Sandgate, Oxley, Z1, Eildon Hill, Beaudesert and Gatton. Biosolids, Ripley/Bundamba plans in development.
	Deliver Environmental Regulatory approvals for S1 and Gatton investments	✓	<ul style="list-style-type: none"> Engagement with Department of Environment, Science and Innovation (DESI) underway on S1 strategy. Gatton Environmental Approval amendment submitted to DESI and currently under review/ stakeholder consultation.
	Issue Nutrient Net Zero plan	N/A	<ul style="list-style-type: none"> Incorporated nutrient zero planning into current plans and planning for future Integrated Zone Plans and Integrated Catchment Plans. As a result, a standalone Nutrient Net Zero Plan is not being prepared.
	Stand up Water 2032 and Beyond Advocacy Group	✓	<ul style="list-style-type: none"> Established group, with the first meeting held in October 2023 and an additional meeting held in early 2024.
	Issue Sustainability Report	✓	<ul style="list-style-type: none"> Issued report in November 2023.

CHAPTER 3: CORPORATE GOVERNANCE

We are committed to good governance and have a framework in place that provides a sound basis for decision-making, to define mechanisms for accountability, and to support our strategic direction.

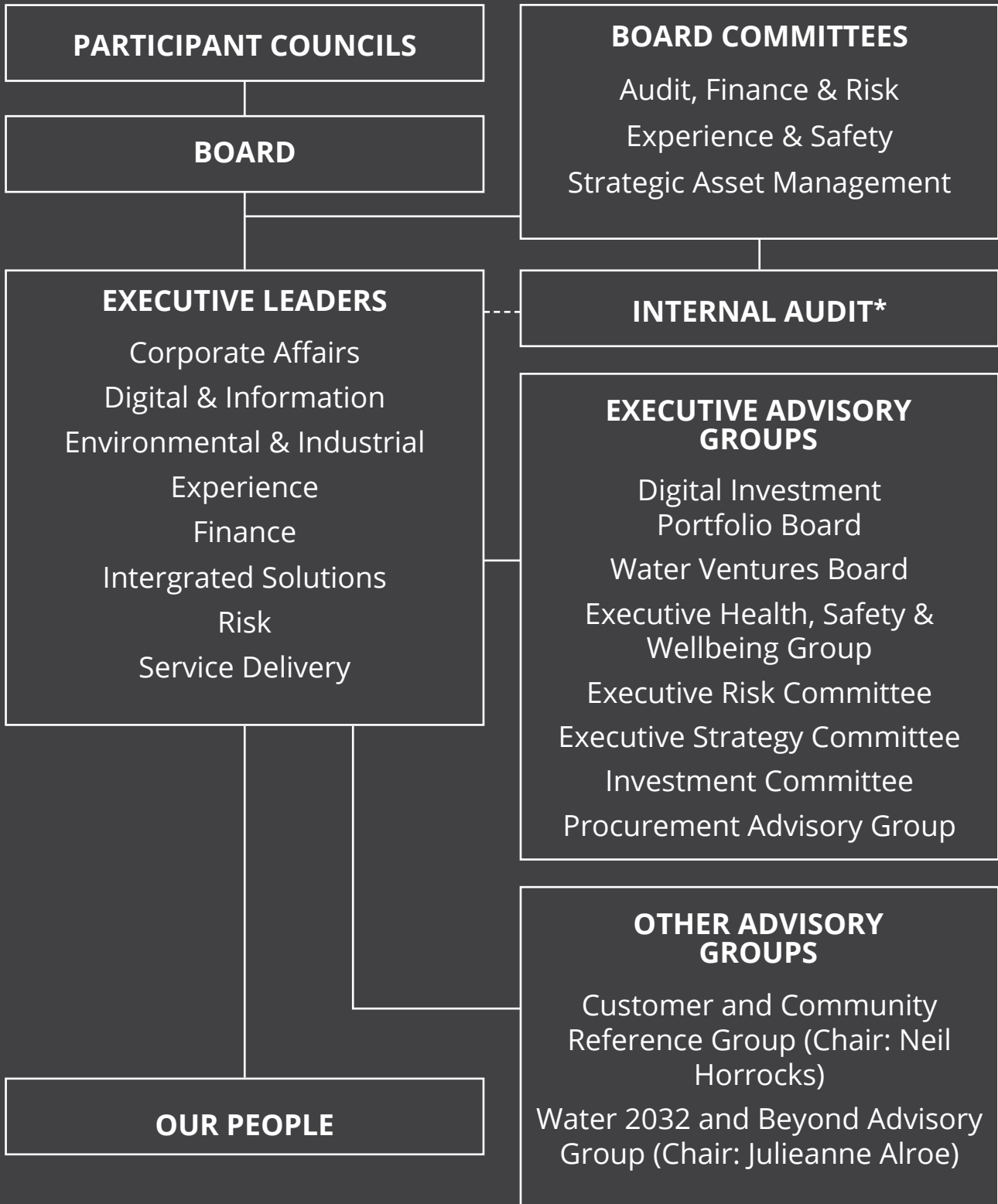
We are committed to a high level of corporate governance and to fostering a culture that values ethical behaviour, integrity, and respect.

Our corporate governance framework and processes ensure accountability and transparency, and promote quality leadership, effective people management, and efficient and ethical use of our resources. Our governance structure on the opposite page incorporates our Participant Councils, Board, Board committees, Executive Leadership Team, and executive advisory groups. This chapter will explore each of these components in detail.

It will also discuss our strategic planning approach and the assurance programs we have in place.

Our reporting approach has been guided by the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations*.

OUR GOVERNANCE STRUCTURE



* Internal Audit reports directly to the Audit and Risk Committee.

OUR PARTICIPANT COUNCILS

Our Participant Councils are the councils of Brisbane, Ipswich, Lockyer Valley, Scenic Rim, and Somerset. In accordance with the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009*, Urban Utilities formed an agreement (the "Participation Agreement") with its participating local governments (our Participant Councils) when it formed in July 2010.

The Participation Agreement outlines the responsibilities and obligations of Urban Utilities and its participating local governments. It includes, but is not limited to: the participation rights of each Council; decision making and dispute resolution; the role, composition, appointment, remuneration and powers of the Board; Board meetings; corporate (strategic) planning; reporting; and participation returns.

Our Participation Agreement is available on our website.

OUR BOARD

ROLE OF THE BOARD

The Urban Utilities Board comprises eight non-executive members, including the Chair. The appointments were made in accordance with the provisions of the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009*.

The Board's role includes deciding the strategies and the operational, administrative, and financial policies to be followed. The Board also ensures that we perform our functions and exercise our powers in a proper, effective, and efficient manner, and that we comply with planning and reporting requirements.

The Board's role and responsibilities are set out in the Board Charter, and include, but are not limited to:

- Deciding on our direction, strategies, and financial objectives, and ensuring appropriate resources are available.
- Establishing and maintaining our corporate strategies and monitoring their implementation.
- Establishing and monitoring a framework to assess compliance with legislation and government policy.
- Establishing and monitoring a framework to ensure compliance with control and accountability systems, regulatory requirements, and ethical standards.
- Establishing and monitoring a framework to ensure that appropriate risk management systems are in place and are operating effectively.
- Informing and approving our business plans and capital investment plans.
- Determining tariffs and pricing.
- Establishing and monitoring a framework to ensure the preparation of accurate financial reports and statements.
- Approving the terms and conditions of major contractual relationships.
- Appointing the Chief Executive Officer and Executive Leadership Team.
- Monitoring performance of and setting remuneration of the Chief Executive Officer.
- Reporting to Participant Councils on the performance and state of the business.

To discharge its obligations and responsibilities, the Board describes the powers vested in and reserved by the Board. Outside of these reserved powers, the Chief Executive Officer has the authority to manage and oversee the day-to-day operations and activities of Urban Utilities.

In accordance with the provisions set out in the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009*, the Chief Executive Officer can sub-delegate some of his powers to employees through an instrument of sub-delegation.

CONFLICT OF INTEREST

The Board is acutely aware of its members' obligations to avoid conflicts of interest between their duties to Urban Utilities and their personal interests. A Conflicts of Interest policy has been in place for the duration of the reporting period. The policy sets out the obligation of Board members to declare any material interests relevant to the activities of Urban Utilities, and to ensure that conflict arising from any material interest is noted and managed in accordance with the policy.

OUR BOARD MEMBERS

BRONWYN MORRIS AM (CHAIR)

B.Com, FCA, FAICD

Bronwyn was appointed to the Urban Utilities Board on 1 July 2017 and was appointed Chair on 1 July 2019.

She is an experienced non-executive director and has served on boards in the ASX-listed, public, private, government and not-for-profit sectors spanning a range of industries, including infrastructure, energy, financial services, retail, and managed services.

Bronwyn currently serves on the boards of Dalrymple Bay Infrastructure Limited and National Intermodal Corporation. She is chair of the RACQ Foundation.

Bronwyn is a Chartered Accountant and former partner of KPMG.

Bronwyn completed her term on the Urban Utilities Board on 30 June 2024.

MARK GRAY (DEPUTY CHAIR)

D.Univ, B.Econ(Hons), FAICD

Mark was appointed to the Urban Utilities Board on 1 July 2019.

He is a highly experienced Company Director, and is currently Chair of Data#3 Limited and Sugar Terminals Limited. He is also a Non-Executive Director of the Northern Australia Infrastructure Facility, The Royal Flying Doctor Service - Queensland Section, Services and Foundation, and Queensland Cricket.

Mark has also had a distinguished executive career, primarily in financial and economic services. He has held Chief Executive roles with the Queensland Treasury Department, the Queensland Competition Authority, and the Queensland Commission of Audit, as well as senior executive roles with the Macquarie Group and BDO.

LUCIA CADE

**BEng, BEc, MEngSc,
MBA, FAICD, FIEAust**

Lucia was appointed to the Urban Utilities Board on 1 October 2021.

She is an experienced non-executive director with a professional engineering and commercial background. She has previous professional experience in engineering, executive and advisory roles in infrastructure, utilities and professional services working in global technical services, listed companies, government organisations and private enterprises.

Lucia currently chairs the boards of Paintback and Methodist Ladies College. She also serves as a director on the boards of Engineers Australia, the Cooperative Research Centre for Future Fuels and Infrastructure Victoria. She serves on the Monash University Engineering Dean's Advisory Board.

AMANDA COOPER

BA

Amanda was appointed to the Urban Utilities Board on 1 July 2021.

She has a deep understanding of local government, specifically in the fields of infrastructure planning and delivery and urban planning and development.

Amanda was a member of Brisbane City Council's Civic Cabinet from 2008-2019 and Chair of two senior portfolios: the Neighbourhood Planning and Development Assessment Committee and the Brisbane Infrastructure Committee. She was also the Councillor for Bracken Ridge from 2007-2019.

With extensive industry knowledge and experience, Amanda has overseen the delivery of more than 36 Neighbourhood Plans; the largest planning review undertaken by Council in over a decade; and over a billion dollars' worth of city shaping infrastructure projects.

Amanda resigned from the Board in January 2024.

CARMEL KROGH OAM

BEng (Civli), MEng, MBA (Technology), PGradDip (Local Government Engineering), GAICD

Carmel was appointed to the Urban Utilities Board on 1 January 2024.

She is a highly experienced water infrastructure professional, possessing vast industry knowledge together with extensive technical, leadership and management skills.

With a background in civil engineering, Carmel previously held several managerial and executive positions within the private sector and local government, most recently as the Director of Shoalhaven Water, which forms part of Shoalhaven City Council. She is currently an independent consultant in the water sector.

Carmel is also an experienced non-executive director and is currently on the Board of CONEXA Infrastructure Partners. She was previously the National President of the Australian Water Association (AWA) from 2019-2021.

GERARD PENDER

GAICD

Gerard was appointed to the Urban Utilities Board on 1 July 2022.

He has practiced as a solicitor for over 40 years, and is formerly the Managing Director of long-standing Ipswich-based law firm Walker Pender Group Lawyers, which has a strong commitment to the Ipswich region in ensuring all community members receive quality and professional legal representation.

A stalwart of the Ipswich community, Gerard served as a local Councillor in the 1990s and is affiliated with a number of community-based organisations, including Habitat for Humanity and Ipswich Hospice Care. Notably, Gerard was awarded Ipswich Businessman of the Year in 2014 and in 2017.

JULIE-ANNE SCHAFFER

LLB (Hons), FAICD, ANZIIF

Julie-Anne was appointed to the Urban Utilities Board on 1 July 2018.

She has extensive directorship experience across a range of sectors, including financial services, infrastructure, health, energy, and transport.

Julie-Anne's current roles include President of the National Competition Council, non-executive director of ActewAGL and Icon Water, Chair of the Australian Reinsurance Pool Corporation, non-executive member of the Office of the National Rail Safety Regulator and Chair of the Peak Group.

Prior to being a professional director, Julie-Anne was a legal partner specialising in commercial and insurance matters.

She is a former Deputy Chancellor of QUT, President of the Queensland Law Society, and Chair of RACQ, Queensland's largest mutual.

Julie-Anne completed her term on the Urban Utilities Board on 30 June 2024.

PHILLIP STRACHAN

B.Com, FCPA, MAICD

Phillip was appointed to the Urban Utilities Board on 1 July 2019.

He has extensive experience in operations and finance at the executive level. He's held a number of executive roles with the Rio Tinto Group over a 35-year career, including the Chief Executive Officer of the global Bauxite and Alumina businesses based in Brisbane and Chief Financial Officer at the Rio Tinto global aluminium product group based in Montreal.

Phillip currently serves on the Boards of Aural Energy (Chair), Arkhefield (Chair), and the Great Barrier Reef Foundation (Director). He is also a Council member of the University of the Sunshine Coast, and is an advisor to Renewable Energy Brisbane.

WELCOMING NEW BOARD MEMBERS IN FY25

PAUL VINCENT (CHAIR)

Paul is a chartered accountant with expert financial and accounting skills, and currently serves as Director on a range of boards and professional bodies. He is the founder and director of Vincents, a national advisory firm.

PETER HYLAND

Peter has 40 years' experience in building and leading professional services companies across public and private sectors. He is adept at providing advisory services related to urban planning and development, urban economics, and real estate strategy.

ANDREA KENAFK

Andrea is a highly experienced public sector executive, having served at Brisbane City Council for over 30 years. As Divisional Manager of City Planning and Sustainability, Andrea was responsible for leading the delivery of city planning and development, natural environment and the economic development for the city of Brisbane.

OUR BOARD COMMITTEES

The Board has three sub-committees to assist in the execution of its duties. Each committee operates to a charter, which sets out its roles and responsibilities, composition, structure, membership requirements, and the manner in which it is to operate.

A summary of Board member attendance at committee meetings can be found on page 51.

AUDIT, FINANCE AND RISK COMMITTEE

In FY24, the Audit, Finance and Risk Committee comprised the following members: Julie-Anne Schafer (Chair), Mark Gray, Lucia Cade, Gerard Pender and Bronwyn Morris (Ex-Officio). The executive sponsor of the committee was Chief Financial Officer Ruth Coulson.

The committee assists the Board in the effective discharge of its responsibilities for risk culture, including enterprise risk management, compliance management, capital management, regulation and pricing, financial management and reporting, internal controls environment across Urban Utilities and external audit.

In accordance with its charter, the committee's responsibilities include, but are not limited to:

- Reviewing the enterprise risk appetite and risk tolerance.
- Reviewing and providing direction on strategic risks and extreme and high operational risks.
- Reviewing our annual insurance program and recommending to the Board the placement and/or renewal of insurance policies.
- Reviewing and providing recommendations on our financial sustainability and capital management strategy.
- Meeting with the external and internal auditors to discuss practices and issues surrounding financial governance.
- Overseeing and monitoring the adequacy, security and effectiveness of our internal control

framework and environment.

- Providing a forum for the external auditor to present external audit plans.
- Reviewing and endorsing for approval by the Board external regulatory reporting obligations.

The Audit, Finance and Risk Committee has observed the terms of its charter and has had due regard for the Queensland Treasury's Audit Committee Guidelines. The committee met five times in FY24.

EXPERIENCE AND SAFETY COMMITTEE

In FY24, the Experience and Safety Committee comprised Phillip Strachan (Chair), Julie-Anne Schafer, Amanda Cooper (until January 2024), Gerard Pender, Carmel Krogh (from January 2024) and Bronwyn Morris (Ex-Officio). The executive sponsors were Chief Experience Officer James Dymock and Chief Risk Officer Jo Johnstone.

The role of the Experience and Safety Committee is to provide oversight and recommendations to the Board to ensure that Urban Utilities has people who are safe, adaptable, capable, and committed to achieving Urban Utilities' purpose and who live its values, and that Urban Utilities' customers experience and satisfaction is favourable.

As per its charter, the committee's responsibilities include, but are not limited to:

- Reviewing the development and implementation of, and monitoring the performance of Urban Utilities' Health and Safety Strategy and related initiatives.
- Ensuring the organisation has appropriate and effective health and safety systems, processes, and procedures in place.
- Promoting a culture of trust, accountability and learning by role modelling open dialogue on health and safety issues.
- Reviewing the development and implementation of people strategies and policies to attract, retain

and develop the people required by Urban Utilities to maintain and enhance its capabilities and capacity.

- Recommending to the Board the remuneration, financial incentives, and performance measures for the Chief Executive Officer.
- Recommending to the Board the remuneration framework and policy, and performance measures for the Executive Leadership Team.
- Reviewing the development and implementation of customer policies and strategies to drive improvement to customer satisfaction levels and the Urban Utilities customer experience.
- Reviewing the development and implementation of community policies and strategies to drive community engagement and enhancement of the Urban Utilities community experience.

The committee met four times in FY24.

STRATEGIC ASSET MANAGEMENT COMMITTEE

In FY24, the Strategic Asset Management Committee comprised Lucia Cade (Chair), Amanda Cooper (until January 2024), Phillip Strachan, Carmel Krogh (from January 2024) and Bronwyn Morris (Ex-Officio). The executive sponsor was Executive Leader Service Delivery David Brooker.

The role of the Strategic Asset Management Committee is to oversee and provide advice on Urban Utilities' strategies, policies, and systems for the management of assets to deliver services to customers and stakeholders.

As per its charter, the committee's responsibilities include, but are not limited to:

- Reviewing the Service Strategy, infrastructure plans, operational performance strategies, asset management strategies and plans, significant procurement strategies and post-market

business matters that are within the Board's delegation.

- Overseeing the Environmental Leadership Strategy, including Urban Utilities' strategies regarding climate variability, reduction of environmental and carbon footprints, and management of scarce water resources.
- Reviewing and providing advice to the Board on the ICT Strategy and roadmap, including the operational technology strategy.
- Reviewing and endorsing the five-year Capital Investment Plan within the financial sustainability envelope.
- Reviewing and providing advice to the Board on potential growth and expansionary investments for Urban Utilities.
- Understanding the performance of systems and associated project, network, and infrastructure risks.
- Reviewing Urban Utilities' compliance with relevant statutory and environmental responsibilities and customer/community service standards.

The Committee met four times in FY24.

BOARD MEMBER ORDINARY AND COMMITTEE MEETING ATTENDANCE

MEMBER	ORDINARY BOARD*		AUDIT, FINANCE & RISK COMMITTEE		EXPERIENCE & SAFETY COMMITTEE		STRATEGIC ASSET MANAGEMENT COMMITTEE	
	H	A	H	A	H	A	H	A
Meetings held/attended								
Bronwyn Morris	12	12	5	5	4	4	4	4
Lucia Cade	12	12	5	4			4	4
Amanda Cooper (until January 2024)	7	6			2	1	2	1
Mark Gray	12	11	5	4				
Carmel Krogh (from January 2024)	5	5					2	2
Gerard Pender	12	12	5	5	4	4		
Julie-Anne Schafer	12	10	5	5	4	4		
Phillip Strachan	12	11			4	4	4	3

*Includes two special meetings

OUR EXECUTIVE LEADERSHIP TEAM

Our Executive Leadership Team is responsible for the deployment of strategy and the day-to-day service delivery and operations of Urban Utilities.

PAUL ARNOLD

CHIEF EXECUTIVE OFFICER

BE (Hons), MBA, FIEAust, EngExec, MAICD, MAusIMM

Paul joined Urban Utilities as Chief Executive Officer on 1 September 2022.

He has over 30 years' experience in the natural resources and energy sectors, spanning operations, project development and execution, stakeholder relations, Indigenous engagement, business development, and strategy.

Paul is passionate about achieving success by creating business cultures that operate with the highest standards of safety and wellbeing, integrity, operational and environmental performance, and inclusion.

Prior to joining Urban Utilities, Paul had a successful career with Rio Tinto and BHP, and from 2017 to 2021 was Chief Executive and Managing Director of Energy Resources of Australia, based in Darwin. In 2021, he was recognised as the industry's Gender Diversity Champion at the Northern Territory Women in Resources Awards.

DAVID BROOKER

EXECUTIVE LEADER SERVICE DELIVERY

BE (Chem), GAICD

David is responsible for Urban Utilities' network operations, maintenance, metering, revenue services and customer contact centre.

A qualified chemical engineer with over 20 years' experience, David has a demonstrated track record in building and leading teams to deliver exceptional safety, public health, customer service, environmental and commercial outcomes.

Preceding his Executive role at Urban Utilities, David held the roles of Production Manager and Manager Strategy and Planning. Prior to this, he held several senior management roles within the water industry, including Chief Operating Officer Water & Waste at Mackay Regional Council.

CHRIS BULLOCH

EXECUTIVE LEADER INTEGRATED SOLUTIONS

MEng (Civil), MEng (Mgt), MEng (Env)

Chris is responsible for the functions of strategy and integrated planning, systems planning, asset management, portfolio investment and infrastructure delivery. Other core responsibilities include water security, climate change, environmental leadership, and the Olympics.

A highly effective and innovative senior executive, Chris has successfully led major engineering and construction companies and delivered key infrastructure in the transport, power, and utility sectors.

Notably, he has held executive roles at a number of multinational companies, including Lendlease Corporation, KBR, Abigroup Contractors, Anglian Water and Chicago Bridge and Iron (CBI).

RUTH COULSON
CHIEF FINANCIAL OFFICER
B.Com, CA, GAICD

Ruth is responsible for Urban Utilities' financial activities, overseeing strategic and financial outcomes across performance, procurement, regulation and pricing, and financial activities. As CFO, Ruth balances critical value and risk trade-offs between customer, community, and Participant Council outcomes.

Ruth has 30 years' experience across capital-intensive industries, including utilities, infrastructure, logistics and retail.

Ruth has worked in both Australia and internationally in listed businesses with a strong focus on sound financial reporting, long-term financial strategy, risk and governance and external reporting obligations.

JAMES DYMOCK
CHIEF EXPERIENCE OFFICER
BA (Psych), Grad Dip
HRM & IR, GAICD

James is responsible for leading the Experience Group and the enterprise in respect to driving continuous enhancement of the experiences delivered by Urban Utilities to our people, customers, and communities. Within the Experience portfolio, James oversees the core elements of Health and Safety, Employee Relations, People and Culture, Brand, Communications, and Customer and Community Experience.

Prior to joining Urban Utilities, James held senior leadership roles with The Star Entertainment Group, Virgin Australia, and Toyota Australia. Throughout his career, James' focus has been on realising the value of each organisation's brand in driving business transformation, achieving improved business performance, and delivering valued customer experiences.

JO JOHNSTONE
CHIEF RISK OFFICER
BASc (Occupational Health and Safety), GDip (Occupational Hygiene)

As Chief Risk Officer, Jo is responsible for enterprise leadership across all elements of risk, including compliance, operational, strategic, environmental, and reputational.

As part of her portfolio, Jo leads the Risk Services, Insurance, Security and Resilience, and Health, Safety and Wellbeing functions, as well as having Executive accountability for the enterprise Health, Safety and Wellbeing Improvement Program.

Jo has extensive experience in the mining and heavy industry across a range of commodities and jurisdictions, and is particularly motivated by prevention of harm, to people and the environment.

Prior to Urban Utilities, Jo worked at BHP for 17 years. Her most recent role was Head of Health, Safety and the Environment Asia Europe.

MARK LETICA
EXECUTIVE LEADER
CORPORATE AFFAIRS**B.Com, GAICD**

Mark is responsible for Urban Utilities' strategic planning, corporate reporting, corporate records, and publications functions.

A passionate and highly effective leader, he is also responsible for Board, committee and executive governance, public relations and media, internal audit, assurance, and corporate property, as well as innovation, research and development, and shareholder relations.

Mark has over 25 years' experience across a range of sectors, particularly in the water industry, where he was the Program Manager for the establishment of Urban Utilities in 2010.

SHANE MORGAN
EXECUTIVE LEADER ENVIRONMENTAL
& INDUSTRIAL**BEng, MEng (Civil and Resource)**

Shane has enterprise leadership of Urban Utilities' operation and optimisation of wastewater treatment plants and resource recovery facilities; environmental management functions, including SAS Laboratories; industry partnerships, including trade waste services; key commercial relationships; business development; and developer services that connect new customers to our infrastructure and services. In addition, Shane is responsible for Water Ventures and the exploration of new business opportunities that are linked to our core services, including recycled water and organic waste management.

Previously, Shane has held a number of executive and senior leadership roles with large water utilities, including Watercare Services Limited (Auckland), Melbourne Water, and Brisbane Water. Shane has also worked in consulting and leadership roles with Jacobs and WSP, and in research and development with the University of Queensland.

With over 25 years' experience in the water industry, Shane is a member of the International Water Association and is active in a range of technical leadership activities for the association.

MARTINE WATSON
CHIEF DIGITAL AND
INFORMATION OFFICER
MBA

Martine is responsible for driving digital transformation and managing information systems to enhance operational efficiency, customer experience, and overall business performance.

She oversees the operational management of Urban Utilities' information technology (IT), operating technology (OT) and the Internet of Things (IOT), and plays a pivotal role in shaping, formulating and executing the organisation's digital strategy, leveraging technology advancements, and optimising data management.

Previously, Martine held the role of General Manager Operations, Maintenance and Planning at Urban Utilities, and prior to that, held various management roles at Unitywater and Powerlink Queensland.

OUR EXECUTIVE ADVISORY GROUPS

We have a number of advisory groups assisting the Executive Leadership Team to fulfil its responsibilities, as listed below.

DIGITAL INVESTMENT PORTFOLIO BOARD

The Digital Investment Portfolio Board is responsible for setting the digital strategic direction for Urban Utilities and ensuring alignment of investment to achieve strategic outcomes. The Digital Investment Portfolio Board makes decisions regarding digital investment, whilst maintaining a prioritised and balanced portfolio to achieve optimal investment and support the delivery of Urban Utilities' Corporate Strategy and Digital Strategy across the business.

WATER VENTURES BOARD

The Water Ventures Board ensures that new business opportunities are balanced appropriately with the considerations of the core operating business and that investments are made in accordance with risk and opportunity frameworks developed for expansionary initiatives.

EXECUTIVE HEALTH, SAFETY AND WELLBEING GROUP

The role of the Executive Health, Safety and Wellbeing Group is to provide direction and oversight to the application and performance of Urban Utilities' Health, Safety and Wellbeing strategy, policies, practices, and management, which commit to protecting the health, safety and wellbeing of our people, contractors, customers, and the community.

EXECUTIVE RISK COMMITTEE

The purpose of the Executive Risk Management Committee is to identify, assess and manage risks that are material to the achievement of Urban Utilities' business and corporate objectives. It also provides oversight across all business groups to ensure that risk management activities are embedded into business practices.

EXECUTIVE STRATEGY COMMITTEE

The Executive Strategy Committee provides the Executive Leadership Team with a forum to design, challenge and continuously evolve key elements of Urban Utilities' strategy, which is critical to the dynamic strategic planning framework of the organisation.

INVESTMENT COMMITTEE

The purpose of the Investment Committee is to review the five-year and 10-year Capital Investment Plan (CIP), review progress of delivery of the capital program, review Integrated Catchment and Zone Plans and Asset Management Plans, approve the entry of new major (\$5 million+) or significant projects into the CIP, review capital interventions and business cases for investment, and review close-out reports.

PROCUREMENT ADVISORY GROUP

The Procurement Advisory Group provides governance for the procurement process as well as the application of procurement policy. The group reviews submissions and provides advice on high risk and/or high value procurement activities and forward plans at each stage of the procurement process.

OUR PLAN FOR THE FUTURE

OUR STRATEGIC PLANNING PROCESS

Utilising an approach endorsed by the Australian Institute of Company Directors, our strategic planning process starts with a scan of the trends impacting our operating environment. The results are used to determine and assess key trends and drivers that could influence our future direction.

OUR STRATEGIC DIRECTION

On 1 July 2024, we transitioned to a new five-year Statement of Strategic Intent. The environment in which we operate has changed considerably since our previous Statement of Strategic Intent was launched in 2019; COVID-19 has altered the way we operate, extreme weather events are becoming more frequent and intense, customer needs and expectations are evolving, and our region's

population continues to grow. As a result, our priorities have changed, and so too has the way we measure our success.

The next five years will see us organise our work around three priority areas, known as The Critical Few. This will allow us to focus our efforts on what really matters, and better support our purpose, to Enrich Quality of Life, which has remained unchanged since our formation. Further, our newly defined strategic priorities are closely aligned with the ambitions of our five Participating Councils, meaning the outcomes we deliver are of the highest importance to our shared customers and communities.

A summary of our strategic direction, as per our *Statement of Strategic Intent FY29*, can be seen on the following pages.

HOW WE PRIORITISE WORK THE CRITICAL FEW



SAFE AND EFFICIENT WATER SERVICES EVERY DAY

Get the foundations right to deliver liveability outcomes for our customers and communities every day.



BUILD TRUST

Never fail on our promise to customers and remain the trusted custodians of our communities' water assets.








SHAPE AND GROW OUR FUTURE




Sustain long-term value, address climate and asset risk and leverage new value from core capabilities and innovative partnerships.

HOW WE MEASURE SUCCESS

OUR CRITICAL OUTCOMES

 SAFETY We protect the safety of our people and the public	 PUBLIC HEALTH We protect the public health of the communities we serve	 ENVIRONMENT We deliver on the environmental value	 EXPERIENCE We deliver a great experience for our customers and our people	 VALUE We optimise costs and grow value
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Delivery of The Critical Few strategic priorities drives performance of our Critical Outcomes and key performance indicators.

STRATEGIC PRIORITY	CRITICAL OUTCOME	KEY PERFORMANCE INDICATOR
 SAFE AND EFFICIENT WATER SERVICES EVERY DAY	Safety	Total recordable injury frequency rate
		Critical control effectiveness
	Public Health	Reportable water quality incidents
		Uncontrolled wastewater overflows
	Value	Operational efficiencies
 BUILD TRUST	Experience	Value for money rating
		Community trust
		Employee engagement
 SHAPE AND GROW OUR FUTURE	Environment	Greenhouse gas emissions
		Nitrogen emissions
	Value	Earned value cost performance index
		Credit rating

We continue to produce an Annual Operational Plan, which sets out how we will action our strategic intent in the coming financial year.

OUR ENTERPRISE RISKS AND OPPORTUNITIES

Urban Utilities acknowledges that risk exists in delivery our strategic priorities and the provision of our core services. We manage this uncertainty through our enterprise risk management framework.

The intent is to promote a responsible approach to risk management where the objective is not to eliminate risk, but to ensure that risk is actively managed. We also set a responsible approach in advancing opportunities, where boundaries have been set around the organisation's appetite for these prospects.

Having an integrated approach for both threats and opportunities supports the business to set clear guidance for design and continuous improvement of our enterprise risk management framework and principles.

In their development, we ensure enterprise risks clearly articulate how they relate to our Critical Outcomes and how those outcomes could be impacted; or in turn, enabled through the pursuit of opportunity.






We also view enterprise risk through the lens of opportunity, specifically in relation to growth of our services to customers.

In consideration of community interests and in collaboration with commercial customers and Participant Councils, we seek to explore, create and deliver on new water and waste solutions that contribute to a sustainable future for our communities.

In our pursuit of growth, we are not constrained by traditional approaches to water services and will explore adjacent market opportunities, additional market levers and new commercial arrangements that will enable us to grow at pace and to operate at scale; the expected outcomes of which include responding to customer and community needs, improved environmental and sustainability outcomes, enhanced net customer affordability and the creation of value for our Participant Councils.

The following table provides an overview of our enterprise risk profile and where each category of risk relates to our Critical Outcomes. The table below provides an overview of our enterprise risk profile and where each category of risk relates to our Critical Outcomes.

SUMMARY OF OUR ENTERPRISE RISK PROFILE

RISK CLASS	RISK CATEGORY	RELATED CRITICAL OUTCOMES				
		 SAFETY	 PUBLIC HEALTH	 ENVIRONMENT	 EXPERIENCE	 VALUE
Strategy & Planning Risks	Governance & Leadership	✓			✓	
	Strategic Planning	✓	✓	✓	✓	✓
	Strategic Stakeholder Partnerships		✓	✓	✓	✓
	Growth & Innovation	✓	✓	✓	✓	✓
External Risks	Economic	✓	✓	✓	✓	✓
	Environmental	✓	✓	✓	✓	✓
	Geopolitical		✓	✓	✓	✓
	Technological		✓	✓	✓	✓
	Industry	✓		✓	✓	✓
Legal & Compliance Risks	Ethics & Conduct				✓	✓
	Legal & Compliance	✓	✓	✓	✓	✓
	Privacy Management	✓			✓	✓
Financial Risks	Capital Funding		✓	✓	✓	✓
	Capital Investment		✓	✓	✓	✓
	Liquidity & Credit					✓
	Customer Affordability	✓	✓	✓	✓	✓
	Accounting & Reporting				✓	✓
	Value for Money				✓	✓
People Risks	Recruitment and Retention	✓			✓	✓
	Training and Development	✓			✓	✓
Operational Risks	Health, Safety and Wellbeing	✓	✓		✓	✓
	Environmental Management			✓	✓	
	Customer Service and Experience	✓	✓	✓	✓	✓
	Water Supply		✓		✓	✓
	Treatment and Resource Recovery	✓	✓	✓		✓
	Wastewater Collection	✓	✓	✓		✓
	Protective Security		✓	✓	✓	✓
	Information, Communications & Technology	✓	✓	✓	✓	✓
	Data/Information Management	✓	✓	✓	✓	✓
	Capital Planning & Delivery	✓	✓	✓	✓	✓
	Supply Chain				✓	✓

OUR CONTROLS AND ASSURANCE

ENTERPRISE RISK MANAGEMENT

Our Enterprise Risk Management Framework was developed in accordance with the *ISO 31000:2018 Risk Management* and supports risk-informed decision-making.

The Board-approved Risk Appetite Statement is a central component of our Enterprise Risk Management Framework. Its purpose is to articulate, from the Board's perspective, how much risk is acceptable in pursuing our strategic direction.

The Risk Management Procedure guides users in effective risk identification, assessment and management and is a key to developing and maintaining a positive risk culture.

Our risks are managed at strategic and operational levels, which are aligned to our risk appetite and tolerance levels.

Our strategic risks have the potential to materially impact the achievement of our purpose and are considered in our strategic planning process (see page 56).

The Enterprise Risk Management Framework, in conjunction with our Security and Resilience Frameworks, facilitates risk-based planning and decision making and improves organisational resilience.

Supporting our Enterprise Risk Management Framework is our Corporate Compliance Management System, which was developed in accordance with *ISO 37301:2021 Compliance Management Systems*. Its purpose is to identify and ensure compliance with key legal obligations.

ENTERPRISE SECURITY AND RESILIENCE

Urban Utilities continues to improve its security risk management and resilience practises to ensure our ability to prevent, prepare, respond and recover from security and business interruption events that impact our people, customers, infrastructure, and information. Uplift activity continues in our security and resilience programs including cyber security and technology resilience providing continuous improvement and aligned to our compliance with the *Security of Critical Infrastructure Act 2018*.

EXTERNAL SCRUTINY

The Queensland Audit Office (QAO) is our external auditor under the terms of the *Financial Accountability Act 2009*. The QAO is responsible for auditing our financial statements and expressing an opinion on the financial report, based on the audit (see page 129).

The Queensland Competition Authority (QCA) is responsible for regulating our water and wastewater services to ensure the costs we incur in delivering those services are prudent and efficient. This process is designed to ensure that monopoly providers of essential utility services are not charging prices in excess of efficient costs. Prior to 30 June 2015, the QCA applied a specific price monitoring regime and found no evidence of an exercise of market power. This regime has expired, but the QCA still retains general investigatory powers into our pricing practices to protect customers. We continue to set prices and adhere to service quality standards. Since 1 July 2015, we have not been subject to investigation under the general investigatory powers of QCA.

The Office of the Information Commissioner (OIC) monitors and reports on agency compliance with the *Right to Information Act 2009 (Qld)* and *Information Privacy Act 2009 (Qld)*, including by conducting audits. The OIC commenced an audit of Urban Utilities' personal information handling practices in FY24. Findings, once finalised, will be used by Urban Utilities to improve its privacy practices.

Besides the above reviews, no other government body issued any other external scrutiny reports regarding our operations during the reporting period.

INTERNAL AUDIT

Internal audit is an independent function within Urban Utilities' Office of the Chief Executive Officer, which assists the Chief Executive Officer in the discharge of his responsibilities under the Financial Accountability Act 2009 and provides an independent review of internal system controls.

In FY24, KPMG provided internal audit services for Urban Utilities. These services were performed in accordance with a Board-approved Internal Audit Charter and Internal Audit Plan. This plan has regard for Urban Utilities' strategic risk profile, previous audits, industry insights, Queensland Audit Office key focus areas and engagement with the Audit, Finance and Risk Committee and Executive Leadership Team.

The internal audit function was conducted independently of management, and authorised auditors and the deployment of the program had due regard to Queensland Treasury's Audit Committee Guidelines.

In FY24, Internal Audit undertook six audits. The audits were separated into strategic risk-based reviews, core business process reviews and compliance reviews.

CONTINUOUS ASSURANCE

Urban Utilities continued its data analytics-based continuous assurance program during FY24, supported by KPMG and independent to the Internal Audit services provided.

The program provides the Board, the Audit, Finance and Risk Committee, and management with assurance that processes and control systems are working effectively under outsourced and internal service delivery models. It considers processes and controls that mitigate strategic risks relating to customers, finance, procurement, environment, ICT, people and security.

FRAUD CONTROL

Urban Utilities has a zero-tolerance policy towards fraud and corruption and has implemented a Fraud and Corruption Control Framework to effectively prevent, detect and respond to such events. The framework details Urban Utilities' fraud and corruption exposures and controls, as well as the reporting and investigation procedures in place. Training is provided to staff to raise awareness and the UrbanDisclosure platform serves as the key channel for employees, contractors, consultants, suppliers, and the public to confidentially report potential fraud and corruption matters.

HUMAN RIGHTS

We are committed to delivering our products and services to the community in a manner that is consistent with our corporate values and aligned to people's human rights. To demonstrate this, we have:

- Continued to assess the compatibility of our policies with human rights through our policy review process.
- Continued to provide guidance on consideration of human rights in decision making at Urban Utilities.
- Published our annual Modern Slavery Statement, outlining the measures Urban Utilities is taking to identify and address modern slavery within our operations and supply chain. Further, we continued to improve our procurement systems and processes to enhance our modern slavery due diligence.
- Reviewed our compliance with the *Human Rights Act* through our corporate compliance framework.
- Monitored complaints for any human rights issues.

In FY24, no human rights complaints were received.

ACCOUNTABILITY AND TRANSPARENCY

REPORTING ON PERFORMANCE

Each month, we report how we are progressing against our key performance indicators (see page 57) and our customer service standards (see page 23). We also report on the status of our Annual Operational Plan measures – quarterly for our Board and Executive Leadership Team, and biannually for our Participant Councils.

We also support and comply with various industry and regulatory reporting requirements, including the National Performance Reporting annual industry benchmarking, which provide regulators and the public with transparency and comparability around our performance, services, and costs. These include, but are not limited to, our Drinking Water Quality Management Annual Report and Annual Performance Plan, both of which are on our website.

We continually seek to improve our performance reporting to ensure it is transparent and provides our Participant Councils, Board, executives, managers, customers, and all employees with a clear understanding of how we are performing and where we need to focus our efforts.

INFORMATION SYSTEMS AND RECORD KEEPING

Urban Utilities continues to review and improve its compliance with the *Public Records Act 2002* and supporting policies as directed by the Queensland State Archivist. Policies and procedures are in place for recordkeeping, email management, retention, and disposal of records, managing information on shared network drives, and information security. Our Records Management team oversees the lifecycle of both our digital and physical records.

Our efforts in FY24 saw us start to establish foundational Information Management and Data Quality capability to underpin our ongoing maturity journey, ultimately setting us on a path to strategically leverage our information assets to support the achievement of our strategic direction.

We recognise that a vital part of keeping our customers safe from harm and risks is protecting the information entrusted to us. As such we are continuing to uplift our Information Management and Governance practices, embedding the strategic Information Governance Group (IGG) into regular governance cycles to ensure alignment with our broader information objectives. As part of our ongoing governance uplift, assessments have been completed regarding the sensitivity, quality and value of the information assets we hold in our priority information domains. These assessments have identified the key areas we need to uplift to sustainably manage our information, including: security, privacy, sharing, resilience, quality, records management and an overall strengthening of our awareness and culture.

Uplifting our capabilities in these areas is paramount to improving our ability to manage risks, ensure regulatory compliance and prioritise our protection and resilience efforts, and support the achievement of critical outcome areas, all of which form the core of the Data Integrity and Information Management Program, scheduled to launch in FY25.

OTHER DISCLOSURES

In accordance with State Government disclosure obligations, disclosures for overseas travel and consultancies for Urban Utilities can be found on the Queensland Government's Open Data website (data.qld.gov.au).

CHAPTER 4: FINANCIAL PERFORMANCE

CHIEF FINANCIAL OFFICER'S SUMMARY

Financial performance at a glance

Operating profit before tax and capital revenues:

**\$118 million,
up 9% on FY23**

Profit after tax:

**\$266 million,
up 34% on FY23**

Total revenue:

**\$1,648 million,
up 9% on FY23**

Operating cost base:

**\$1,268 million,
up 4% on FY23**

Capital expenditure (including developer donated assets):

\$489 million

Gearing consistent at

41%

Financial performance for the year ended 30 June 2024

For the year ended 30 June 2024, Urban Utilities reported an operating profit before tax and capital revenues of \$118 million, which was a 9% increase on our FY23 result. Our net profit after tax of \$266 million was an \$68 million increase on FY23.

Urban Utilities continues to navigate a period of higher inflation and interest rates, while balancing the needs of our customers, communities and shareholders. We experienced higher operating costs primarily due to increased expenditures in biosolids management, incremental investments in operational safety compliance, increased costs associated with the repair of the Hamilton Siphon, and finance costs. These expenditures have been offset by higher developer contributions that fund infrastructure in our growing service territory.

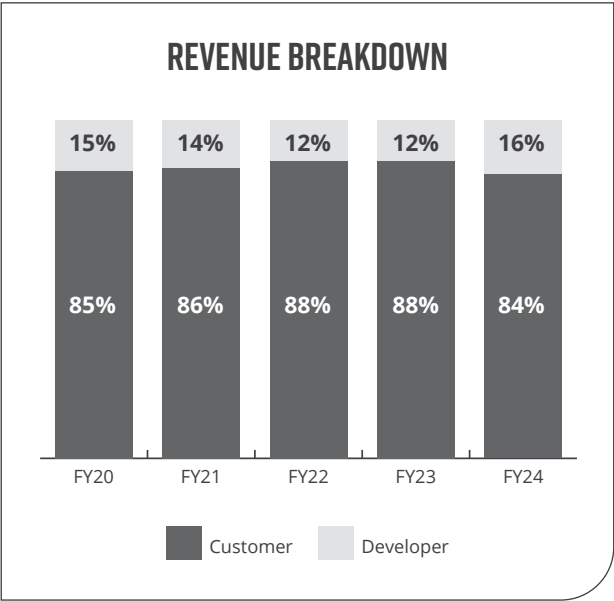
Our five-year financial performance summary is detailed below:

\$M	FY20	FY21	FY22	FY23	FY24
Revenue	1,237	1,232	1,259	1,332	1,386
Operating expenses	(1,114)	(1,102)	(1,127)	(1,223)	(1,268)
Operating profit before tax and capital revenues	123	130	132	108	118
Developer contributions	210	204	171	176	262
Profit before tax	333	334	304	285	380
Taxation expense	(102)	(101)	(98)	(86)	(114)
Profit after tax	230	233	206	198	266

We return the majority of our profit as participation returns or income tax payment to our Participant Councils. The total return for FY24 was \$224 million, which was a decrease of \$1.5 million against FY23.

REVENUE SUMMARY

Urban Utilities' gross revenue for the year ended 30 June 2024 was \$1,648 million and had two main sources: customers and developers.



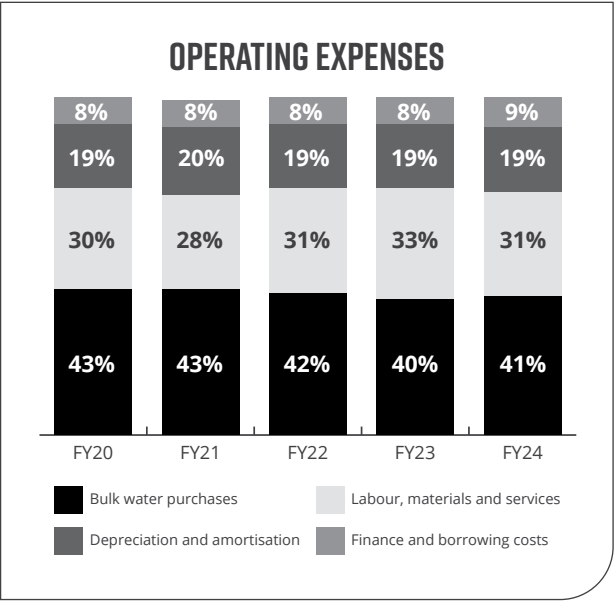
Customer revenue was generated through \$799 million in water utility charges and \$544 million in wastewater utility charges, with the remainder from our professional services, such as SAS Laboratories and developer services. For FY24, customer revenue represented 84% of total revenue which is a decrease of 4% on FY23.

Customer revenue increased by \$54 million from FY23, driven by an increase in properties billed, price increases and overall higher water consumption.

Developer contributions comprise both donated assets and cash and are used to build water and wastewater infrastructure. This assists funding towards our investment in infrastructure, enabling us to keep our prices lower. Developer contribution revenues increased by \$86 million in FY24 compared to FY23, which is an increase of 49%. The increase reflects a change in developer behaviour as cash contributions are now required before access is provided to Urban Utilities' network.

OPERATING EXPENSE SUMMARY

Urban Utilities' operating expenses for the year ended 30 June 2024 was \$1,268 million and increased by \$45 million or 4% from FY23.



Bulk water accounts for 41% of our operating cost base. The increase in labour, material, and service costs is driven by ongoing inflationary pressures, the necessary investments to meet the increased demand from population growth, the costs associated with managing biosolids, and strategic investment decisions.

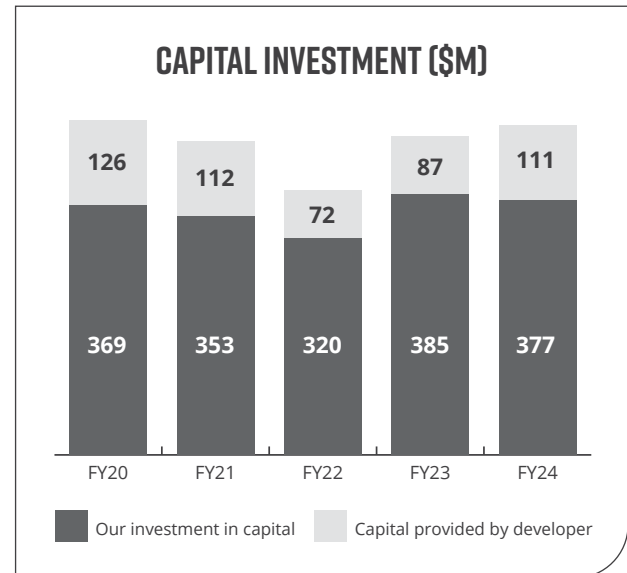
Depreciation and amortisation accounts for 19% of the operating cost base, and represents the consumption of the useful life of our assets and the depreciation on our leased building assets. As the size of our asset base grows, so too does our depreciation expense.

OPERATING COST PER PROPERTY



Operating cost per property excludes the cost of purchased water as these costs do not result from Urban Utilities' activities. Rather, they are driven by customer demand, with the price of bulk water determined by Seqwater and passed directly through to our customers. Also excluded are abnormal uncontrollable costs. After adjusting for these items, there was a 5.8% year-on-year increase in Urban Utilities' operating costs per property in nominal dollars.

CAPITAL EXPENDITURE



It is important that we continue to invest in infrastructure and systems to ensure we can meet the evolving needs of our customers and enhance our growing communities. Construction and delivery of these assets is achieved through our own Capital Investment Program or by developers providing infrastructure (for example, pipes and associated fittings) as they develop new communities. Major infrastructure projects completed or progressed during FY24 included:

- Hamilton Siphon Rehabilitation - Stage 2: \$94 million
- Virginia Branch Sewer Section 1 Augmentation (Cannery Creek): \$66 million
- Breakfast Creek Trunk Sewer Augmentation - Stage 1: \$46 million
- Grey Street Sewer Infrastructure Upgrade Phase 3: \$29 million
- Tantivy St, Tivoli (SP351) Pump Station Upgrade Stage 1: \$25 million
- Plainland Diversion to Laidley STP: \$23 million
- Esk Reservoir Implementation: \$17 million

Capital provided by developers increased by \$24 million (31%) on FY23.

KEY PERFORMANCE MEASURES

Our financial performance and financial sustainability are presented through the following industry-accepted ratios.

KEY PERFORMANCE MEASURES	UNIT	FY20	FY21	FY22	FY23	FY24
EBITDA interest cover	Times	4.48	4.80	5.21	4.76	4.07
Funds from operations to net debt	%	11	10	11	9	9
Net debt to fixed assets	%	38	40	41	41	41
Net debt to regulatory asset base	%	46	50	49	49	50

An EBITDA (Earnings before income tax, depreciation and amortisation) interest cover demonstrates our ability to meet our interest expenses. The funds from operations to net debt is a measure of our ability to manage our debt obligations and excludes developer contributions. Net debt to fixed assets and Net debt to Regulatory Asset Base are measures of the extent to which our assets are financed by debt.

The combination of the key performance measures outlined above give an indication of financial sustainability.

GUIDE TO OUR FINANCIAL STATEMENTS

INTRODUCTION

The Financial Statements are prepared in accordance with the requirements of the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019*, the *Financial Reporting Requirements for Queensland Government Agencies* (as applicable to statutory bodies), the *Statutory Bodies Financial Arrangements Act 1982*, the exemptions under the *South- East Queensland Water (Distribution and Retail Restructuring) Act 2009*; and the *Australian Accounting Standards and interpretations*.

This guide has been prepared to assist readers understand and analyse the Financial Statements.

WHAT IS INCLUDED IN THE FINANCIAL REPORT?

The Financial Statements report on how Urban Utilities performed financially during the FY24 financial year and the overall financial position at the end of the financial year (30 June 2024). The Financial Statements include:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows
- Notes to the Financial Statements.

The Financial Statements are prepared by Management, reviewed by the Audit, Finance and Risk Committee who make a recommendation to the Urban Utilities Board for approval, and audited by the Auditor-General of Queensland.

STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income itemises income earned, and expenditure incurred in delivering Urban Utilities' services during the year, as well as other comprehensive income to give the total comprehensive result for the year.

The operating expenses do not include capital purchases for the renewal or upgrade of our assets. However, it does include depreciation and amortisation, which is a provision for the value of assets 'used up or consumed' during the year.

The statement is prepared on an accruals basis and includes both cash and non-cash items. All income and expenses for the year are reflected in the statement, even though some revenue may not yet be received (such as interest on investments) and some expenses may not yet be paid (where the goods and services are received but the suppliers' invoices are not yet paid).

The key figure to assess financial performance for the year is the profit for the year, which is calculated by deducting the total operating expenses (including income tax) for the year from total operating revenue. It is important to note however, that the profit for the year is not necessarily a 'cash' surplus due to the recognition of non-cash items above.

Urban Utilities is a for-profit statutory body and generates an annual profit in order to ensure future financial sustainability. The profit not only ensures ongoing services and infrastructure to customers and communities but also provides a return to our five shareholding councils.

STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position is also known as a Balance Sheet and is a snapshot of our financial position as at 30 June 2024. It outlines what we control as assets (such as cash and property), what we owe as liabilities (such as amounts owed to creditors) and the equity or net worth at the end of the year.

The assets and liabilities are separated into current and non-current sections. 'Current' generally means those assets that will be received, or liabilities that will be paid, within the next 12 months. 'Non-current' refers to those assets and liabilities that are held for a longer term.

The net current assets or working capital is an important measure of our ability to meet our debts as and when they fall due.

The equity section of the Statement of Financial Position shows the contributed equity from the establishment of Urban Utilities on 1 July 2010, the total of the retained earnings (profits) that have accumulated and the amount by which the assets have been revalued since establishment. The total of the equity section represents our net financial worth.

STATEMENT OF CHANGES IN EQUITY

The Statement of Changes in Equity summarises the change in our net financial worth during the financial year. Net worth can change as a result of a profit or loss as recorded in the Statement of Comprehensive Income or a change in the net value of non-current assets resulting from a revaluation or an impairment of those assets.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows shows all cash amounts received and all cash payments made during the year that make up the change in our bank balance during the financial year.

The cash flows are separated into three different types of activities:

- Operating activities are those cash receipts and payments arising from delivery of our services. The net cash provided by operating activities is an important result in the statement, as it shows our ability to generate a cash surplus, which can then be used to fund the purchase, construction or renewal of long-term assets, such as property and infrastructure and to repay borrowings. This should be a positive amount.
- Investing activities are those cash receipts and payments arising from the purchase, renewal, upgrade, expansion and sale of non-current assets.
- Financing activities are those cash receipts and payments arising from the raising and repayment of borrowings and payments of a participation return (dividend and income tax equivalent amounts) paid to our five shareholding councils.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the Financial Statements provide greater detail to support the figures used in the four main statements and should be read in conjunction with the statements to obtain a clearer picture of our finances. The notes give the details behind the summary line items contained in the statements, showing what makes up each of the accumulated amounts.

The notes also provide information on the accounting policies and assumptions used to prepare the financial statements, advise the reader about any changes to the Australian Accounting Standards, policy, or legislation, which may affect the way the statements are prepared and disclose other information that cannot be incorporated into the statements and provide analysis if there has been a significant change from the previous year's comparative figures.

CERTIFICATION OF STATEMENTS

The certification of the financial statements is made by the Board Chair, the Chief Executive Officer, and the Chief Financial Officer. Collectively, these persons are responsible for the financial management of Urban Utilities. The certification must state whether, in their opinion, the statements have met all the statutory and professional reporting requirements and present a true and fair view of the financial performance and financial position of Urban Utilities as at the end of the financial year.

The certification must be based on an appropriate system of internal controls and effective risk management processes.

INDEPENDENT AUDITOR'S REPORT

The Independent Auditor's Report is the external and independent opinion of the Queensland Auditor-General and provides the reader with an independent view about Urban Utilities' compliance with the statutory and professional requirements, as well as the fairness aspects of the statements.

CENTRAL SEQ DISTRIBUTOR-RETAILER AUTHORITY

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

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STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2024

	NOTES	2024 \$'000	2023 \$'000
Revenue			
Utility charges	2.1	1,349,920	1,279,032
Developer contributions	2.2	262,116	176,286
Other revenue	2.3	36,173	52,730
Total operating revenue		1,648,209	1,508,048
Expenses			
Bulk water purchases	3.1	(519,479)	(494,749)
Depreciation and amortisation	8, 9	(241,328)	(233,721)
Supplies and services	3.2	(220,399)	(229,302)
Employee expenses	3.3	(157,388)	(151,700)
Finance and borrowing costs	3.4	(112,257)	(95,585)
Other expenses	3.5	(17,073)	(18,294)
Total operating expenses		(1,267,924)	(1,223,351)
Profit before income tax equivalent		380,285	284,697
Income tax equivalent	4	(114,382)	(86,406)
Profit for the year		265,903	198,291
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Defined benefit plan actuarial gain/ (loss)		(198)	36
Total other comprehensive income		(198)	36
Total comprehensive income for the year		265,705	198,327

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2024

	NOTES	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	5	88,331	43,406
Trade and other receivables	6	171,464	139,665
Other assets	7	184,143	185,206
Total current assets		443,938	368,278
Non-current assets			
Property, plant and equipment	8.5	6,877,175	6,594,323
Right-of-use assets	8.11	27,226	30,809
Intangible assets	9	97,887	131,250
Defined benefit plan	10.3	4,499	4,782
Total non-current assets		7,006,787	6,761,164
Total assets		7,450,725	7,129,442
Current liabilities			
Trade and other payables	11	87,073	69,947
Lease liabilities	19	3,034	2,770
Employee benefits	12	39,912	57,867
Other liabilities	13	151,893	140,181
Income tax payable	13	3,112	2,067
Participation returns	14.1	60,000	65,000
Total current liabilities		345,024	337,833
Non-current liabilities			
Loans and borrowings	15	2,924,895	2,774,895
Lease liabilities	19	27,810	30,845
Employee benefits	12	4,189	3,730
Other liabilities	13	1,448	208
Net deferred tax liabilities	4.2	282,979	263,256
Total non-current liabilities		3,241,321	3,072,934
Total liabilities		3,586,345	3,410,767
Net assets		3,864,380	3,718,676

STATEMENT OF FINANCIAL POSITION (CONT'D)

For the year ended 30 June 2024

	NOTES	2024 \$'000	2023 \$'000
Equity			
Contributed equity	14.2	2,538,793	2,538,793
Retained earnings		1,172,733	1,027,028
Asset revaluation surplus	8.7	152,854	152,854
Total equity		3,864,380	3,718,676

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	NOTES	CONTRIBUTED EQUITY \$'000	RETAINED EARNINGS \$'000	ASSET REVALUATION SURPLUS \$'000	TOTAL \$'000
Balance as at 1 July 2022		2,538,793	958,647	152,908	3,650,348
Distributions to Participants					
Participation returns to Participants	14.1	-	(130,000)	-	(130,000)
Total distributions to Participants		-	(130,000)	-	(130,000)
Profit for the year			198,291		198,291
<i>Other comprehensive income:</i>					
Defined benefit plan actuarial gain, net of tax		-	36	-	36
Decrease in asset revaluation surplus, net of tax	8.7	-	54	(54)	-
Total comprehensive income for the year		-	198,381	(54)	198,327
Balance as at 30 June 2023		2,538,793	1,027,028	152,854	3,718,676
Balance as at 1 July 2023		2,538,793	1,027,028	152,854	3,718,676
Distributions to Participants					
Participation returns to Participants	14.1	-	(120,000)	-	(120,000)
Total distributions to Participants		-	(120,000)	-	(120,000)
Profit for the year			265,903		265,903
<i>Other comprehensive income:</i>					
Defined benefit plan actuarial gain, net of tax		-	(198)	-	(198)
Decrease in asset revaluation surplus, net of tax	8.7	-	-	-	-
Total comprehensive income for the year		-	265,705	-	265,705
Balance as at 30 June 2024		2,538,793	1,172,733	152,854	3,864,380

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	NOTES	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Receipts from customers		1,375,330	1,343,419
Developer cash contributions received		150,926	89,454
Interest received		2,379	1,417
GST input tax credits from ATO		59,047	57,586
		1,587,682	1,491,876
Payments to employees		(174,987)	(144,327)
Payments to suppliers		(801,330)	(772,010)
Borrowing costs		(108,247)	(93,135)
Income tax payments		(93,673)	(93,896)
GST remitted to ATO		(1,422)	(1,284)
		(1,179,659)	(1,104,652)
Net cash provided by operating activities	5.1	408,023	387,224
Cash flows from investing activities			
Proceeds from sale of plant and equipment		1,248	188
Payments for property, plant and equipment and intangibles		(384,487)	(388,204)
Net cash used in investing activities		(383,239)	(388,017)
Cash flows from financing activities			
Proceeds from long-term borrowings - QTC	5.2	150,000	140,000
Proceeds from long-term borrowings (Participating Councils)		-	10,000
Repayment of lease liabilities	19	(4,859)	(5,966)
Participation return payments	14.1	(125,000)	(140,000)
Net cash provided by/(used in) financing activities		20,141	4,034
Net increase / (decrease) in cash and cash equivalents		44,925	3,241
Cash and cash equivalents at beginning of reporting period		43,406	40,166
Cash and cash equivalents at end of reporting period	5	88,331	43,406

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

I. BASIS OF FINANCIAL STATEMENT PREPARATION

1.1 Reporting Authority

The Central SEQ Distributor-Retailer Authority (the Authority) has been established under the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009 (the Act)* and is a Queensland statutory body under the *Financial Accountability Act 2009* and the *Statutory Bodies Financial Arrangements Act 1982*.

Under the Act, governance arrangements for the Authority were established in a Participation Agreement, which became operative from 25 June 2010. The Participants are Brisbane City Council, Ipswich City Council, Lockyer Valley Regional Council, Scenic Rim Regional Council and Somerset Regional Council (see Note 14).

The assets, liabilities, instruments and employees of the five Participating Councils' water distribution and sewerage operations were transferred to the Authority as a result of the Act. The value of the net assets transferred from the Councils to the Authority was initially calculated using a Regulatory Asset Base (RAB) valuation approved by the Queensland Government to represent the market value of the business.

In return for the net assets transferred to the Authority, each Council participates in the Authority based on its share of the RAB on formation, comprising debt and participation rights as agreed by the Participating Councils and the Authority in the ratio of 40 to 60. The value of participation rights (60% of the RAB) has been brought to account as contributed equity in accordance with the advice provided by Queensland Treasury.

The Act states that the Authority expires at the end of 99 years from when it was established on 3 November 2009 and the Participants become the successor in law of the assets and liabilities in accordance with their participation rights at the expiry date.

The Authority's primary function is the provision of water and sewerage services for its geographic area as set out in Section 11(1) of the Act.

The Authority trades as Urban Utilities and is a "for profit" entity. The registered office is Level 10, 31 Duncan Street, Fortitude Valley, Brisbane, QLD 4006.

1.2 Compliance with prescribed requirements

These general-purpose financial statements have been prepared in accordance with:

- Applicable Australian Accounting Standards (AAS) and Interpretations, issued by the Australian Accounting Standards Board (AASB)
- the *Financial Accountability Act 2009*
- the *Financial and Performance Management Standard 2019*
- the *Statutory Bodies Financial Arrangements Act 1982*
- the Financial Reporting Requirements for Queensland Government Agencies (as applicable to statutory bodies)
- the exemptions under the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009*
- Other authoritative pronouncements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

1.3 Authorisation of financial statements for issue

The financial statements were authorised for issue by the Board on 26 August 2024.

1.4 Historical cost

The financial statements have been prepared on a historical cost basis.

An estimation of fair value is used for other measurement purposes. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Further information about the assumptions made in measuring fair value is included in Notes 2.2,6, 8,15 and 16.

1.5 Accounting estimates, judgements, and assumptions

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Authority's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors considered relevant. Actual results may differ from these estimates.

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

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

Note 2 Utility charges – Estimation of unbilled water consumption based on historical information.

Note 2 Developer Contributions – Estimation of developer contributions (donated assets) based on unit rates.

Note 6 Trade and other receivables – Provision for impairment based on expected credit loss.

Note 8 Property, plant and equipment – Estimated useful life of property, plant and equipment.

Note 8 Property, plant and equipment – Estimation of fair value based on discounted cash flows.

Note 8 Right-of-use assets – Estimation of cost of right-of-use assets.

Note 9 Intangible assets – Estimated useful lives of intangible assets.

Note 10 Superannuation – Fair value of fund assets based on actuarial assessment.

Note 12 Employee benefits – Leave provision estimations.

Note 13 Other liabilities – Borrowing cost rate and term used for calculating the present value of provision for restoration.

Note 19 Lease liabilities – Borrowing cost rate and lease term used for calculating the present value of lease Liability and right-of-use assets.

Note 21 Contingencies – Judgement regarding contingent assets and liabilities.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

1.6 Presentation

Currency and rounding

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 unless disclosure of the full amount is specifically required. Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

Comparatives

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

1.7 Taxation

Goods and Services Tax (GST)

Revenue, expenses, assets, and liabilities are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

The GST component of cash flows arising from investing and financing activities which are recoverable from or payable to the ATO are classified as operating cash flows.

Other taxes

The Authority pays payroll tax to the Queensland Government Office of State Revenue. A small number of employees were located outside of Queensland and payroll tax was paid to relevant State Revenue offices. Fringe benefits tax is paid to the ATO in accordance with the relevant legislation.

1.8 Going concern

The financial statements have been prepared on a going concern basis in accordance with AASB 101 *Presentation of Financial Statements*.

1.9 Climate-related and other emerging risks

Authority's climate-related reporting

The Authority published its inaugural 2022/23 Sustainability Report in November 2023, disclosing its approach to governance and leadership of climate-related risks and opportunities critical to the business. This report is available at <https://www.urbanutilities.com.au/about-us/corporate-information/performance-reports>. The Authority will continue to monitor the legislative changes on disclosures of climate-related risks, formalised through the release of the Australian Sustainability Reporting Standards. Currently the Authority is not in scope to adopt mandatory reporting, however it will work with Queensland Treasury to determine the appropriate timing for adopting mandatory reporting under these standards or other legislative obligations.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

1.9 Climate-related and other emerging risks (continued)

Authority's accounting estimates and judgements – climate-related risks

The Authority is monitoring the emergence of significant climate-related risks that may affect its financial statements, including those outlined in the Queensland Government's Queensland 2035 Clean Energy Pathway, and other Queensland Government climate-related policies or directives, and legislative changes.

Authority's operations and cashflows

Under the current revenue and price setting framework, the Authority can set utility (water and wastewater) prices to recover prudent and efficient expenditure, including costs for significant, unplanned events such as floods that are beyond the normal operating circumstances a prudent operator would be expected to manage. Any temporary loss in financial resources can be recovered in future years' utility prices without impacting the Authority's medium to long-term financial sustainability. Further, any short-term timing impacts on financial resources can be funded through existing financial arrangements the Authority has with the Queensland Treasury Corporation.

1.10 Changes in significant accounting policy

There have been no changes in significant accounting policies.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

2. REVENUE

2.1 Utility charges

	2024 \$'000	2023 \$'000
Water volumetric charges	620,849	602,303
Wastewater charges	543,839	485,855
Water access charges	178,062	181,704
Recycled water	7,170	9,170
Total	1,349,920	1,279,032

Utility charges comprise variable usage (volumetric) and fixed access charges for the provision of water and sewerage services. It is recognised at the time of supply and customer consumption. The Authority's performance obligations are met over time as the customer simultaneously receives and consumes the services provided (access to the network and provision of water and sewerage services). Revenue is measured at the price allocated to each service, whether it be access or usage. The Authority issues the utility account statements either on a monthly or quarterly basis.

The Authority estimates customer consumption where customer water meters are unread at reporting date. Volumetric estimates are based on historical usage patterns. Access charge accruals are based upon each customers' access fees for the number of days from the last billing period to the end of the reporting period.

2.2 Developer contributions

	2024 \$'000	2023 \$'000
Developer contributions - cash	150,926	89,121
Developer contributions - donated assets	111,190	87,165
Total	262,116	176,286

The Authority finances part of its capital works infrastructure program through non-refundable cash contributions from developers. Contributions are also received in the form of donated assets.

Developer contributions - cash

Developer cash contributions are recognised at a point in time when network capacity is made available to the developer. This is evidenced by the developer receiving the right to connect to the infrastructure network, via the issuance of a Network Access Permit. Approval to connect constitutes fulfilment of the Authority's performance obligation in relation to revenue being recognised.

Developer contributions - donated assets

Developer non-cash contributions, such as water and sewerage infrastructure, are recognised as revenue and as non-current assets at their fair value when the Authority obtains control of the assets upon issue of the connection certificate to developers (where applicable) and where the transaction price can be reliably measured. The fair value of the developer donated assets is based on the cost to the developer if available or calculated based on unit rates. These unit rates are reviewed on a quarterly/annual basis by reference to relevant indices.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

2.3 Other revenue

	2024 \$'000	2023 \$'000
Revenue from contracts with customers		
Professional fees	10,591	12,683
Property connection fees	8,544	7,765
Other fees and charges	9,885	10,135
	29,020	30,583
Other revenue		
Interest income	2,526	1,449
Grants and subsidies	468	933
Insurance recovery	626	16,153
Other	3,533	3,612
	7,153	22,147
Total	36,173	52,730

Fees and charges

Revenue from professional fees, property connection fees and other fees and charges is recognised upon the delivery of services to customers. Payment received prior to service delivery is unearned and brought to account as a contractual liability.

Interest Income

Interest income is recognised based on the interest earned from cash and term deposits, and overdue receivable accounts.

Grants and subsidies

Government grants are recognised as revenue where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Government grants are recognised in the Statement of Comprehensive Income over the period in which the Authority incurs expenses relating to the grant.

Insurance recovery

Insurance recoveries are recognised when the Authority has received confirmation that a claim will be settled by the insurer.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. EXPENSES

3.1 Bulk water purchases

Bulk water is purchased from Seqwater (the sole supplier of bulk water to the Authority) and is recognised as an expense in the period that the water is provided. The price the Authority pays for bulk water is recommended by the Queensland Competition Authority and determined by the State Government. Total purchases for the current year were \$519.5M (2023: \$494.7M).

3.2 Supplies and services

	2024 \$'000	2023 \$'000
Materials and services	217,240	226,284
Consultancies and legal fees	2,638	2,476
Board fees	521	542
Total	220,399	229,302

Supplies and services generally represent the day-to-day running costs incurred in normal operations. They are expensed in the reporting period in which they are incurred.

Consultants are classified according to the Queensland Government Procurement guidance definition.

3.3 Employee expenses

	2024 \$'000	2023 \$'000
Employee benefits		
Salaries and wages	139,530	133,088
Employer superannuation contribution	20,238	17,250
	159,768	150,338
Employee related expenses		
Annual leave expenses	12,307	10,919
Payroll tax	9,322	8,087
Long service leave expenses	3,595	1,759
Other employee related expenses	2,362	1,953
	27,586	22,718
	187,354	173,056
Less: capitalised costs (employee)	(29,966)	(21,356)
Total	157,388	151,700

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

3.3 Employee expenses (cont'd)

The number of employees as at 30 June including both full time and part time employees measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resource Information (MOHRI) is:

	2024	2023
Number of employees	1,186 FTE	1,145 FTE

Wages and salaries

Wages and salaries due but unpaid at reporting date are recognised as a current liability in the Statement of Financial Position at the current salary rates.

Superannuation

The Authority contributes to Brighter Super for employees under both the defined benefit scheme and the accumulation superannuation scheme. The Authority has no liability to or interest in Brighter Super other than the payment of the statutory contribution. Contributions are expensed when incurred. Refer to Note 10 for further information pertaining to Superannuation.

Wages remediation review

In August 2022, the Authority announced it had commenced a review of award interpretations and payroll procedures to ensure employees have been paid correctly. The review included an analysis of payments to all current and former employees from 1 July 2015 employed under the Water Industry Award (Cth.) as well as Urban Utilities Enterprise Agreements. As at the reporting date, the Authority has paid the majority of payments owing to current and former employees for the period 1 July 2015 to 30 June 2022. A provision for payments for the period July 2022 to June 2024 has been recognised. The provision for underpayments represents management's best estimate; involving significant estimations, a high degree of complexity and interpretations and may be subject to review by the Fair Work Ombudsman. Any changes to the assumptions could result in a future adjustment to the employee benefits provisions in subsequent periods. These changes will be accounted for in the Authority's Statement of Comprehensive Income.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

3.4 Finance and borrowing costs

	2024 \$'000	2023 \$'000
Queensland Treasury Corporation (QTC) finance costs	105,851	90,169
Interest on Participants' debt	2,995	2,383
Bank charges	2,291	2,334
Interest on leases	1,113	585
Interest on restoration provision	7	114
Total	112,257	95,585

Finance and borrowing costs include bank charges, interest on bank overdrafts, borrowings, leases and restoration provision. These are expensed in the period in which they are incurred. Finance and borrowing costs that are not paid in the period in which they are due are accrued as interest payable except for interest on leases which is included in lease liabilities (see Note 19) and the unwinding of the discount on provision for restoration (see Note 13).

3.5 Other expenses

	2024 \$'000	2023 \$'000
Insurance	11,241	9,663
Land taxes	6,799	4,908
Audit fees (internal and external) ¹	814	793
Loss/(gain) on disposal of assets	89	1,215
Impairment of receivables	(1,997)	(9)
Other	127	1,724
Total	17,073	18,294

¹ Total external audit fees quoted by the Queensland Audit Office (QAO) relating to the 2024 financial statements are \$340,830 (2023: \$374,600), with additional out of scope fees of \$55,000. There are no non-audit services included in these amounts.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

4. INCOME TAX EQUIVALENT

The Authority is exempt from Federal Government income taxation but is subject to the Local Government Tax Equivalents Regime (LGTER). Under the LGTER, the Authority pays an income tax equivalent to its Participating Councils in accordance with the requirements of its Participation Agreement.

4.1 Income tax expense

Income tax equivalent expense (referred to as income tax expense) on the Statement of Comprehensive Income comprises current and deferred tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, less any instalments paid and any adjustment to tax payable in respect of the previous year. Taxable income differs from profit before tax reported in the Statement of Comprehensive Income, as it excludes items of income and expense that are taxable or deductible in other years and excludes any items that will never be taxable or deductible. The Authority's liability for current tax expense is calculated using tax rates enacted at balance date.

	2024 \$'000	2023 \$'000
Income statement		
Current tax expense	94,574	87,944
Current income tax charge	95,403	87,944
Adjustments to current income tax charge of prior years	(828)	-
Previously unrecognised capital loss used to reduce current tax	(1)	-
Deferred tax expense	19,808	(1,537)
Deferred income tax charge	19,220	(1,537)
Adjustments to deferred tax charge of prior periods	588	-
Total income tax expense in the income statement	114,382	86,406
Statement of changes in equity		
Deferred tax expense		
Actuarial gain/ (loss) on defined benefit plan ¹	(85)	16
Total income tax expense (benefit) reported in the statement of changes in equity	(85)	16
Reconciliation of income tax expense to prima-facie tax payable:		
Profit before income tax equivalent	380,285	284,697
Income tax equivalent expense at 30% (2023: 30%)	114,086	85,409
Non-deductible expenditure	48	497
Change in unrecognised temporary differences subject to initial recognition exemption ²	489	500
Adjustments in respect of current income tax of previous years	(240)	-
Recognition of a previously unrecognised capital losses	(1)	-
Total income tax expense	114,382	86,406

¹ This disclosure has been included and applied comparatively to enhance transparency for users of the financial statements.

² This disclosure was renamed from "Permanent difference – depreciation on acquired assets" to align with the accounting standards.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

4.2 Deferred tax assets and liabilities

Deferred income tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the applicable amounts for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. A deferred tax liability is recognised for income taxes payable in future periods in respect of taxable temporary differences. The Authority has a legally enforceable right to offset current tax assets and liabilities, a net deferred tax asset or liability is presented in the Statement of Financial Position. The recognised deferred tax asset and deferred tax liability both relate to the same taxation authority.

Deferred tax assets and liabilities are attributable to the following:

	ASSETS		LIABILITIES		NET	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Provisions	9,302	10,400	-	-	9,302	10,400
Accrued expenses	172	79	-	-	172	79
Employee benefits	11,852	10,285	-	-	11,852	10,285
Plant and equipment ²	-	-	(303,936)	(283,304)	(303,936)	(283,304)
Lease liability	9,252	10,085	-	-	9,252	10,085
Right-of-use assets	-	-	(8,168)	(9,243)	(8,168)	(9,243)
Defined benefit plan ³	-	-	(1,350)	(1,435)	(1,350)	(1,435)
Other	24	28	(128)	(151)	(104)	(123)
Tax asset / (liability)	30,602	30,877	(313,582)	(294,133)	(282,980)	(263,256)
Set-off deferred tax	(30,602)	(30,877)	30,602	30,877	-	-
Net deferred tax liability	-	-	(282,980)	(263,256)	(282,980)	(263,256)
Movements in deferred tax assets and liabilities						
Opening balance	30,877	177,942	(294,133)	(442,718)	(263,256)	(264,776)
Current year deferred tax expense	(275)	(147,065)	(19,534)	148,601	(19,809)	1,536
Deferred tax recognised in statement of changes in equity	-	-	85	(16)	85	(16)
Balance at 30 June	30,602	30,877	(313,582)	(294,133)	(282,980)	(263,256)

¹ Disclosures have been re-categorised to enhance consistency with the financial statements. This change has been applied comparatively.

² Deferred tax assets related to plant and equipment have been offset against deferred tax liabilities this financial year and comparatively to provide more relevant and readable information to users of the financial statements.

³ The total deferred tax liability relating to the defined benefit plan is disclosed here. The current year movement was previously reported at this line item and the remaining balance disclosed at "Other". This change has been made to enhance transparency and readability for users of the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

4.2 Deferred tax assets and liabilities (cont'd)

Unrecognised deferred tax assets

At the reporting date, the Authority has no unused operating tax losses available for offset against future profits. Additionally, no deferred tax asset has been recognised in respect of capital losses of \$4M, as it is unlikely that there will be future capital gains to utilise these capital losses. The capital losses may be carried forward indefinitely.

Unrecognised deferred tax liabilities

As part of the restructure of the water entities, the participants transferred assets to the Authority on 1 July 2010. The requirements of the initial recognition exceptions in relation to these assets and liabilities were satisfied such that any temporary differences arising on the acquisition of the transferred assets were not recognised; and no temporary differences are recognised in the current period, or future periods in relation to these assets. Deferred tax liabilities not recognised in 2024 were \$11.9M.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

5. CASH AND CASH EQUIVALENTS

	2024 \$'000	2023 \$'000
Cash at bank and on hand	28,973	43,406
QTC working capital facility	59,358	-
Total	88,331	43,406

Cash and cash equivalents comprise cash on hand and at bank, cheques receipted not banked, deposits held on call, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

As at 30 June 2024, the QTC working capital facility balance comprises of at-call cash deposits earning interest income.

5.1 Reconciliation of cash flows from operating activities

	2024 \$'000	2023 \$'000
Cash flows from operating activities		
Profit for the year	265,903	198,291
Non-cash items included in operating result:		
Depreciation and amortisation	241,328	233,721
Loss on disposal of property, plant and equipment	89	1,215
Donated assets	(111,190)	(87,165)
Credit losses on trade and other receivables	(1,997)	(9)
Change in assets and liabilities		
<i>(Increase) / decrease in trade and other receivables</i>	(10,699)	10,738
<i>(Increase) / decrease in other assets</i>	374	1,752
<i>Increase / (decrease) in trade and other payables</i>	(3,974)	7,400
<i>Increase / (decrease) in employee benefits</i>	(17,496)	7,349
<i>Increase / (decrease) in other liabilities</i>	25,962	15,453
<i>Increase / (decrease) in deferred tax</i>	19,723	(1,522)
Net cash inflow from operating activities	408,023	387,224

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

5.2 Changes in liabilities arising from financing activities

2024	NOTES	OPENING BALANCE \$'000	NON-CASH CHANGES		CASH FLOWS		CLOSING BALANCE \$'000
			NEW LEASES ACQUIRED \$'000	OTHER \$'000	CASH RECEIVED \$'000	CASH REPAYMENTS \$'000	
Lease liabilities	19	33,615	975	1,113	-	(4,859)	30,844
Borrowings	15	2,774,895	-	-	150,000	-	2,924,895
Total		2,808,510	975	1,113	150,000	(4,859)	2,955,739

2023		OPENING BALANCE \$'000	NON-CASH CHANGES		CASH FLOWS		CLOSING BALANCE \$'000
			NEW LEASES ACQUIRED \$'000	OTHER \$'000	CASH RECEIVED \$'000	CASH REPAYMENTS \$'000	
Lease liabilities	19	5,845	33,712	585	-	(6,528)	33,615
Borrowings	15	2,624,895	-	-	150,000	-	2,774,895
Total		2,630,740	33,712	585	150,000	(6,528)	2,808,510

5.3 Funding facilities

	2024 \$'000	2023 \$'000
QTC working capital facility	300,000	300,000
Overdraft facility - Commonwealth Bank	5,000	5,000
Total	305,000	305,000
Amount of facility undrawn	305,000	305,000

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

6. TRADE AND OTHER RECEIVABLES

	2024 \$'000	2023 \$'000
Current		
Trade and other receivables	178,394	148,624
Less: expected credit losses	(6,930)	(8,959)
Total	171,464	139,665

Trade and other receivables are recognised at the time of invoicing, sale, or service delivery. Settlement of these amounts is required within 30 days from invoice date, and they are classified as current. Due to the short-term nature of the current receivables, their carrying amount approximates fair value. Interest of 11% (2023: 8.17%) based on the government prescribed rate is charged on trade receivables that are overdue.

	2024 \$'000	2023 \$'000
Movement in expected credit losses		
Opening balance	(8,959)	(9,722)
Amounts written off during the year	33	763
Release of provision	2,969	-
Increase in provision	(973)	-
Balance at the end of the year	(6,930)	(8,959)

Collectability of receivables is reviewed and assessed periodically for the impairment provision. All known bad debts are written off periodically and/or as at 30 June. Subsequent recoveries of amounts previously written off are credited against other expenses in the Statement of Comprehensive Income.

The provision for impairment of receivables is estimated based on the 'expected credit loss' (ECL) model, consistent with AASB 9 *Financial Instruments*. The ECL is calculated using a provision matrix, which incorporates both historical and forward-looking information to determine the accounts' default rates by category.

The gross carrying amount of a financial asset is written off when the Authority has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Authority individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. Refer to Note 17.1.1 for the Authority's credit risk exposure and risk management strategy.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

7. OTHER ASSETS

	2024 \$'000	2023 \$'000
Current		
Accrued utility charges	163,899	161,152
Prepayments	8,057	6,097
Inventories held for use (cost)	9,739	6,047
Renewable energy certificates	545	437
Other	1,903	11,473
Total	184,143	185,206

Accrued utility charges

Accrued utility charges are recognised for fixed access charges and unbilled water consumption based on customers' historical usage for the period between the date of the last available meter reading and the end of the reporting period.

Inventories held for use

Inventories are valued at the lower of cost and net realisable value. Cost is assigned on a weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition. Inventories such as materials and supplies are held for use in the rendering of services.

Renewable energy certificates

Renewable energy certificates (RECs) consisted of a total of 11,536 (2023: 7,808) large-scale generation certificates (LGCs) issued by the Clean Energy Regulator to the Authority for the renewable energy power station accreditation of the cogeneration engine at Oxley Sewerage Treatment Plant under the *Renewable Energy (Electricity) Regulations 2001*.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

8. PROPERTY, PLANT AND EQUIPMENT

8.1 Recognition and acquisition

Recognition thresholds

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. Items of property, plant, and equipment with a total value in excess of the following thresholds are recognised in the year of acquisition:

Asset Type	Threshold Amount \$
Land	1
Buildings	5,000
Plant and equipment	5,000
Fleet	5,000
Infrastructure (water supply and sewerage network assets)	1

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant, and equipment.

All network assets are capitalised. Network assets are defined as the accumulation of individual items or components operating together in the provision of a particular service. Interconnected infrastructure assets are treated as network assets. Items with a lesser value than the recognition threshold are expensed during the year.

Assets donated by developers are initially recorded at fair value when the Authority obtains control of the assets, that is, upon issue of the connection certificate to developers.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Cost of acquisition

Acquisitions of property, plant and equipment are initially recorded at cost. Cost is determined as the fair value of assets given as consideration plus costs incidental to the acquisition, including engineering design fees and all other establishment costs.

Costs incurred subsequent to the initial asset capitalisation are added to the carrying amount of the existing asset only when it improves the condition of the asset beyond its original standard useful life and any of following criteria is met:

- the asset performs an additional function;
- the asset provides increased capacity;
- the asset has a significant increase in its remaining useful life; or
- statutory enhancements performed to comply with a law or rule.

If it is probable that there will be no enhancement of economic benefits, the additional costs are expensed in the financial year in which they are incurred.

Contractual commitments for the acquisition of property, plant and equipment are disclosed in Note 20.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

8.2 Assets under construction

Property, plant and equipment under construction at year end is valued at cost, including the cost of materials, direct labour and an appropriate proportion of overheads excluding administration costs. Assets under construction are assessed regularly for capitalisation and where costs cannot be capitalised, these are expensed. Assets under construction are not depreciated until they are completed and commissioned ready for use.

8.3 Measurement at cost

Plant and equipment and fleet assets are measured at cost less accumulated depreciation.

8.4 Depreciation expense

Land is not depreciated. Other property, plant and equipment classes are depreciated on a straight-line basis to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life. The estimated useful life, residual values and the depreciation method applied to assets are reviewed annually. Details of estimated standard useful lives of assets are set out below:

Asset Type	Useful Life (in years)
Buildings and improvements	15 - 80
Plant and equipment	3 - 60
Fleet	3 - 10
Infrastructure:	
- Water supply network assets	10 - 110
- Sewerage network assets	10 - 100

Items or components that form an integral part of a complex infrastructure asset are recognised as a separate asset. These items or components may be replaced during the useful life of the complex asset. Each component is depreciated over its individual useful life or useful life of the complex asset, whichever is shorter.

Property, plant, and equipment is depreciated from the date acquired or installed and ready for use or, for internally constructed assets, from the time an asset is completed and commissioned ready for use.

Major spares purchased specifically for particular assets are capitalised and depreciated on the same basis as the asset to which they relate.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

8.5 Balances as at 30 June

	2024 \$'000	2023 \$'000
Land:		
At fair value	68,938	68,938
Buildings:		
At fair value	19,734	28,706
Less: Accumulated depreciation	(10,272)	(18,060)
	9,462	10,646
Plant and equipment:		
At cost	23,573	14,068
Less: Accumulated depreciation	(10,964)	(8,164)
	12,609	5,903
Fleet:		
At cost	32,885	33,371
Less: Accumulated depreciation	(21,475)	(21,334)
	11,410	12,037
Water supply network:		
At fair value	3,390,916	3,233,270
Less: Accumulated depreciation	(787,658)	(712,999)
	2,603,258	2,520,271
Sewerage network:		
At fair value	5,203,575	4,856,609
Less: Accumulated depreciation	(1,573,053)	(1,434,593)
	3,630,522	3,422,016
Work in Progress:		
At cost	540,976	554,511
Carrying amount	6,877,175	6,594,323

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

8.6 Reconciliation of carrying amount

	LAND \$'000	BUILDINGS \$'000	WATER SUPPLY NETWORK \$'000	SEWERAGE NETWORK \$'000	PLANT AND EQUIPMENT \$'000	FLEET \$'000	WORK IN PROGRESS \$'000	TOTAL \$'000
Carrying value	68,379	26,710	3,073,487	4,680,397	10,106	32,005	431,439	8,322,523
Less accumulated depreciation	-	(16,019)	(642,796)	(1,303,028)	(7,099)	(18,539)	-	(1,987,482)
Carrying value at 30 June 2022	68,379	10,690	2,430,690	3,377,370	3,007	13,466	431,439	6,335,041
Additions	559	2,001	-	-	3,160	2,874	358,084	366,678
Transfers between classes	-	-	-	-	904	(904)	18,257	18,257
Transfers from work in progress	-	-	114,053	139,216	-	-	(253,269)	-
Donated assets	-	-	46,943	40,221	-	-	-	87,164
Disposals	-	-	(640)	(1,155)	(67)	(154)	-	(2,016)
Depreciation	-	(2,045)	(70,775)	(133,636)	(1,100)	(3,245)	-	(210,801)
Carrying value at 30 June 2023	68,938	10,646	2,520,271	3,422,016	5,904	12,037	554,511	6,594,323
Carrying value	68,938	28,706	3,233,270	4,856,609	14,068	33,371	554,511	8,789,473
Less accumulated depreciation	-	(18,060)	(712,999)	(1,434,593)	(8,164)	(21,334)	-	(2,195,150)
Carrying value at 30 June 2023	68,938	10,646	2,520,271	3,422,016	5,904	12,037	554,511	6,594,323
Additions	-	-	-	-	-	-	360,409	360,409
Transfers between classes	-	-	-	-	-	-	-	-
Transfers from work in progress	-	10	98,946	294,996	9,813	3,249	(373,944)	33,070
Donated assets	-	-	58,931	52,259	-	-	-	111,190
Disposals	-	(63)	(231)	(289)	(28)	(893)	-	(1,504)
Depreciation	-	(1,131)	(74,659)	(138,460)	(3,080)	(2,983)	-	(220,313)
Carrying value at 30 June 2024	68,938	9,462	2,603,258	3,630,522	12,609	11,410	540,976	6,877,175
Carrying value	68,938	19,734	3,390,916	5,203,575	23,573	32,885	540,976	9,280,597
Less accumulated depreciation	-	(10,272)	(787,658)	(1,573,053)	(10,964)	(21,475)	-	(2,403,422)
Carrying value at 30 June 2024	68,938	9,462	2,603,258	3,630,522	12,609	11,410	540,976	6,877,175

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

8.7 Asset revaluation surplus movement

2024	LAND \$'000	BUILDINGS \$'000	WATER SUPPLY NETWORK \$'000	SEWERAGE NETWORK \$'000	TOTAL \$'000
Balance 1 July 2023	1,789	487	59,653	90,925	152,854
Revaluation decrements related to asset disposal	-	-	-	-	-
Balance 30 June 2024	1,789	487	59,653	90,925	152,854

2023	LAND \$'000	BUILDINGS \$'000	WATER SUPPLY NETWORK \$'000	SEWERAGE NETWORK \$'000	TOTAL \$'000
Balance 1 July 2022	1,789	487	59,678	90,954	152,908
Revaluation decrements related to asset disposal	-	-	(25)	(29)	(54)
Balance 30 June 2023	1,789	487	59,653	90,925	152,854

8.8 Measurement at fair value

Land, buildings, and infrastructure assets are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses, where applicable.

Assets within each class of property, plant and equipment carried at fair value are subject to ongoing review and revaluation, as necessary, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date.

A fair valuation of the Authority was undertaken as at 30 June 2024 using a discounted cash flow methodology, which determined the fair value to be \$7.0B (2023: \$6.7B). This review did not result in a material impact on the values of the property, plant, and equipment classes.

The Authority's review of its fair value methodology was based on AASB 13 *Fair Value Measurement* (see Note 16). The fair values reported in these financial statements are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs. The inputs involved are not based on observable market data. Therefore, these assets have been categorised as level 3 in the fair value hierarchy and there have been no transfers between levels in the current and prior year.

8.9 Key valuations assumptions used

Valuation techniques and process used to determine level 3 fair values

Estimates of fair value are prepared by management and presented to the Audit, Finance and Risk Committee (AFRC), which recommends their adoption to the Board. An independent review of management's estimates is provided to the Board to assist in their adoption of the fair values.

Fair value has been determined using the discounted cash flow valuation methodology over a time horizon of 20 years with a terminal value. Terminal value is estimated based on the average of a perpetual growth to perpetuity model and RAB multiple methods.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

8.9 Key valuations assumptions used (cont'd)

Valuation inputs and relationships to fair value

The following table summarises the quantitative information regarding the significant unobservable inputs used in the level 3 fair value measurements:

UNOBSERVABLE INPUTS	BASIS	RANGE OF INPUTS	RELATIONSHIP BETWEEN UNOBSERVABLE INPUTS AND FAIR VALUE
Revenues	Maximum allowable revenue (MAR) ¹ developer contributions and competitive services revenue	Total revenue of \$1.6B in FY25 increasing to \$2.9B by FY44	The higher the revenue cash flow, the higher the fair value
Increase in the consumer price index (CPI)	Long-term forecast aligned with the mid-point of the Reserve Bank of Australia target range	3.6% decreasing to 2.5% in the long-term (FY23: 3.6% decreasing to 2.5% in the long-term)	The higher the CPI increases the higher the fair value
Terminal value (TV)	Average of the perpetual growth to perpetuity (Gordon Growth Model ²) and Regulatory Asset Base (RAB) multiple	(1) Gordon Growth Model based on sustainable cash flows with 2.5% nominal annual growth to perpetuity (2) RAB multiple approach assuming 1.15x transaction multiple	The higher the terminal value, the higher the fair value
RAB Multiple	RAB multiple applied as an exit multiple at the end of the 20-year time horizon	Multiple range between 1.10x and 1.3x with 1.15x mid-point as a base case (2023: 1.15x)	The higher the RAB multiple the higher the terminal value and fair value
Capex in terminal value	Approximated by using a multiple of the year 20 accounting depreciation	Base case multiple assumption of 1.20x	The higher the capex in terminal value, the lower the fair value
Fair valuation discount rate	Developed by Management in consultation with valuation experts	6.53% to 7.12%, with 6.85% applied as a base case.	The higher the fair valuation discount rate, the lower the fair value
Regulatory Weighted Average Cost of Capital (WACC)	Post tax Nominal WACC developed by Management in consultation with independent experts	6.12% to 7.24% over the 20-year time horizon (2023: 6.19%)	The higher the Regulatory WACC, the higher the fair value

¹Maximum allowable revenue is a function of operational expenditure, capital expenditure and the WACC discount rate, and any increase/decrease in one of these inputs will result in an increase/decrease to revenue. These interrelationships mitigate the effect of changes to these inputs on the fair value measurement.

²The Gordon Growth Model is used to calculate the intrinsic value of an asset today, based on the asset's expected constant growth rate.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

8.10 Impairment of non-current assets

Each non-current physical and intangible asset is assessed for indicators of impairment annually. Internal indicators of impairment including obsolescence or physical damage, significant changes with an adverse effect and internal reporting concerning economic performance of an asset were considered, together with external sources of information such as changes in technological, market, economic or legal environment, changes in the regulated environment, policy and/or legislative changes. If possible impairment indicators exist, the Authority determines the asset's recoverable amount. When the asset's carrying amount exceeds the asset's recoverable amount, the difference is recorded as an impairment loss. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use.

Based on this review no impairment loss has been recognised (2023: \$0.2M).

An impairment loss is recognised as an expense in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount where the impairment loss is offset against the asset revaluation surplus recorded.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation surplus increase.

8.11 Right-of-use assets

	2024 \$'000	2023 \$'000
Buildings		
Right-of-use asset at 1 July	30,809	4,418
Additions	-	31,514
Depreciation charge for the year	(3,583)	(5,123)
Right-of-use asset at 30 June	27,226	30,809

The Authority leases office and warehouse premises in our service territory. A right-of-use asset is recognised when control of the use of a specific asset for a length of time is conveyed by a lease contract in exchange for consideration. Except in the case of short-term leases or leases of low-value assets (which are expensed through the Statement of Comprehensive Income), such right-of-use assets are capitalised at cost on the commencement date of the lease.

The cost of right-of-use assets comprises the initial lease liability adjusted for initial direct costs, lease payments prior to commencement, lease incentives and estimated make good costs. The assets are subsequently held at cost less accumulated depreciation and impairment losses and remeasured in line with lease liabilities as a result of CPI adjustments. They are depreciated on a straight-line basis over the lesser of the various lease terms and the assets' estimated useful lives, with any extension clause options being taken up where reasonably certain.

Refer to Note 19 Leases for details of the financing of these assets.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

9. INTANGIBLE ASSETS

	SOFTWARE \$'000	WORK IN PROGRESS \$'000	TOTAL \$'000
Cost	128,238	70,083	198,321
Accumulated amortisation	(49,878)	-	(49,878)
Net book value at 30 June 2022	78,360	70,083	148,443
Additions	-	18,194	18,194
Disposals	665	-	665
Transfers between assets classes	-	(18,257)	(18,257)
Transfers from work in progress	10,581	(10,581)	-
Amortisation	(17,796)	-	(17,796)
Net book value at 30 June 2023	71,811	59,439	131,250
Cost	137,663	59,439	197,102
Accumulated amortisation	(65,852)	-	(65,852)
Net book value at 30 June 2023	71,811	59,439	131,250
Additions	-	16,967	16,967
Disposals	(53)	-	(53)
Transfers between assets classes	-	-	-
Transfers from work in progress	4,984	(38,053)	(33,069)
Amortisation	(17,208)	-	(17,208)
Net book value at 30 June 2024	59,534	38,353	97,887
Cost	135,358	38,353	173,711
Accumulated amortisation	(75,824)	-	(75,824)
Net book value at 30 June 2024	59,534	38,353	97,887

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Acquisition and recognition

Intangible assets (mainly purchased and internally generated software) with a value equal to or greater than \$10,000 are recognised as assets in the year of acquisition. Items with a lesser value than the recognition threshold are expensed during the year. Intangible assets recognised by the Authority have no active market; the assets are recognised at cost less accumulated amortisation and impairment losses. Subsequent costs are capitalised only when they increase the future economic benefits of the intangible asset to which they relate. Software development costs are assessed regularly for capitalisation and where costs cannot be capitalised and are expensed. Development costs are not amortised until the software is completed and ready for use. Contractual commitments for the acquisition of intangible assets are disclosed in Note 20.

Amortisation expense

Amounts paid for computer software in excess of the recognition threshold are capitalised and then amortised on a straight-line basis over the expected period of benefit of 3 – 10 years. The estimated useful life and the amortisation method applied to assets are reviewed annually.

Cloud computing arrangements

Software-as-a-Service (SaaS) cloud computing arrangements are service contracts providing the Authority with the right to access the cloud provider's application software over the contract period. As such the Authority does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not, at the contract commencement date, give the Authority the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits. The application software access fee, the customisation costs and configuration costs are recognised as an operating expense over the term of the service contract if the services are not separately identifiable. Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premises systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

10. SUPERANNUATION

Refer to Note 3.3 for details of amount of superannuation contributions paid by the Authority to the superannuation funds in respect of this year for the benefit of the employees.

10.1 Brighter Super

The Authority contributes to Brighter Super for employees under both a defined benefits scheme and an accumulation superannuation scheme. The Authority has no liability to, or interest in, Brighter Super other than the payment of the statutory contribution. Contributions are expensed when incurred.

The Scheme has three elements:

- The Accumulation Benefits Fund (ABF) is open to new members. Additional accumulation benefits are also provided within the ABF for most defined benefit members. The Authority has no liability to or interest in the ABF other than the payment of the statutory contributions (see Note 3.3).
- The Regional Defined Benefits Fund (Regional DBF), which covers defined benefit fund members working for regional areas, is a defined benefit plan as defined in AASB 119 *Employee Benefits*. The Regional DBF is closed to new members. The Authority is not able to account for the Regional DBF as a defined benefit plan in accordance with AASB 119 *Employee Benefits* because the scheme is unable to account to the Authority its proportionate share of the defined benefit obligations, plan assets and costs (see to Note 10.2); and
- The City Defined Benefits Fund (City DBF), which covers former members of the City Super Defined Benefits Fund, is a defined benefit plan as defined in AASB 119 *Employee Benefits*. The City DBF is closed to new members. The Authority engaged an actuary to assess the values and to provide the disclosures in accordance with AASB 119 *Employee Benefits* (see Note 10.3).

10.2 Regional Defined Benefit Fund – Brighter Super

The Authority contributes to the Regional DBF at the rate of 14% for each permanent employee who is a Regional DBF member. The Regional DBF is not a current asset or liability of the Authority, and any amount by which the scheme is over or under funded would only affect future benefits and contributions to the Regional DBF. The Authority has 16 employees (2023: 17) funded under this benefit.

	2024 \$'000	2023 \$'000
Renewable energy certificates	455	377

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

10.3 City Defined Benefits Fund – Brighter Super

City DBF members receive lump sum benefits on retirement, death, disablement, and withdrawal. The defined benefit section of the City DBF is closed to new members. The Authority has 9 employees (2023: 11) funded under this benefit. The Authority has provided a written guarantee to Brighter Super which commits the Authority to fund the defined benefits of employees who are members of City DBF. The Authority contributes to the City DBF at a rate of 14% (inclusive of the 3% occupational contribution) for each employee who is a City DBF member.

The defined benefit assets are invested in an investment portfolio, which is diversified across a number of different asset classes such as diversified fixed interest, property, international shares, infrastructure, and Australian shares. The asset class allocations may change from time to time as Brighter Super adjust their outlook for the economy and investment markets. There were no fund amendments affecting the defined benefits payable, nor were there any curtailments or settlements occurring during the year. Actuarial gains and losses are recognised as other comprehensive income in the year in which they occur.

As at 1 July 2021, Brighter Super's actuary reported that the value of the City DBF's assets are sufficient to meet the value of the City DBF's liabilities and recommended a contribution holiday for each City DBF employer. The contribution holiday has continued until 30 June 2024. The next actuarial review is expected before November 2024.

The Authority engaged an actuary to assess the value and provide the disclosures in accordance with AASB 119 *Employee Benefits*. The outcome is outlined below:

	2024 \$'000	2023 \$'000
Net defined benefit asset¹		
Net asset at start of the year	4,782	4,730
Net asset at end of year	4,499	4,782
Fair value of Fund assets²		
Fair value at beginning of the year	9,009	10,190
Fair value at end of the year	9,300	9,009
Defined benefit obligation³		
Present value at beginning of the year	4,227	5,460
Present value at end of the year	4,801	4,227

¹ Movements in the net defined benefit asset were primarily due to current service cost, net interest, returns on fund assets and actuarial losses/gains. The asset ceiling has no impact on the net defined benefit asset.

² Movements in the fair value of Fund assets were primarily due to interest income, returns on fund assets, contributions by plan participants, and taxes, premiums and expenses paid.

³ Movements in the defined benefit obligation were primarily due to current services cost, interest cost, contributions by fund participants, actual losses/gains, and taxes, premiums and expenses paid. The weighted average duration of the defined benefit obligation is 6 years.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

II. TRADE AND OTHER PAYABLES

	2024 \$'000	2023 \$'000
Current		
Trade creditors	78,720	62,965
Other payables	8,353	6,982
Total	87,073	69,947

Trade creditors

Trade creditors and other payables represent the value of goods and services provided to the Authority prior to the end of the financial year that remain unpaid. Trade and other payables are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase price less any applicable discounts. Generally, amounts owing are unsecured and are settled on 30-day terms or as contractually/legally required.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

12. EMPLOYEE BENEFITS

	2024 \$'000	2023 \$'000
Current		
Long service leave	14,811	14,442
Annual leave	12,811	12,187
Accrued salaries and wages	12,142	31,070
Time in lieu	148	168
	39,912	57,867
Non-current		
Long service leave	4,189	3,730
	4,189	3,730
Total	44,101	61,597

A liability is recognised for benefits accruing to employees for salaries and wages, annual leave, time in lieu and long service leave up to the reporting date, when it is probable that settlement will be required, and the liability is capable of being measured reliably. Employee benefits are recognised as a current liability where the Authority does not have an unconditional right to defer settlement of these liabilities.

Annual Leave and Long service leave

A liability for annual leave and long service leave expected to be settled within 12 months of the reporting date is recognised in respect of employee's service up to the reporting date and is measured at current salary and wage rates and includes related employee on-costs. Leave expected to be settled more than 12 months after the reporting date is measured at the present value of expected future payment eligibility in respect of services provided by employees up to the reporting date.

Accrued salaries and wages

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current salary and wage rates in respect of employees' service up to that date.

Time in lieu

A liability for time in lieu is accrued up to the end of the reporting period and represents the amount unpaid at the reporting date at current salary and wage rates and includes related employee on-costs.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

13. OTHER LIABILITIES

	2024 \$'000	2023 \$'000
Current		
Accrued capital program costs	39,341	46,448
Accrued bulk water purchases	41,313	40,226
Accrued interest	9,401	7,682
Unearned revenue	14,795	1,208
Provision for restructuring	-	200
Other liabilities	47,043	44,417
	151,893	140,181
Non-current		
Provision for restoration	216	208
Other liabilities	1,232	-
	1,448	208
Total	153,341	140,391
Income tax payable	3,112	2,067
Total	156,453	142,458

Accrued capital program costs

Cost incurred for capital assets under construction is recognised as liability when not yet paid.

Accrued bulk water purchases

Bulk water purchases consumed is recognised as liability when not yet paid.

Unearned revenue

Revenue received in advance for services that have not yet met the recognition criteria is deferred and recognised in the Statement of Comprehensive Income on delivery of the services. Developer contributions for specific assets are recognised as a liability where the specific asset has not been constructed at reporting date.

Provision for restructuring

A provision for restructuring cost (including termination payments) is recognised when the Authority has approved a detailed and formal restructuring plan, and the restructuring has either commenced or been publicly announced.

Provision for restoration

In accordance with the existing lease agreements, the Authority is required to restore the leased buildings to its original condition at the end of the lease. The Authority estimated the amount of building restoration using the discount rate similar to the borrowing rate used for estimating the lease liability under AASB 16 *Leases*. A corresponding right-of-use asset is recognised in Note 8.11.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

14. CONTRIBUTED EQUITY

14.1 Participation returns

Participation returns are paid to the Participating Councils in accordance with the Participation Agreement.

Total returns to Participating Councils are as follows:

	2024 \$'000	2023 \$'000
In accordance with the Participation Agreement, an interim participation return was paid on 31 January 2024	60,000	65,000
The Board declared the full year participation return payment of \$60M on 17 June 2024. Payment will be made on 30 September 2024.	60,000	65,000
Total participation rights paid/payable	120,000	130,000
Amounts per Participant:		
Brisbane City Council	102,008	110,509
Ipswich City Council	14,666	15,889
Lockyer Valley Regional Council	1,083	1,174
Scenic Rim Regional Council	1,251	1,355
Somerset Regional Council	992	1,074
	120,000	130,000
Cash payments to Participants during the financial year	125,000	140,000

Total returns to Participating Councils are as follows:

	2024 \$'000	2023 \$'000
Participation returns	120,000	130,000
Income tax	94,574	87,944
Interest	2,995	2,383
Land tax	6,060	4,908
Stamp duty	87	41
Total	223,716	225,276

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

14.2 Assets and liabilities transferred

On 1 July 2010 the Participating Councils transferred the assets, liabilities, instruments, and employees necessary for Urban Utilities to commence trading under a scheme made in accordance with the Act and gazetted on 29 June 2010.

	1 JULY 2010 \$'000
Summary of the transferred assets and liabilities is:	
Property, plant and equipment	4,003,528
Capital works in progress	227,794
Cash	9,006
Employee entitlements	(31,424)
QTC debt transferred to Urban Utilities	(183,092)
	<hr/> 4,025,812
<i>Represented by:</i>	
Contributed equity	2,538,793
Participant's debt	1,487,019
	<hr/> 4,025,812

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

15. LOANS AND BORROWINGS

	2024 \$'000	2023 \$'000
Non-current		
QTC client specific pool	2,841,680	2,691,680
Participant Loans		
Participating Councils:		
Lockyer Valley Regional Council	14,736	14,736
Scenic Rim Regional Council	14,676	14,676
Somerset Regional Council	53,803	53,803
	83,215	83,215
Total	2,924,895	2,774,895
Total	2,924,895	2,774,895

Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, then subsequently held at amortised cost using the effective interest method. The fair value of these loans would be classified at level 2 of the fair value hierarchy in accordance with AASB 13 *Fair Value Measurement*.

Borrowings are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the Authority does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other borrowings are classified as non-current.

Queensland Treasury Corporation (QTC)

The Authority borrows funds from QTC in the form of long-term funding facilities, currently consisting of a client specific pool facility to fund capital projects and a working capital facility to fund short-term working capital requirements. At year end, the outstanding QTC loan balances are disclosed at book value. The weighted average interest rate for the QTC client specific pool facility in for this financial year is 4.02% (2023: 3.43%). Further details of the available funding facilities are provided in Note 5.3.

Participants' loans

Participant loans subject to an annual reset of the interest rate are in place with Lockyer Valley Regional Council, Scenic Rim Regional Council and Somerset Regional Council with an expiry date of 30 June 2028. The interest rate for the year ending 30 June 2024 year was 4.21% (2023: 3.72%) for the loans entered into in 2010, and 2.94% (2023: 2.79%) for the additional loan entered into with Somerset Regional Council in 2021 and 2023. The loans require monthly interest-only payments and no principal payments were made to Participating Councils during the year.

All borrowings are in Australian dollar denominated amounts. Total borrowing costs of \$5.5M were capitalised during the financial year (2023: \$Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation was 4.00% (2023: Nil%), which is the weighted average borrowing rate of all borrowings. There were no defaults or breaches of the loan agreements during the year. No fair value adjustment is made to the carrying amount of the borrowings. No assets have been pledged as security for any liabilities.

Information about the Authority's exposure to interest rate, foreign currency and liquidity risks is included in Note 17.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

16. FAIR VALUE MEASUREMENT

16.1 Accounting policies and inputs for fair values

The Authority measures financial instruments and non-financial assets at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using or selling the asset in its highest and best use. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- Level 1 – quoted market prices in active markets for identical assets and liabilities;
- Level 2 – inputs (other than quoted prices included within Level 1) that are directly or indirectly observable; and
- Level 3 – inputs for the asset or liability that are substantially derived from unobservable inputs.

The Authority recognises any evident transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers of assets between fair value hierarchy levels during the period. The key valuation assumptions used by the Authority are outlined in Note 8.

16.2 Categorisation of assets and liabilities measured at fair value

		LEVEL 1		LEVEL 2		LEVEL 3		TOTAL CARRYING AMOUNT	
		2024	2023	2024	2023	2024	2023	2024	2023
NOTES		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment									
Land	8					68,938	68,938	68,938	68,938
Buildings	8					9,462	10,646	9,462	10,646
Water supply network	8					2,603,258	2,520,271	2,603,258	2,520,271
Sewerage network	8					3,630,522	3,422,016	3,630,522	3,422,016
Total property, plant and equipment		-	-	-	-	6,312,180	6,021,871	6,312,180	6,021,871
Other assets									
Defined benefit plan	10.3			9,300	9,009			9,300	9,009
Renewable energy certificates	7	545	437					545	437
Total other assets		545	437	9,300	9,009	-	-	9,845	9,446

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

17. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Authority becomes a party to the contractual provisions of the financial instrument. No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

17.1 Financial risk management

Exposure to financial risks is managed in accordance with approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of the Authority. The Authority's activities expose it to a variety of financial risks as follows:

17.1.1 Credit risk

Credit risk is the risk of financial loss to the Authority if a customer or another party fails to meet its obligations. The Authority is exposed to credit risk through its customers. It uses ageing analysis to measure exposure to this risk.

The Authority's credit risk is mainly from billed and unbilled receivables due from customers. The Authority is obliged to provide water and wastewater services without an application for services or regard to customer credit quality. The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any provisions for impairment (see Note 6). Although no collateral is held as security relating to the financial assets held by the Authority, a lien may be claimed on the property for utility debts to reduce the Authority's credit risk exposure, as the debt is attached to the property and any outstanding balance is normally paid at settlement when the property is sold.

The Authority manages credit risk through the use of credit management strategy which outlines credit collection processes such as referral of overdue accounts to a debt collection agency, sending reminder letters and mobile text messages to customers, and entering into payment arrangements with customers. A statutory charge may be registered on the property as lien to secure payment for utility debts. The hardship policy and framework are available for customers experiencing financial hardship. Exposure to credit risk is monitored on an ongoing basis.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Ageing analysis

The Authority considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Authority in full or the financial asset is more than 90 days past due. Ageing of past due receivables and the amount of impairment is disclosed in the following table:

2024	NOTES	CURRENT	> 30 DAYS PAST DUE	> 60 DAYS PAST DUE	> 90 DAYS PAST DUE	TOTAL
		\$'000	\$'000	\$'000	\$'000	\$'000
Gross trade and other receivables	6	113,665	18,845	5,434	40,450	178,394
Provision for impairment	6	(1,386)	(416)	(69)	(5,059)	(6,930)
Total		112,279	18,429	5,365	35,391	171,464

2023						
Gross trade and other receivables	6	104,562	15,971	3,704	24,388	148,624
Provision for impairment	6	(812)	(66)	(219)	(7,862)	(8,959)
Total		103,750	15,905	3,485	16,526	139,665

The Authority applied the AASB 9 *Financial Instruments* 'simplified approach' which uses a provision matrix to measure the lifetime expected credit losses of receivables from individual residential and commercial customers, which comprise a very large number of small balances. Default rates are calculated based on actual credit loss experience over the past years. These rates are adjusted to reflect historical, current, and future economic conditions over the expected lives of the receivables. No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired and are stated at the carrying amount as indicated.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

17.1.2 Liquidity risk

Liquidity risk is the risk that the Authority may encounter difficulty in meeting obligations associated with financial liabilities which are settled by delivering cash or another financial asset. The Authority is exposed to liquidity risk in respect of its trade and other payables (see Note 11) and interest-bearing liabilities (see Note 15). The Authority manages liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows.

Maturity analysis

The following table sets out the liquidity risk of the financial liabilities held by the Authority. It represents the contractual maturity of financial liabilities, calculated based on cash flows relating to the repayment of the principal amount outstanding at reporting date.

2024 FINANCIAL LIABILITIES	NOTES	2024 PAYABLE IN			TOTAL
		< 1 YEAR	1-5 YEARS	> 5 YEARS	
		\$'000	\$'000	\$'000	\$'000
Trade and other payables	11	87,073	-	-	87,073
Participant loans	15	-	83,215	-	83,215
QTC loans	15	-	-	2,841,680	2,841,680
		87,073	83,215	2,841,680	3,011,968

2023 FINANCIAL LIABILITIES	NOTES	2023 PAYABLE IN			TOTAL
		< 1 YEAR	1-5 YEARS	> 5 YEARS	
		\$'000	\$'000	\$'000	\$'000
Trade and other payables	11	69,947	-	-	69,947
Participant loans	15	-	83,215	-	83,215
QTC loans	15	-	-	2,691,680	2,691,680
		69,947	83,215	2,691,680	2,844,842

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

17.1.3 Market risk

The Authority's market risk is primarily in relation to interest rate risk. This is the risk that a value of a financial instrument or cash flow associated with the instrument will fluctuate due to changes in market interest rates. The Authority is exposed to interest rate risk through its borrowings from QTC (see Note 15), investment with QTC and cash deposited in interest-bearing accounts (see Note 5). It uses sensitivity analysis to measure this risk. The Authority does not trade in foreign currency and is not materially exposed to commodity price changes.

The Authority manages its portfolio by setting, monitoring, and adjusting the terms and duration of its loan portfolio as allowed under its commercial financing contract with QTC. The risk in borrowing is effectively managed through QTC's capacity to issue securities with variable terms allowing an appropriate duration for the Authority while diversifying the interest resetting profile.

Sensitivity analysis

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

2024	NOTES	NET CARRYING AMOUNTS	-1%		+1%	
			PROFIT	EQUITY	PROFIT	EQUITY
		\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	5	88,331	(883)	(883)	883	883
QTC client specific pool	15	2,841,680	28,417	28,417	(28,417)	(28,417)
Overall effect on profit and equity		2,930,011	27,533	27,533	(27,533)	(27,533)

2023	NOTES	NET CARRYING AMOUNTS	-1%		+1%	
			PROFIT	EQUITY	PROFIT	EQUITY
		\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	5	43,406	(434)	(434)	434	434
QTC client specific pool	15	2,691,680	26,917	26,917	(26,917)	(26,917)
Overall effect on profit and equity		2,735,086	26,483	26,483	(26,483)	(26,483)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

18. CAPITAL MANAGEMENT

The Authority's objectives when managing capital are to:

- ensure long-term financial sustainability while considering appropriate returns on invested equity and benefits to other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

The Authority manages its capital structure by targeting, at a minimum, a credit rating of A-. This is achieved by maintaining key credit metrics and supported through the adjustment of participation returns.

The Participation Return Policy provides flexibility for the Board to balance long-term financial sustainability, shareholder returns and capital expenditure funding requirements (see Notes 5.3, 14.1 and 15).

The Authority monitors capital using the following credit metrics and ratios:

	2024	2023
Funds from operations to net debt ¹ ($\geq 9\%$)	9%	9%
Net debt to fixed assets ² ($\leq 60\%$)	41%	41%
Net debt to Regulated Asset Base ³ (RAB) ($\leq 60\%$)	50%	49%
EBITDA Interest Cover ⁴ ($\geq 2.25x$)	4.07 x	4.76 x

¹ Funds from operations to net debt measures the Authority's ability to manage its debt obligations.

² Net debt to fixed assets measures the extent to which the Authority's assets are financed by debt.

³ Net debt to Regulated Asset Base (RAB) ratio measures the extent to which the Authority's regulatory asset base is financed by debt.

⁴ EBITDA Interest Coverage ratio measures the Authority's ability to pay interest on its outstanding debt. In this metric Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) excludes developer contributions and asset revaluation increments or decrements.

Under terms of the Authority's borrowing facilities, it is required to comply with the following financial covenants:

- EBITDA (excluding developer contributions and asset revaluation increments or decrements) interest coverage ratio equal to or greater than 2.25 times; and
- a net debt to fixed assets ratio equal to or less than 60 per cent.

The Authority has complied with these financial covenants throughout the reporting period.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

19. LEASES

	2024 \$'000	2023 \$'000
Lease liabilities at 1 July	33,615	5,845
Interest charge for the year	1,113	585
Increase in lease liability	975	33,712
Payment of lease liabilities	(4,859)	(6,528)
Lease liabilities at 30 June	30,844	33,615
Lease Liability - Current	3,034	2,770
Lease Liability - Non current	27,810	30,845
	30,844	33,615

Discounted lease payments are recognised as lease liabilities at the commencement date of the lease. In determining the present value of the lease payments, The Authority has used its incremental borrowing rate since the implied interest rate is not able to be readily determined. Subsequently, interest at this rate is added to the lease liability, and payments deducted, in order to reflect the carrying value of the lease liability. Where lease contracts incorporate CPI escalations, the lease liability and its corresponding right-of-use asset are adjusted to take this into account once the impact is known.

The total cash outflow for leases in 2024 was \$4.8M (2023: \$5.9M).

The lease liability reflects an estimate of the present value of the lease payments since CPI adjustments are not accounted for until confirmed and the discounting is based on the Authority's incremental borrowing rate. Management has used judgement when considering whether extension options will be exercised.

Refer to Note 8.11 Right-of-use assets for details of the assets covered by these leases.

Finance leases

Leases in which the Authority transfers substantially all of the risks and rewards of ownership to another party are classified as finance leases. The Authority does not at present have any such leases.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Non-cancellable operating leases

Where leases do not transfer substantially all of the risks and rewards of ownership, they are classified as operating leases. In this respect, the Authority leases other sites to telecommunication carriers for installation and operation of mobile telecommunication facilities. Commitments to the Authority under non-cancellable operating leases at reporting date are receivable as follows:

	2024 \$'000	2023 \$'000
Within one year	186	203
One to two years	211	193
Two to three years	212	185
Three to four years	196	171
Four to five years	180	152
More than five years	713	610
Total	1,698	1,515

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

20. COMMITMENTS

Material classes of expenditure commitments contracted for at reporting date but not recognised in the accounts as payable are as follows:

	2024 \$'000	2023 \$'000
Capital		
Within one year	97,700	219,300
Between one and five years	102,325	1,717
	200,025	221,017
Other		
Within one year	39,598	30,884
Between one and five years	12,300	1,864
More than five years	9,146	-
	61,044	32,747

21. CONTINGENCIES

Contingent Assets

The Authority is seeking reimbursement of costs associated with damage claims for which it is not able to predict the likely outcome or reliably measure as at the reporting date.

Contingent Liabilities

The Authority is not able to predict the likely outcome or reliably estimate the probability of payout of the contingent liabilities as at the reporting date. There is currently 1 appeal (2023: 7) in the Planning and Environment Court.

22. FUNDS HELD IN TRUST

	2024 \$'000	2023 \$'000
Standpipe bonds, security deposits and unclaimed money	5,624	3,782

Funds held in trust include deposits received for standpipe bonds, security deposits to guarantee performance and unclaimed money. The Authority performs only a custodial role in respect of these funds. As such, the balances disclosed above are not recorded in the financial statements and are disclosed here for information purposes only. All unclaimed monies which have not been paid by the Authority to the owner are paid to the Public Trustee of Queensland in accordance with the *Public Trustee Act 1978*.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

23. KEY EXECUTIVE MANAGEMENT PERSONNEL AND REMUNERATION

Key executive management personnel and remuneration disclosures are made in accordance with section 3C of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury.

23.1 Key executive management personnel

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Authority during the year. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

POSITION	RESPONSIBILITIES	CONTRACT CLASSIFICATION AND APPOINTMENT AUTHORITY	DATES APPOINTED TO ROLE
Chief Executive Officer	Corporate governance, stakeholder management, risk and insurance, strategic planning and delivery, performance management, external reporting and publications, assurance, resilience and emergency management, legal counsel and land services, industrial relations, facilities management, and innovation.	Board appointed Band A Contract	From 1 September 2022
Chief Financial Officer	Balances customer, community, and shareholder value through long term financial sustainability; regulatory oversight and pricing; commercial and economic analysis; financial management and reporting; procurement and supply chain; and financial transactional activities.	Board appointed Band A Contract	From 12 February 2018
Executive Leader Integrated Solutions	Relationship management with key strategic partners and stakeholders, government, and regulators in relation to infrastructure development, long-term strategy development and planning, feasibility, design, and procurement of infrastructure solutions (including new infrastructure and major asset upgrades) and proactive management of infrastructure and network through asset intelligence and analytics enablement.	Board appointed Band A Contract	From 31 August 2020
Executive Leader Environmental and Industrial	Effective relationship management of industrial partnerships and key commercial relationships, including developers, commercial water customers and trade waste customers, safe operation and maintenance of treatment plants, new commercial opportunities development related to effluent, recycled water, bio-solids and energy, and growth in Scientific Analytic Services.	Board appointed Band A Contract	From 23 August 2021
Executive Leader Service Delivery	Management and optimisation of water and wastewater network and customer operations, and day-to-day management of retail customer relationships, management and assurance of customer billing and metering, bringing together control centre, faults and emergencies, schedule and dispatch, contract centre functions to enable identification and early resolution of customer issues, and planned and responsive network maintenance.	Board appointed Band A Contract	From 27 April 2020
Chief Experience Officer	Enterprise leadership of customer, people, employee relations, design and implementation of employee and customer experience, human resources services and solutions, internal communications, and brand management.	Board appointed Band A Contract	From 5 May 2020
Executive Leader Corporate Affairs	Strategic direction and leadership for the office of the Chief Executive Officer, executive Board support, enterprise level governance frameworks, development of corporate strategy and performance reporting on strategy, effective management of shareholders, corporate communications, enterprise leadership of property management, innovation and research and development, records management, corporate policies, and internal audit.	Board appointed Band A Contract	From 31 October 2013
Chief Digital and Information Officer	Development and delivery of digital strategy, enterprise architecture, digital transformation and IT projects, leadership and operation of information and data analytics, systems and governance, management of IT vendors and procuring IT products and services in close collaboration with Finance, operation, maintenance and support of IT systems, and design, development, operation, and maintenance of operational technology, in close collaboration with Integrated Solutions and Service Delivery.	Board appointed Band A Contract	From 27 November 2023
Chief Risk Officer	Establishment of frameworks within the business, to manage risk and ensure resilience. Enterprise leadership of security, insurance, compliance, health, safety, and wellbeing. Ensuring systems and processes to manage risk and ensure compliance with legal and regulatory requirements.	Board appointed Band A Contract	From 9 October 2023

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

23.2 Remuneration

Remuneration for key executive management personnel is determined by the Board and is reviewed on an annual basis, and is based on consideration to performance, market movements and other relevant factors. Remuneration and other terms of employment are specified in individual employment contracts. With the exception of the Chief Executive Officer, the contracts do not provide for performance-related cash payments.

An increase of 3% (2023: 2.25%) was applied during the financial year. Remuneration packages for key executive management personnel comprise the following components:

- Short-term employee benefits include:
 - salaries, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position;
 - performance payments recognised as an expense during the year; and
 - non-monetary benefits.
- Long-term employee benefits include long service leave accrued.
- Post-employment benefits include superannuation contributions.
- Redundancy payments are provided for within individual contracts of employment.
- Contracts of employment provide for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Total fixed remuneration is calculated on a “total cost” basis by employee as per below:

1 July 2023 – 30 June 2024:

POSITION	SHORT TERM		LONG TERM EMPLOYEE BENEFITS \$'000	POST EMPLOYMENT BENEFITS \$'000	TERMINATION BENEFITS \$'000	TOTAL REMUNERATION \$'000
	MONETARY BENEFITS \$'000	NON- MONETARY BENEFITS \$'000				
Chief Executive Officer	785	7	20	27	-	839
Chief Risk Officer (from 9 October 2023)	279	3	7	19	-	309
Chief Financial Officer	416	7	10	16	-	449
Executive Leader Environmental and Industrial	392	7	10	27	-	436
Executive Leader Integrated Solutions	427	7	11	27	-	472
Executive Leader Service Delivery	415	7	10	27	-	459
Chief Experience Officer	369	7	9	27	-	412
Executive Leader Corporate Affairs	314	7	8	27	-	356
Chief Digital and Information Officer (from 27 November 2023)	296	5	7	27	-	335
Acting Chief Digital and Information Officer (from 1 July 2023 to 26 November 2023)	28	-	1	11	-	40
Total remuneration	3,722	54	93	239	-	4,108

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

23.2 Remuneration (cont'd)

1 July 2022 – 30 June 2023:

POSITION	SHORT TERM		LONG TERM EMPLOYEE BENEFITS \$'000	POST EMPLOYMENT BENEFITS \$'000	TERMINATION BENEFITS \$'000	TOTAL REMUNERATION \$'000
	MONETARY BENEFITS \$'000	NON- MONETARY BENEFITS \$'000				
Chief Executive Officer (1 July 2022 - 31 August 2022)	230	2	47	6	-	285
Chief Executive Officer (from 1 September 2022)	546	2	14	26	-	588
Executive Leader Legal & Risk	378	4	9	26	-	417
Chief Financial Officer	399	4	10	26	-	439
Executive Leader Environmental and Industrial	379	4	9	26	-	418
Executive Leader Integrated Solutions	418	4	10	26	-	458
Executive Leader Service Delivery	396	4	10	26	-	435
Chief Experience Officer	357	4	9	26	-	396
Executive Leader Corporate Affairs	300	4	7	26	-	337
Chief Digital and Information Officer (from 1 July 2022 to 31 January 2023)	373	20	9	26	-	428
Acting Chief Digital and Information Officer (from 31 January 2023)	27	-	1	-	-	27
Total remuneration	3,802	50	136	242	-	4,230

23.3 Performance payments

The aggregate amount of performance payments made during the financial year was \$84,990 (2023: \$65,059).

A performance payment may be paid annually to the Chief Executive Officer depending upon satisfaction of key criteria and is capped at 20% of total fixed remuneration (base pay plus superannuation). The amount payable is tied to the achievement of pre-determined organisational and individual performance targets as agreed by the Board. As the determination of the performance payment for 2024 has not been made at the date of management certification of these financial statements, any performance payment approved will be reported as an expense during the year ending 30 June 2025.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

24. RELATED PARTIES

24.1 Board members

Board remuneration

The Board remuneration is estimated under the Participation Agreement and is with unanimous agreement of the Participants. Reimbursements for reasonable travelling, accommodation, and other expenses in connection with the business of the Authority are not included in Board remuneration. To the extent permitted by law, the Authority must indemnify each Board Member against a liability of that person and the legal costs of that person. The Authority has an appropriate insurance coverage for Directors and Officers liability.

The Board Members who were paid directly or indirectly were:

	2024 \$'000	2023 \$'000
Bronwyn Morris ¹	131	124
Graham Thomsen ²	-	74
Julie-Anne Schafer ³	78	76
Mark Gray	78	62
Phillip Strachan	78	76
Amanda Cooper ⁴	39	62
Lucia Cade	78	62
Gerard Pender	66	62
Carmel Krogh ⁵	33	-
Total board members' remuneration	581	599

¹ Bronwyn Morris' term expired on 30 June 2024.

Paul Vincent commenced his term as Board Chair, effective 1 July 2024.

² Graham Thomsen passed away in June 2023.

³ Julie-Anne Schafers' term expired on 30 June 2024.

⁴ Amanda Coopers resigned effective immediately on 28 January 2024.

⁵ Carmel Krogh was appointed effective from 1 January 2024.

A CPI increase of 4.7% (2023: 2.25%) was applied during the financial year and monthly rates set at \$9,812 (2023: \$9,377) for the Board Chairperson and \$4,983 (2023: \$4,688) for the Board Members.

24.2 Loans to key management personnel

There are no loans to key management personnel and their related parties during the financial year.

24.3 Other key management personnel transactions

There are no other transactions with key management personnel and their related parties during the financial year, other than on normal commercial terms.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

24.4 Board member transactions

A number of the Board members hold positions in other entities that may result in them having control or significant influence over financial or operating policies of those entities. Resulting related party transactions with Urban Utilities are conducted at arm's length, under normal commercial terms, in line with Urban Utilities' Conflict of Interest Policy. It is an annual requirement that Board members declare any directorships, board memberships, and other offices that they hold.

The aggregate value of transactions and outstanding balances related to board members and entities over which they have control or significant influence were as follows:

Transaction	Note	TRANSACTION VALUES FOR THE YEAR ENDED 30 JUNE		BALANCE OUTSTANDING AS AT 30 JUNE	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
Monthly service fees for out of hours contact centre services	(a)	438	-	41	46
Software related services	(b)	4,283	5,613	10,816	199

(a) The Authority uses out of hours contact centre services which it is charged a monthly fee for from Peak Group Holding, a company a board member is Chair of. Amounts are billed based on market rates for such services and are due and payable under normal payment terms.

(b) The Authority uses software related services from Data #3, a company a board member is the Chairman of. Amounts are billed based on market rates for such services and are due and payable under normal payment terms.

24.5 Transactions and balance with Participating Councils

The amount of payments to and from participating councils, calculated on an accrual basis, and the amount of receivable or payable to participating councils are as follows. Amounts owing are unsecured and are expected to be settled in cash. These transactions were carried out under normal commercial terms.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

	BRISBANE CITY COUNCIL		IPSWICH CITY COUNCIL		LOCKYER VALLEY REGIONAL COUNCIL		SCENIC RIM REGIONAL COUNCIL		SOMERSET REGIONAL COUNCIL		TOTAL	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Payments from participating councils												
Utility charges	7,687	6,618	4,320	2,907	675	574	343	267	432	328	13,457	10,695
Total payments from participating councils	7,687	6,618	4,320	2,907	675	574	343	267	432	328	13,457	10,695
Payments to participating councils												
Supplies and services	9,274	8,103	10	18	92	16	27	28	22	54	9,425	8,218
Finance and borrowing costs	-	-	-	-	620	548	618	546	1,757	1,289	2,995	2,383
Participation returns	102,008	110,509	14,666	15,889	1,083	1,174	1,251	1,355	992	1,074	120,000	130,000
Taxation equivalents	85,620	78,966	12,311	11,353	910	839	1,049	968	832	767	100,722	92,893
Total payments to participating councils	196,902	197,578	26,987	27,260	2,705	2,577	2,945	2,897	3,603	3,184	233,142	233,495
Amounts receivable												
Utility charges	1,629	1,623	1,212	989	126	177	77	82	55	87	3,099	2,957
Other receivables	327	341	13	15	1	1	10	7	-	-	351	364
Total amounts receivable	1,956	1,964	1,225	1,004	127	178	87	89	55	87	3,450	3,322
Amounts payable												
Finance and borrowing costs	-	-	-	-	52	46	51	45	146	136	249	227
Participation returns	51,004	55,255	7,333	7,944	542	587	625	677	496	537	60,000	65,000
Other payables	182	-	-	-	7	-	-	-	-	-	189	-
Taxation equivalents payable	7,871	5,965	1,132	858	84	63	96	73	77	58	9,260	7,017
Total amounts payable	59,057	61,220	8,465	8,802	685	696	772	795	719	731	69,698	72,244
Borrowings												
Loans	-	-	-	-	14,736	14,736	14,676	14,676	53,803	53,803	83,215	83,215
Total borrowings	-	-	-	-	14,736	14,736	14,676	14,676	53,803	53,803	83,215	83,215

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

25. FINANCIAL SUSTAINABILITY

The Authority seeks to ensure it remains financially sustainable by ensuring that it can meet its financial obligations both current and future, managing and operating its water and sewerage infrastructure in order to meet its customer service obligations, environmental licence conditions and requirements for water quality, and by working to deliver services to its customers at the lowest cost.

The following ratios reflect measures of financial sustainability and enable comparison with other water sector entities:

- a) *Operating ratio* – Operating profit before income tax expense expressed as a proportion of total revenue. Ongoing positive results are one factor which indicate that sufficient revenue is being generated to fund operating and future capital expenditure.
- b) *Capital replenishment ratio* – Capital expenditure on construction or replacement of non-current assets divided by depreciation expense on non-current assets. An average above one, over time, indicates that assets are being built or replaced at or above the rate the non-current asset base is being depreciated. Developer contributed donated assets are excluded from this calculation from 2023/2024 onwards.
- c) *Debt to revenue ratio* – Total loans and borrowings divided by total revenue. This indicates the ability to pay principal and interest on borrowings when they fall due, from the funds generated through operations. Based on an optimal gearing ratio of 60%, the benchmark for a water utility debt to revenue ratio would be no more than 3 times.

The results have been disclosed for the current and comparative year as below:

	2024	2023
Operating ratio	23%	19%
Capital replenishment ratio ¹	1.59 x	2.03 x
Debt to revenue ratio	1.77 x	1.84 x

¹ For 2024, this ratio calculation has excluded developer contributed donated assets. Using this same approach for 2023, the ratio would have been 1.66x

The Authority continues to remain financially sustainable. The Authority's objectives in managing its capital structure are referenced in Note 18.

26. SUBSEQUENT EVENTS

To date, no events have occurred subsequent to balance date that materially impact on these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

27. NEW AND REVISED ACCOUNTING STANDARDS

At the date of authorisation of the financial report, the following Australian accounting standards and interpretations which could potentially have an impact on the Authority's Financial Statements have been issued but were not yet effective as at 30 June 2024. None of these have been early adopted and their impacts on the financial statements are not expected to be material. All other Australian accounting standards and interpretations with future effective dates are not applicable.

STANDARD/ INTERPRETATION	APPLICATION DATE FOR AUTHORITY
AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128	
AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	1 January 2025
AASB 2021-7 (a-c) Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	
AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability	1 January 2025
AASB 18 Presentation and Disclosure in Financial Statements	1 January 2027

All other Australian accounting standards and interpretations with future commencement dates are not applicable to the Authority. The Authority applies standards and interpretations in accordance with their respective commencement dates.

CERTIFICATE OF THE CENTRAL SEQ DISTRIBUTOR-RETAILER AUTHORITY

For the year ended 30 June 2024

These general-purpose financial statements have been prepared pursuant to section 62 (1) of the *Financial Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the Act, we certify that in our opinion:

- (i) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (ii) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Central SEQ Distributor-Retailer Authority (trading as Urban Utilities) for the financial year ended 30 June 2024 and of the financial position of the Authority at the end of that year; and

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



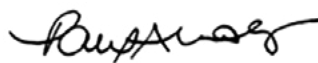
Paul Vincent
BBus (Acc) FCA,GAICD

Board Chair
Date: 26 August 2024



Mark Gray
D.Univ, B.Econ (Hons),
SF Fin, FAICD

Deputy Chair
Date: 26 August 2024



Paul Arnold
BE (Hons), MBA,
MAICD, MAusIMM,
MIEAust EngExec

Chief Executive Officer
Date: 26 August 2024



Ruth Coulson
BE (Hons), MBA, BCom,
CA, GAICD

Chief Financial Officer
Date: 26 August 2024



INDEPENDENT AUDITOR'S REPORT

To the Board of Central SEQ Distributor-Retailer Authority

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Central SEQ Distributor-Retailer Authority.

The financial report comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the management certificate.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2024, and its financial performance and cash flows for the year then ended; and
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

Basis for opinion

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

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

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

Other information

Those charged with governance are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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

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

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



I have nothing to report in this regard.

Responsibilities of the entity for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of my auditor's report.

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2024:

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

Prescribed requirements scope

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

Irshaad Asim

Irshaad Asim
as delegate of the Auditor-General

27 August 2024

Queensland Audit Office
Brisbane

APPENDICES

COMPLIANCE LETTER TO MINISTER

Office of the Chair
Level 10, 31 Duncan Street
Fortitude Valley QLD 4006

30 August 2024

The Honourable Glenn Butcher MP
Minister for Regional Development and Manufacturing and Minister for Water
Queensland State Government
PO Box 15009
CITY EAST QLD 4002

Dear Minister Butcher

Urban Utilities 2023/24 Annual Report

I am pleased to present the 2023/24 Annual Report for the Central SEQ Distributor-Retailer Authority trading as Urban Utilities.

I certify that this annual report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*; and
- the detailed requirements set out in the Annual Report Requirements for Queensland Government Agencies.

A checklist outlining the annual report requirements can be found at page 132 of the document.

Yours sincerely



Paul Vincent

Chair
Central SEQ Distributor-Retailer Authority trading as Urban Utilities

APPENDICES

COMPLIANCE CHECKLIST

SUMMARY OF REQUIREMENT		BASIS FOR REQUIREMENT	ANNUAL REPORT REFERENCE
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	Page 131
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	Page 3 Page 134
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4	Page 2
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5	
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10	Page 10
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community and whole-of-government plans/specific initiatives 	ARRs – section 11.1	Not applicable
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.2	Page 14-41
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.3	Page 23-24
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	Page 63-69
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	Page 43
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	Page 45-55
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	Not applicable
	<ul style="list-style-type: none"> Public Sector Ethics 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	Page 18
	<ul style="list-style-type: none"> Human Rights 	<i>Human Rights Act 2019</i> ARRs – section 13.5	Page 61
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.6	Not applicable

APPENDICES

SUMMARY OF REQUIREMENT		BASIS FOR REQUIREMENT	ANNUAL REPORT REFERENCE
Governance – risk management and accountability	• Risk management	ARRs – section 14.1	60
	• Audit committee	ARRs – section 14.2	49
	• Internal audit	ARRs – section 14.3	61
	• External scrutiny	ARRs – section 14.4	60
	• Information systems and recordkeeping	ARRs – section 14.5	62
	• Information Security attestation	ARRs – section 14.6	Not applicable
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	16-19
	• Early retirement, redundancy and retrenchment	<i>Directive No.04/18 Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	Not applicable
Open Data	• Statement advising publication of information	ARRs – section 16	Page 62
	• Consultancies	ARRs – section 31.1	https://data.qld.gov.au
	• Overseas travel	ARRs – section 31.2	https://data.qld.gov.au
	• Queensland Language Services Policy	ARRs – section 31.3	https://data.qld.gov.au
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	128
	• Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	129

FAA Financial Accountability Act 2009

FPMS Financial and Performance Management Standard 2019

ARRs Annual report requirements for Queensland Government agencies

APPENDICES

GLOSSARY

ADWG

Australian Drinking Water Guidelines

Board

The Central SEQ Distributor-Retailer Board

Board member

Means a person who is, for the time being, a member of the Board of Urban Utilities.

CCRG

Customer and Community Reference Group

Central SEQ distributor-retailer

A statutory body supplying water and treating sewage to the service territories of Brisbane, Ipswich, Lockyer Valley, Scenic Rim and Somerset.

CX

Customer experience

DESI

Department of Environment, Science and Innovation – our environmental regulator

EX

Employee experience

Megalitre (ML)

Measurement of volume equal to one million litres.

Participation Agreement

A *Participation Agreement* under s20 or 23 of the *South East Queensland Water (Distribution and Retail Restructuring) Act 2009*.

Participant Council

Our Participant Councils, or shareholders, are Brisbane and Ipswich City Councils and Lockyer Valley, Scenic Rim and Somerset Regional Councils.

PRW

Purified Recycled Water

Recycled water

Water taken from any waste (effluent) stream and treated to a level suitable for further use, where it is used safely and sustainably for beneficial purposes. This is a general term that can include reclaimed water.

Resource Recovery Centre (RRC)

A wastewater treatment facility where materials can be recovered from wastewater and recycled back into the economy, often providing revenue to offset the cost of the treatment process.

S1

The largest wastewater (or sewer) pipe in Brisbane.

Stakeholder

All those who are either affected by or who can affect the activities of an organisation, namely customers, governments, the media, non-government organisations, local residents and employees.

Trade waste

Water-borne waste from a business or manufacturing premises, that is not:

1. a prohibited substance (for example, petrol, pesticide),
2. domestic wastewater (human waste),
3. stormwater.

Wastewater

Material (also known as sewage) transported in a wastewater system. Wastewater is collected from all internal household drains; it contains all the contaminants of grey water and urine, plus high concentrations of faecal material from toilets and wastes from industrial and commercial premises.

Wastewater network

The pipes and channels, including all trunk, pressure and reticulation pipes, via which wastewater is transported from its point of origin (e.g. house or business) to a point of treatment and/or disposal.

Wastewater Treatment Plant (WWTP)

A facility that removes contaminants from wastewater to produce an effluent that is suitable to discharge to the surrounding environment or an intended reuse application.



FOR MORE INFORMATION VISIT:

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