



ANNUAL REPORT 2023–2024



**Queensland
Government**

This annual report provides information about Mount Isa Water Board's (MIWB) financial and non-financial performance during 2023–24.

The report describes MIWB's performance in meeting the bulk water needs of existing customers, and ensuring the future bulk water needs of North West Queensland are identified and met.

The report has been prepared in accordance with the *Financial Accountability Act 2009*, which requires that all statutory bodies prepare annual reports and table them in the Legislative Assembly each financial year; the Financial and Performance Management Standard 2019, which provides specific requirements for information to be disclosed in annual reports; other legislative requirements and the Queensland Government's Annual report requirements for Queensland Government agencies for 2023–24.

This report has been prepared for the Minister for Regional Development and Manufacturing and the Minister for Water to submit to Parliament. It has also been prepared to inform stakeholders including Commonwealth, state and local governments, industry and business associations, and the community.



MIWB is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact MIWB on 0434 094 743 and an interpreter will be arranged to effectively communicate the report to you.

Mount Isa Water Board proudly acknowledges the Traditional Owners of the land on which we work: the Kalkadoon and the Indjilandji People (Mount Isa Region). We pay our respects to Elders past and present and recognise the ongoing connection of Aboriginal and Torres Strait Islander peoples to the land and water on which we rely.

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Copies of this publication can be obtained by contacting 0434 094 743, visiting Mount Isa Water Board's office at 31 Carbonate Street, Mount Isa during business hours or by downloading the report from www.mountisawater.qld.gov.au/ourdata/corporate-documents.

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Letter of compliance



30 August 2024

The Honourable Glenn Butcher MP
Minister for Regional Development and
Manufacturing and Minister for Water
PO Box 15009
City East QLD 4002

Dear Minister,

I am pleased to present the Annual Report 2023–24 and financial statements for the Mount Isa Water Board.

I certify that this annual report complies with:

- the requirements of the *Water Act 2000*;
- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*; and
- the detailed requirements set out in the Annual report requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements can be found on pages 63 and 64 of this annual report or accessed at www.mountisawater.qld.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "Steve de Kruijff".

Steve de Kruijff
Chair
Mount Isa Water Board

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About Mount Isa Water Board

The Mount Isa Water Board ensures a safe, reliable and sustainable bulk water supply to support the prosperity of the community and industries of Mount Isa.

Our history

The Mount Isa Water Board (MIWB) was formed in 1973, and later established as a commercialised statutory authority under the *Water Act 2000 (Qld)*. For over five decades, MIWB has been instrumental in providing safe and reliable bulk water services to the community and industries of Mount Isa.

Mount Isa is situated on the traditional lands of the Kalkadoon People in North West Queensland and on the banks of the Leichhardt River. The Leichhardt River rises from the Selwyn Ranges, and flows through the City of Mount Isa into Lake Moondarra, and then into Lake Julius.

Mount Isa is located in the North West Minerals Province, one of the world's richest mineral-producing regions. MIWB is proud to play a critical role in supporting the industries in the North West Minerals Province by delivering a robust network of water assets. Over the years, MIWB has evolved to meet the growing demands of the community and industries of Mount Isa, focusing on sustainability and innovation in bulk water transportation and treatment.

Our purpose and responsibilities

MIWB's primary responsibility is to provide essential bulk water services to the community and industries of Mount Isa. MIWB is committed to delivering a safe, reliable and high-quality water supply through the distribution and treatment of bulk water from Lake Moondarra and Lake Julius.

MIWB operates and maintains the bulk water transport and treatment infrastructure that transports bulk water from storages at Lake Moondarra and Lake Julius in accordance with bulk water contracts with its three major customers:

- **Mount Isa City Council** which reticulates potable water to approximately 18,000 people.
- **Mount Isa Mines Ltd**, a Glencore Company, which uses non-potable water in extraction, concentration and smelting processes.
- **Incitec Pivot Ltd** which uses non-potable water for manufacturing acid.

In addition to providing bulk water transport and treatment services, MIWB also provides high voltage electricity distribution services to the North West Queensland Water Pipeline Pty Ltd (NWQWP), a subsidiary of SunWater Limited. This role highlights the strategic role MIWB plays in the growth and prosperity of industries in North West Queensland.

MIWB is proudly the Trustee of Mount Isa's largest water catchment and recreation reserve, the R48 Reserve. The R48 Reserve is situated around Lake Moondarra, which provides a sanctuary for wildlife and popular leisure areas. MIWB maintains recreational facilities including picnic and play areas and facilities which are enjoyed by thousands of people each year, including residents and visitors to the region.

Snapshot of our assets

MIWB manages a comprehensive network of infrastructure to ensure reliable and quality water supply for the region. MIWB has more than \$128 million in assets (fair value), including:

- **Lake Moondarra Water Distribution System** and associated infrastructure, including:
 - A natural filtration facility, Clear Water Lagoon.
 - 13.5 km of pipelines.
 - Several pump stations including Col Popple, Moondarra Deep Well, Pontoon Pump Station, and the Moondarra Booster Pump.
- **Lake Julius Water Distribution System** and associated infrastructure, including:
 - 61.5 km of pipelines.
 - Fred Haigh Pump Station, 22.6 Booster Pump Station, and Balance Tank.
 - 60 km of 66,000-volt overhead transmission line, take-off yard (TOY), and switchyard.
 - C4 Valve Station.
- **Mount Isa Terminal Reservoir (MITR)** and associated infrastructure, including:
 - A 50 megalitre reservoir.
 - Two separate three megalitre clean water tanks.
 - Six membrane filtration units.
 - Two pump stations.
- **Electricity Infrastructure** for high voltage electricity supply to the North West Queensland Water Pipeline Pty Ltd (NWQWP).

About us

Our regulatory environment

MIWB operates under a stringent regulatory framework designed to ensure compliance, accountability, and excellence in bulk water management. As a Category 1 Water Authority, established under the *Water Act 2000* (Qld), MIWB is mandated to manage and deliver water services efficiently and sustainably. MIWB's governance and operational activities are also guided by the *Land Act 1994* (Qld), which designates MIWB as the Trustee for the R48 Reserve. MIWB is committed to ensuring that this land is managed for the benefit of the community in accordance with the principles of sustainability and public interest.

MIWB's Board of Directors is accountable to the Queensland State Government and oversees the strategic direction of the organisation and its adherence to regulatory obligations. The Board has established a series of Board Committees to support effective governance and oversight, including the R48 Committee, the Strategy, Assets and Technical Committee, and the Audit, Risk and Finance Committee.

Our vision

MIWB's vision is to be a respected leader in regional water distribution and treatment.

Our mission

MIWB's mission is to provide efficient and reliable distribution and treatment of bulk water to meet our customers' needs, in line with Government policy, by performing as a profitable, proactive, highly competent and engaged organisation.

Our values

These values guide MIWB's commitment to excellence in all aspects of operations, ensuring that MIWB not only meets but exceeds the expectations of our stakeholders and the community we serve.



CUSTOMERS FIRST

We prioritise understanding our customers, delivering what matters to them, and making decisions with empathy.



IDEAS INTO ACTION

We encourage challenging norms, embracing new ideas, and working collaboratively across boundaries.



UNLEASH POTENTIAL

We aim for excellence, set clear expectations, and actively seek and act on feedback.



BE COURAGEOUS

We own our actions, successes, and mistakes, take calculated risks, and act with transparency.



EMPOWER PEOPLE

We lead with trust, play to everyone's strengths, and focus on developing ourselves and those around us.

A message from the Chairman & CEO

We are pleased to present the 2023-24 Annual Report for the Mount Isa Water Board.

Building on the success of the previous year, we have once again realised several achievements that further reinforce our commitment to advancing our vision to be a respected leader in regional water distribution and treatment.

Bulk water distribution and treatment

Throughout the year, our operations team effectively administered and maintained our bulk water distribution and treatments assets to ensure that we consistently met our customers bulk water needs. We supplied a total of 17,405 megalitres (ML) to our bulk water customers, including potable (drinking water) to the Mount Isa City Council. To put this in context, this is comparable to transporting 6,962 Olympic swimming pools of water throughout the year, delivering an average of 19 Olympic swimming pools of water each and every day.

Electricity infrastructure services

Year on year we continue to provide high voltage electricity infrastructure services to the NWQWP, reinforcing the integral role we play in supporting the North West Minerals Province and the communities of North West Queensland.

Land management

As the proud Trustee of the R48 Reserve, we took great pride in maintaining recreational areas and amenities for the enjoyment of thousands of residents and visitors each year.

Water quality

This year, we enhanced our water treatment infrastructure by replacing the membrane plant filters, reinforcing our commitment to delivering consistently safe and healthy potable water.

We are also delighted to announce that the catchment categorisations were downgraded from Category 4 to Category 3. Having successfully extended the useful life of our membrane plants, this unprecedented accomplishment enables us to continue to meet the Australian Drinking Water Guidelines with the least-cost capital outlay over the next five years.

People and culture

Our approach to people and culture has been the cornerstone of our progress, driving innovation and fostering a spirit of collaboration and resilience.

As we reflect on the year that was, we recognise that our success is not an isolated event; rather a result of a collective effort. It is the culmination of visionary leadership, excellent governance, alignment, meticulous strategic and operational planning, and the effort of our team members.

We also acknowledge the unwavering support of our strategic partners, and the invaluable trust placed in us by our customers and the community.

Reliable infrastructure

Our outstanding service levels this year are a testament to the substantial improvements our Operations and Capital Projects teams have achieved in asset management planning and evidence-based capital programming. We understand the importance of infrastructure in fostering economic prosperity in the North West and improving the quality of life for the community. With our deep understanding of the region's unique challenges, we are well-positioned to ensure our infrastructure remains dependable and reliable, continuing to deliver a positive impact on the community we serve.

Corporate and commercial success

We are proud of the continuous uplift in the quality and efficiency of our corporate and commercial service functions. The Corporate & Governance Division has established commercial stability for our five-year strategic outlook and will continue to work with customers to understand their needs for bulk water and energy infrastructure beyond 2030.

Key governance achievements this year included the development and revision of the charters and workplans for our Board and Board Committees, the implementation of a cloud-based board reporting package, elevating information security, enabling seamless collaboration and communication, and providing ready access to information for our Directors.

Building on last year's solid foundation, we also continued to enhance our people and culture framework, focusing on employee engagement and training, as well as investing in our employee value proposition to improve the retention and attraction of valued team members.

Our focus for 2024–25 and beyond

We are incredibly proud of what we have accomplished together this year. Our commitment to efficiency and sustainability continues, and we are confident that our organisation will continue to prosper in the years to come.

As we look ahead, we remain committed to driving innovation, reducing our environmental impact, embracing sustainability, and leading the least-cost approach to delivering dependable infrastructure services.

Moving forward, we are brimming with confidence and excitement. The foundations we have laid through our internal transformation, and the remarkable achievements of this year have positioned us for continued success.

Acknowledgements

We extend our deepest appreciation to all employees, partners, our customers, and our shareholder for their support and contribution to our achievements. Together, we will continue to build a brighter future for our organisation and the community we serve.

On behalf of the Board of Directors and Executive Leadership Team, we sincerely thank our staff and contractors for their dedication, professionalism, and persistence during a year of continual change and extraordinary achievements.

We would also like to express gratitude to our stakeholders, customers, and the community of Mount Isa for their support and trust in MIWB.



Steve de Kruijff
Chair
Mount Isa Water Board



Bill Esteves
Chief Executive Officer
Mount Isa Water Board

Our performance

Key performance measures

Key Performance Measure	Target	Actual	Variance
Financial			
Operating Revenue	\$32.8m	\$33.3m	Nil
Operating Expenditure	\$26.7m	\$28.1m	Note 1
Earnings Before Interest and Tax (EBIT)	\$6.1m	\$5.1m	Note 2
Current Ratio	≥1.76	3.1	Nil
Total Assets	\$179.0m	\$162.0m	Nil
Return on Total Assets (ROA)	3.40%	3.10%	Note 3
Dividend Payable	\$3.7m	\$3.1m	Note 4
Non-Financial			
Lost Time Injury (LTI)	0 incidents	1 incident	Note 5
Reportable Environmental Incidents	0 incidents	0 incidents	Nil
Recreation Area (R48) Stakeholder Meetings	100%	67%	Note 6
Watermain / Pipe Leaks	≤3	0	Nil
Supply Interruption Duration – Industrial	≤6 hrs	0.6 hrs	Nil
Supply Interruption Duration – MICC	≤24 hrs	3.49 hrs	Nil
Non-Complying Tests for E.coli (municipal)	0	0	Nil
Non-Complying Tests for Other Health Parameters (municipal)	0	0	Nil
Non-Complying Tests for Other Health Parameters ADWG Table 10.6	0	0	Nil
Operational Costs Against Budget	+/-5.0%	-4.7%	Nil
Operation & Maintenance Costs Per ML Supplied	≤\$822	\$713	Nil

(1) Expenditure was 5.24 per cent higher than target primarily due to the impact of unbudgeted depreciation expenditure in connection with the valuation of non-current assets as at 30 June 2023.

(2) EBIT was 16.39 per cent below target due to the impact of ⁽¹⁾.

(3) Return on Total Assets was impacted from the significant increase in the value of non-current assets, following the comprehensive revaluation on 30 June 2023.

(4) The Dividend Payable was impacted by the impact of ⁽¹⁾.

(5) One lost time injury (LTI) was recorded for an employee that resulted in loss of productive work time. During the period, MIWB conducted and completed a comprehensive investigation into the incident.

(6) MIWB conducts annual meetings with local community groups that are permittees and/or lease holders at the R48 Reserve. Due to availability of key persons, MIWB was unable to meet with some permit holders during the period, and therefore, did not meet this KPI for the 2023-24 financial year. MIWB continues to invest in the Land, Parks and Gardens Team at the R48 Reserve, and this investment will support greater engagement with local community groups in the 2024-25 financial year.

Our performance

Key business improvement initiatives

In 2023–24, MIWB successfully fulfilled the key obligations outlined in our Performance Plan. The financial, health, safety, environmental, and operational performance measures for the financial year are agreed upon with the Minister in MIWB’s Performance Plan.

MIWB reported strong results against the operational delivery targets in 2023–24, as outlined in the Performance Plan, meeting or exceeding all operational performance measures. This includes achieving 100% compliance with water quality standards, ensuring the highest quality of water delivery to our customers. Additionally, MIWB maintained excellent operational uptime, minimising disruptions and ensuring reliability in water services throughout the year. Notably, there were no major leaks reported, underscoring our commitment to maintaining the integrity of our infrastructure and environmental stewardship.

Through continued improvements in operations and maintenance processes, MIWB achieved a cost-effective operation and maintenance cost per megalitre of water supplied of \$731 during the period.

Operations update

MIWB carries out extensive engineering, operations and maintenance work each year to maintain bulk water infrastructure and plan for future requirements.

MIWB also manages a substantial water quality and compliance program to ensure safe and reliable potable (drinking) water is supplied to the Mount Isa City Council for reticulation, distribution, and retailing to their domestic customers.

Meeting water quality standards

Achieving our water quality standards is a key priority for MIWB. In 2023–24, MIWB achieved full compliance with the requirements of our Drinking Water Quality Management Plan (DWQMP) and continued to deliver safe and high-quality potable (drinking) water to the Mount Isa City Council.

During the period, MIWB undertook a routine review of its DWQMP, and updated key sections to reflect system changes and planned improvements arising from the Risk Management Improvement Program.

The new DWQMP was approved by the Regulator in April and the changes successfully implemented. This year also saw a statutory audit of MIWB’s DWQMP which determined MIWB’s high level of compliance to the DWQMP and several opportunities for improvement to be addressed in the next DWQMP review.

MIWB continues to invest in research projects to improve water quality aesthetics for drinking water, including through a trial of ultrasonics and chemical addition to reduce the algae content of the raw water storage lagoon.

Asset resilience and reliability

MIWB investigates and plans for future infrastructure requirements to maintain the water infrastructure necessary to meet customer demands. During the year MIWB completed a project to develop an asset strategy for the next five years based on criticality to align project decisions with condition data and business drivers. MIWB made strategic investments totalling \$5.4 million towards infrastructure improvements, despite facing challenges due to supply chain disruptions.

Operational minor works

During the period, MIWB made strategic maintenance investments totalling \$650,000 in asset reliability and improvements, leading to several notable achievements:

Lake Julius Power Infrastructure Improvements

Adverse weather events and aging infrastructure had caused damage to power poles and the electricity network, affecting the reliability of service to customers. In response, MIWB undertook the critical task of replacing the damaged power infrastructure, ensuring a dependable power supply to customers.

Completion of HV Switchyards Repairs

Another significant accomplishment during this period was the assessment and repair of critical high-voltage (HV) infrastructure. MIWB made dedicated investments in the repairs and monitoring of critical HV infrastructure, including HV switchyards and transformers. These measures not only enhanced reliability but also ensured compliance with HV safety standards.

Telemetry on Flow Meters

Telemetry on flowmeters was trialled to assess reliability of the equipment, and to provide real time online monitoring. This improved the efficiency of the operations by reducing manual tasks and allowed better identification of issues such as leak detection.

Membrane Plant Optimisation

The membrane plant is a critical treatment step in ensuring the drinking water delivered to the Mount Isa City Council is safe to drink. During the period this key asset underwent a condition assessment, identification of areas of underperformance, development of intervention steps, and an assessment of remediation steps. Specialised protocols were developed and a capital project for further improvement initiated that ensured customer demand was met during the peak season.

Fire Preparedness

Mount Isa experienced a major bushfire event in October 2023. MIWB successfully implemented fire breaks around critical infrastructure such as overhead power lines and pumping stations to mitigate the risk of significant damage. This work resulted in no interruptions to the delivery of bulk water to our customers. Planning was also undertaken initiating projects to further mitigate risks to water quality to begin in 2024–25.

These achievements reflect MIWB's commitment to providing reliable and high-quality water and power services to its customers. The strategic investments made during the fiscal year 2023–24 have fortified MIWB's operations and strengthened its ability to meet the region's water and power needs effectively.

MIWB's infrastructure investments and the completion of these significant projects underscore MIWB's commitment to continuous improvement and resilience. MIWB remains dedicated to delivering essential services while adapting to changing circumstances in the ever-evolving landscape of water management.

Managing water supply

MIWB supplied 17,405 megalitres (ML) of water in 2023–24 to meet our customers' bulk water demand.

Lake Moondarra ended the water year on 30 June 2024 at 84.3%, an increase of 8.8% from the previous year. This was due to over 400mm of rainfall over the January to March 2024 wet season. Water levels at Lake Julius, an important drought proofing water source, remained high as at 30 June 2024, measuring at 93.7% of capacity.

During the period, MIWB successfully pumped water from Lake Julius utilising the newly commissioned high voltage switch gear, proving the reliability and operation of this infrastructure.

The upgrades to bulk water transportation infrastructure at Lake Julius continues to demonstrate commitment to water security by recognising the strategic importance of ensuring the reliability of infrastructure, effectiveness of delivery, robustness of storage, and the role it plays with other stakeholders, including the Queensland State Government who oversees water security and planning in the region.

Capital projects update

During the period, MIWB reaffirmed its commitment to enhancing infrastructure and ensuring a reliable water supply, aligning with our strategic pillar of prudent and efficient capital expenditure. In response to evolving demands and the need for infrastructure resilience, MIWB conducted a comprehensive reassessment of its project's portfolio.

MIWB invested \$5.4 million in infrastructure improvements, reflecting strategic planning and a focus on sustainability and reliability in water supply for the Mount Isa community.

Several critical projects were successfully completed, underscoring MIWB's dedication to delivering essential services:

Fred Haigh Pump Station (FHPS) Switchyard and Switch Room Upgrade

The completion of Stage 2 and 3 involved commissioning the high voltage (HV) network and pumping system, enhancing the resilience and availability of the Lake Julius system to meet water demand during critical times.

Filter Plant Membrane Replacement

MIWB replaced and commissioned all 360 filter plant membranes, significantly improving our ability to maintain a potable water supply for the Mount Isa community and ensuring consistent delivery of high-quality drinking water.

King Fisher Point Upgrade (Stage 1)

Upgrades at the R48 Reserve included installing dedicated paths, upgrading public amenities, and adding shaded seating areas. These enhancements have made the area more accessible and enjoyable for public recreation, catering to people of all abilities.

High Voltage Access Tracks

Establishing access tracks to MIWB's HV networks has enhanced the ability to conduct repairs and maintenance, ensuring a reliable power supply network. These tracks also act as firebreaks, providing critical infrastructure protection in the event of a fire.

Corporate ICT Overhaul

The overhaul and replacement of corporate technology infrastructure reduced the risk of failure and improved network security and performance, ensuring robust and secure operations to support the organisation's needs efficiently.

Despite the challenges faced by water utilities operating in a regional environment, MIWB's reassessment of the project portfolio underscores our commitment to prudent and efficient expenditure. By strategically prioritising investments, we have ensured that our infrastructure remains resilient and capable of meeting the needs of our customers and the community. Our continuous improvement efforts and dedicated approach to capital spending reflect our unwavering commitment to delivering essential services and adapting to the evolving landscape of water management.

Our strategic objectives

MIWB's Corporate Plan, covering the period FY2024–25 to FY2028–29, is designed to guide the organisation's decision-making and activities over the next five years, ensuring alignment with our overarching vision and the expectations of our customers. The Corporate Plan comprises four fundamental pillars, each accompanied by objectives.

Our areas of focus

Water and Environment: Maximum Quality, Minimal Environmental Impact

With a focus on sustainability and environmental stewardship, this pillar aims to ensure the highest standards of water quality while minimising adverse environmental effects. Key strategies include:

- **Water Quality:** Continuously improving multi-barrier treatment processes to enhance water quality and reliability.
- **Land Management:** Implementing sustainable land management practices to protect and maintain R48 Reserve improvements.
- **Regulatory Compliance:** Ensuring compliance with environmental regulations and revising land management plans to promote responsible land use.

Customer and Community: Insights and Customer Value

This pillar centres around understanding and meeting the needs of customers and the community, fostering engagement, and delivering value. Key strategies include:

- **Stakeholder Management:** Enhancing stakeholder engagement and incorporating feedback into decision-making processes.
- **Amenities and Recreational Facilities:** Developing comprehensive capital improvement plans to meet community needs and enhance recreational facilities.
- **Lease and Permit Management:** Streamlining permit and lease management processes to ensure transparency and efficiency.

People and Culture: Safe, Appreciated and High Performing People

With a focus on fostering a positive workplace culture and ensuring employee well-being, this pillar aims to cultivate a safe, supportive, and inclusive environment where individuals can thrive. Key strategies include:

- **Workforce Development:** Implementing a structured development framework to enhance internal capability and support career growth.
- **Strategic Partnerships:** Establishing strategic partnerships to foster collaboration and drive organisational success.
- **Health and Safety:** Prioritising health and safety through a renewed Safety Management System and continuous improvement initiatives.

Commercial and Economic: Prudent, Efficient, and Cost-Effective Services

This pillar focuses on optimising commercial and economic performance through initiatives aimed at reducing costs, enhancing efficiency, and maximising revenue streams. Key strategies include:

- **Energy Management:** Reducing energy costs through enhanced purchase agreements and optimising hydraulic systems.
- **Asset Utilisation:** Developing a strategic asset management framework to prolong asset lifecycles and improve operational efficiency.
- **Procurement:** Strengthening procurement processes to ensure cost-effective and economical contracts.

Strategic objective

Water and environment

Water availability

Over the last 12 months, Mount Isa experienced notable variability in regional rainfall patterns. The region experienced a poor start to the wet season with minimal rainfall until December 2023. Substantial rainfall occurred from January through to March 2024, increasing levels at Lake Moondarra to a 12-year high, peaking at 95.8% in April 2024.

Overall, while the season rains was positive, the fluctuations underscore the importance of effective water management strategies to ensure stability and sustainability in water resources throughout the year.

Water storage capacity

At full capacity, Lake Moondarra can hold 106,800 megalitres (ML), while Lake Julius has a capacity of 107,500ML. These two reservoirs are critical sources of water for Mount Isa and surrounding regions. As at 30 June 2024, Lake Moondarra was at 84.3% capacity, equating to approximately 90,043ML, and Lake Julius was at 93.8% capacity, equating to about 96,338ML.

Water delivery and usage

The water supplied to customers was consistent with previous years, reflecting stable industrial and municipal demand. However, treated water delivery saw a slight increase, aligning with ongoing efforts to ensure high-quality potable water supply to the Mount Isa community.

Long-term security of supply

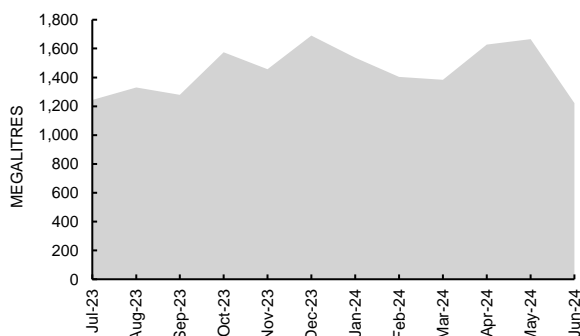
Ensuring the long-term water security remains a critical priority for MIWB. Both Lake Moondarra and Lake Julius are essential to meeting the region’s water needs. MIWB continues to implement measures to enhance the sustainability and reliability of existing resources. Key initiatives include ongoing upgrades to water treatment facilities to ensure compliance with stringent water quality standards.

MIWB is committed to securing the water future for Mount Isa through strategic planning, investment in infrastructure, and community collaboration. The organisation continues to monitor water levels, implement conservation measures, and explore innovative solutions to enhance water security for current and future generations.

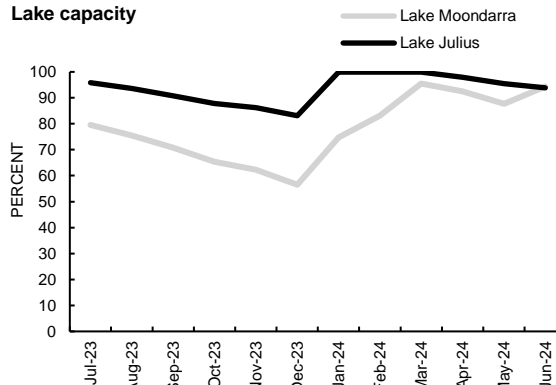
Inflows and changes to levels at Lake Moondarra over the past 10 years comprise as follows:

Reporting period	Volumetric Change (ML)	Capacity (%)
July 2013 – June 2014	-13,523	28.4
July 2014 – June 2015	+34,539	60.8
July 2015 – June 2016	+4,052	64.5
July 2016 – June 2017	-11,683	53.6
July 2017 – June 2018	+6,624	59.8
July 2018 – June 2019	+15,911	74.7
July 2019 – June 2020	+2,461	77.0
July 2020 – June 2021	-17,792	60.3
July 2021 – June 2022	-16,618	44.8
July 2022 – June 2023	-47,769	75.5
July 2023 – June 2024	+89,968	84.3

Water supplied



Lake capacity



Strategic objective

Customer and community

MIWB is the Trustee of the R48 Reserve, Mount Isa's largest water catchment and recreation area. This reserve, surrounding Lake Moondarra, is a sanctuary for wildlife and a popular leisure spot. MIWB maintains facilities such as picnic areas, playgrounds, and water sports amenities, which are enjoyed by thousands annually.

The R48 Reserve is home to a thriving eco-system of flora and fauna, with over 238 species of birds found across the reserve.

Our role as trustee includes managing the operation and maintenance of public amenities, regulating use of the land, and supporting the viability of flora and fauna through various environmental initiatives, including pest and weed management. The primary public amenities we manage incorporate walking tracks, public bathrooms, barbecues, and shade huts in and around Transport Bay, Blackrock, Warrina Park, and Kingfisher Point.

A high performing wet season during the period resulted in the capacity of Lake Moondarra reaching 84.3%. This result solidifies water security in the region over the medium-term and is a pleasing result for local residents and businesses.

In October 2023, a significant bush fire event burned many areas in the R48 reserve and the surrounds of Lake Moondarra, resulting in closure of the parks and gardens, and the evacuation of public and community events taking place. MIWB worked closely with the Queensland Fire and Emergency Service, the Rural Fire Service, and the Mount Isa City Council to support the response efforts, and continues to deliver bushfire management initiatives in conjunction with its community partners.

MIWB commenced works for the Kingfisher Point beautification project during the year with footpaths, BBQ huts, and floating pontoon construction beginning in June 2024.

Our role as trustee includes managing 11 community user groups that operate on the reserve, including the North West Canoe Club, Mount Isa Ski Club, and the Mount Isa District Bow Hunters Club.

Many community activities were held at the R48 Reserve during the period by community groups that work closely with MIWB. This included:

- the North West Fishing Classic, run by the Mount Isa Fish Stocking Group Inc
- the Pulverise at Peacock Park, run by the Isa Running and Triathlon Club
- the Mount Isa School of the Air Triathlon
- several other activities, including the Australian Army Weekend Incursion, and weddings.

During the period, our engagement with registered user groups achieved 67% participation in annual meetings, reflecting a continued commitment to collaboration and communication. While this represents a change from the previous year, it has provided valuable insights into areas where we can further strengthen our relationships and outreach efforts.

Our management team remains actively engaged with the Lake Moondarra Advisory Committee, and we have made significant progress in developing a Strategic Master Plan for Lake Moondarra. These efforts underscore our dedication to enhancing stakeholder engagement and ensuring the long-term sustainability and enjoyment of Lake Moondarra for the community.

Strategic objective

People and culture

People are at the core of MIWB’s vision to be a respected leader in regional water distribution. MIWB’s philosophy is that staff should take pride, and receive satisfaction from, delivering value to customers by achieving our strategic goals.

MIWB continues to actively encourage staff to live our corporate values — customers first, ideas into action, unleash potential, be courageous and empower people.

During the year, MIWB continued to focus on supporting employee engagement by enhancing human resource policies and procedures to further define structure, increase understanding of expected behaviour and performance standards in the workplace, and promote consistency and fairness.

The Corporate & Governance Division is responsible for delivering the organisation’s human resource function, and during the period delivered a series of improvements to policies, systems, and procedures, as well as learning and development initiatives to support a positive workplace and strong employee engagement.

MIWB’s empowers our highly skilled and specialist teams through training and feedback and encourage them to embrace responsibility and innovation to continuously deliver value to our customers and the community.

Continuous improvement has seen us become an outcome-focused business dedicated to fulfilling our customers’ needs and improving the community.

In 2022, MIWB adopted the Queensland Government’s Leadership Competencies Framework. The Leadership Competencies Framework sets the foundation for what highly effective, everyday leadership looks like, and what behaviour is expected from our employees in the workplace.

During the year, MIWB continued to embed and promote the Leadership Competencies Framework, including the establishment of bespoke development plans for employees. Employees are provided with the opportunity to further develop their skills through the annual ‘my year ahead’ process, and through the provision of professional development opportunities.

Employees are encouraged to participate in a range of webinars and seminars, held by affiliated water associations and other professional associations, to promote upskilling and keep up to date with the current practices. During the year, MIWB finalised the development of a mandatory induction and onboarding process – designed to support an exceptional onboarding experience and assist new employees with familiarising themselves with MIWB.

Staff profile

MIWB is made up of the following three divisions:

1. Operations Division.
2. Capital Projects Division.
3. Corporate and Governance Division.

Each Division is led by an Executive General Manager who reports to the Chief Executive Officer (CEO). Collectively, the Chief Executive Officer and the General Managers comprise MIWB’s Executive Leadership Team (ELT).

As at 30 June 2024, MIWB’s workforce comprised 25.31 full time equivalent (FTE) employees (not including contractors or Directors).

Contractors and labour-hire personnel are engaged predominately within the Operations and Capital Projects Divisions to fill critical capability and capacity gaps, as arise from time to time. The number of contractors engaged depends on the type of projects or work assigned, and the duration of time needed. MIWB continues to engage with its third-party Operations & Maintenance Contractor to assist in the delivery of water and electricity activities and projects.

Workforce planning, attraction and retention

Workforce planning continues to remain a key focus for the Board and the ELT to ensure that MIWB can attract and retain skilled and talented employees necessary to deliver on our strategic objectives.

The promotion of a values-based workplace and improvement in the employee value proposition has contributed to a continued decline in annual turnover. As at 30 June 2024, the annual regrettable turnover rate is 19%.

During the year, the MIWB Wellness Committee (established in 2022) continued to provide an essential avenue to promote and support employee wellbeing, delivering a number of important employee engagement activities, and enabling an effective channel for feedback on workplace improvements.

Public sector ethics

The MIWB Code of Conduct contains the principles and values that are expected employees at MIWB.

The principles of the Code of Conduct are:

- Act with honesty and integrity
- Abide with legislation and act professionally
- Protect our reputation, assets and information
- Do the right thing by our regional community.

MIWB periodically reviews our policies and the Code of Conduct to ensure they align with the current ethics, principles and values of the *Public Sector Ethics Act 1994* (Qld).

MIWB is committed to ongoing education and continual review of processes and procedures to ensure both staff and management have proper regard for the Codes and appropriate behaviours.

Through a comprehensive induction program, staff, directors and officers are aware of their roles, responsibilities and obligations in relation to the Code of Conduct.

Key workforce policies

Key MIWB workforce policies, along with the Code of Conduct, are governed by the Board, and are actively promoted inside the organisation:

- Employee Leave Policy
- Parental Leave Policy
- Recruitment and Selection Policy
- Alcohol and Drugs Policy
- Discrimination, Bullying, Harassment and Grievance Policy
- Corrupt Conduct and Fraud Policy
- Corporate Procurement Policy and Procedures
- Corporate Credit Card Policy
- Delegations of Human Resources Policy
- Financial Delegations Policy
- Flexible Work Arrangements Policy
- Training and Development Policy
- Higher Duties Policy
- Flexible Work Arrangements Policy
- Gifts and Conflicts of Interest Policy
- ICT Acceptable Use Policy
- Travel Policy
- Work Health and Safety Policy
- Workplace Injury Rehabilitation Policy

Ongoing refinements to workforce policies took place throughout the year to ensure they are fit-for-purpose and reflect the needs of employees and the organisation.

Human rights

Throughout the period, new employees completed training with respect to MIWB's obligations under the *Human Rights Act 2019* (Qld). MIWB is committed to ensuring that all policies and procedures align with the requirements of the *Human Rights Act 2019* (Qld). MIWB received no human rights complaints over the period.

Supporting carers

MIWB recognises carers and the important contribution they make to the people they care for and to the community generally. MIWB has a copy of the Carers Charter accessible to all staff, as set out in the Schedule to the *Carers (Recognition) Act 2008* (Qld). Over the period, MIWB had no reported carers on staff.

Redundancies

During the period, there was one voluntary redundancy and no forced redundancies.

Health and safety

MIWB is dedicated to achieving zero harm and recognises safety as a critical success factor. MIWB complies with the *Work Health and Safety Act 2011* (Qld) and associated regulations, and continually enhances the Safety Management System (including standards and procedures) through ongoing improvements.

An external audit and gap analysis was undertaken during the year to assess the effectiveness of internal controls to support compliance with workplace health and safety requirements.

To advance our safety management, MIWB procured an electronic WHS Management System. Currently in its trial phase, this digital platform for hazard identification, risk assessment, and control will be fully implemented by October 2024. The system aims to:

- Improve WHS efficiency by replacing manual systems.
- Enhance analysis of WHS indicators to identify trends.
- Optimise contractor management, including online safety inductions and licence monitoring.

The transition of the Operations and Maintenance Agreement (OMA) has strengthened safety management practices.

During the year, MIWB restructured its Operations Division, adding an Asset Management Function to manage the OMA Contractor. These changes enhanced task management by updating standard operating procedures to ensure current hazard and risk controls. A procurement process is underway to implement a Software as a Service (SaaS) system for managing risk and procedures.

MIWB remains committed to providing a safe work environment for employees and contractors. Our ongoing efforts include:

- Ensuring safety management standards and procedures reflect current activities and effectively control risks.
- Conducting periodic safety audits, including independent specialist reviews.
- Monitoring MIWB sites to ensure safety for all personnel.
- Identifying opportunities to eliminate or isolate risks, including reassessing task necessity.

Strategic objective

Commercial and economic

This pillar focuses on optimising commercial and economic performance through initiatives aimed at reducing costs, enhancing efficiency, and maximising revenue streams. Objectives include improving energy management, optimising asset utilisation, and strengthening procurement processes.

Customer arrangements

During the year, MIWB completed the planning and preparation for the commencement of its five-year pricing arrangements with bulk water and electricity customers commencing on 1 July 2024.

This included robust planning to ensure the efficient allocation of operating and capital expenditure, supported by our external consulting partners.

MIWB is continuing to engage proactively with customers, the community and industry groups to identify future infrastructure delivery requirements in North West Queensland, including opportunities arising from new projects in the North West Minerals Province. During the year, MIWB was involved in a number of industry and government-led consultation and planning workshops to identify and plan for existing and future demand requirements.

Procurement and contract management

MIWB has a comprehensive procurement and contract management framework to ensure that it achieves value for money through its supply arrangements. This is essential to ensure that MIWB can deliver efficient and effective services to its customers, and support local businesses in Mount Isa.

During the period, MIWB continued to build on internal capability and capacity through the addition of a dedicated internal procurement resource. The procurement team supports business stakeholders to develop fit-for-purpose procurement work packages and go-to-market strategies to achieve value-for-money and compliance with our regulatory requirements.

During the year, MIWB successfully expanded its use of pre-qualified and standing offer arrangements through the Queensland Government's Contract Directory and LocalBuy. These arrangements enable MIWB to secure favourable arrangements with key suppliers by accessing terms, conditions and rates that would not otherwise be accessible for MIWB.

MIWB continues to source local suppliers in Mount Isa and North West Queensland to promote the Queensland Government's strategy to support local jobs and businesses.

Internal service delivery excellence

During the year, MIWB continued to rapidly transform its internal service delivery functions by investing in new systems and processes that improve efficiency and reduce administrative burden. This included the implementation of Diligent Boards to streamline the company secretary function, the investment in ELMO (a Human Resource Information System) to enable employee self-service and digitisation of core processes, and multiple improvements to the finance and payroll systems that uplifted the quality of internal controls.

In addition, MIWB successfully rolled-out a suite of new policies, procedures and guidelines relating to human resources, delegations and finance, designed to support robust internal governance, and support effective knowledge management to mitigate key person risk.

Energy management

MIWB is committed to identifying and implementing innovative practices to optimise energy consumption and improve energy efficiency throughout its operations. During the year, MIWB finalised planning and the delivery of new capital improvements at the Fred Haigh Pump Station to improve the efficiency of bulk water transportation. MIWB finalised the concept and planning for several new capital improvements to be delivered over the next five-year period that will target energy efficiency improvements, primarily for bulk water sourced from Lake Moondarra.

Governance

Organisation structure

As at 30 June 2024, our organisational structure was as follows:



Board of Directors (Current)

Mr Steve de Kruijff

OAM, MAusIMM

Director and Chair of the Board since May 2016

Steve de Kruijff's career spans almost four decades in the mining industry, predominantly in North West Queensland. Mr de Kruijff was previously the Chief Operating Officer for Glencore's Australian Copper Assets until February 2014. Prior to this role, Mr de Kruijff was General Manager of Xstrata's Mount Isa Copper Operations until December 2006 and Chief Operating Officer of Xstrata Copper's North Queensland division to May 2013. Mr de Kruijff has been a director of several of Xstrata's subsidiary companies and is a past President of the Queensland Resources Council. He was awarded the 2008 AusIMM Jim Torlach Health and Safety Award, and an OAM in the 2016 Australia Day Honours List for his contribution to the mining industry and communities. Mr de Kruijff is a member of MIWB's Audit, Risk and Finance Committee.

Ms Karen Read

B.Bus, FCPA, GAICD, MAMI

Director since August 2019

Director and Chair of Audit, Risk and Finance Committee

Karen Read is a senior finance and commercial executive and has extensive experience within the mining and resources sector with a career spanning 30 years. Ms Read worked for Glencore Xstrata group for much of this time, including several years in Mount Isa from 1995. From 2014–2017, she was employed as CFO for a consulting engineering and project practice business. Ms Read has extensive Board experience including as Director Queensland Country Bank, Director Queensland Country Health Fund, Director of Wesley Medical Research Institute, and a group member of the Copper String 2032 Regional Reference Group. Ms Read is a Fellow of CPA Australia, a Graduate of the Australian Institute of Company Directors and a member of Australasian Mutual Institute. She is the Deputy Chair of NQ Branch Regional Council of CPA Australia.

Mr George Fortune

Director since September 2016

Director and Chair of the R48 Reserve Committee

George Fortune is a long-term resident and an active community advocate, including as former secretary of the Mount Isa Fish Stocking Group and former Event Manager for the Lake Moondarra Fishing Classic. Mr Fortune served as a Councillor with Mount Isa City Council from 2012 to April of 2024. Mr Fortune became a director of MIWB by nomination of the elected City Council¹. Mr Fortune is also a member of MIWB's Audit, Risk and Finance Committee.

Ms Janice Wilson

CPEng, MIEAust, RPEQ, MAIPM CPPM, BEng, MAMSc, GAICD

Director since December 2021

Director and Chair of the Strategy, Asset and Technical Committee

Janice Wilson is a water engineer and project manager with over 20 years of experience in infrastructure delivery and the utilities sector, paired with a Master of Applied Science, Bachelor of Engineering, Professional Certificate in Asset Management and Certificate III in Water Treatment. She is the Managing Director and founder of an engineering consulting firm, and serves as independent board member with the Wide Bay Water and Waste Advisory Committee and the Local Buying Foundation Advisory Committee. Ms Wilson is a member of the Australian Water Association Queensland Committee and Vice Chair of the Regional, Rural and Remote Specialist Network.

Ms Leonie Davey

B.Bus, GAICD, LLB

Director since March 2023

Leonie Davey has lived and worked in regional Queensland since 1994. She has extensive experience in community development and corporate governance, holding the positions of CEO for the Federal Government's North Queensland regional development body from 2004–2007. From 2008 to 2016, she held the position of Director for the North Queensland GP Training Organisation. Since 2019 she has been a practicing solicitor in Queensland, and from January 2021 the Managing Partner in a private law firm.

¹ Under the *Water Act*, notwithstanding a person is a nominee of an entity, they are required to act in the best interests of the MIWB.

Executive Leadership Team

As at 30 June 2024, the Executive Leadership Team comprised the Chief Executive Officer and the three General Managers.

MIWB's Executive Leadership Team is responsible for overall day-to-day operational and financial performance of the organisation, and for participating in senior management groups and committees.

The Chief Executive, Mr Bill Esteves, reports directly to the Board and is charged with, and is accountable for, the overall performance and leadership of the organisation.

The Chief Executive is responsible for the management of MIWB's financial and non-financial performance, ensuring its conformity with statutory and accountability requirements.

The Chief Executive implements the Board's policy decisions, reflecting the Board's approved strategy as reported in the Performance Plan, Corporate Plan and Annual Budget.

In addition, the Chief Executive is responsible for organisational leadership and maintaining effective business relationships with Directors, customers and other key stakeholders.

William Esteves

GradDipLegPrac, GradCertBus, LLB, MALeadership, MBA

Chief Executive Officer

William (Bill) has accumulated more than two decades of valuable experience overseeing areas such as prosecutions, litigation, government inquiries, transformation, change and performance management, policy development, and health and safety. He has held various executive roles and led many milestone projects such as Queensland's Greyhound Commission of Inquiry, Queensland's Independent Review of Passenger Transport, and recently the Northern Territory (NT) Work Health Authority, Electrical Safety Regulator, Chief Inspector of Radio Active Ores and Concentrates, and head of NT WorkSafe. Bill is a former member of Safe Work Australia, the NT Public Service Strategic Workforce Board, Injured Workers Family Committee, Workers Rehabilitation and Compensation Advisory Council, and Chair of the Return-to-Work Scheme Monitoring Committee.

Blake Nicolson

LLB, BCom (Acc), GradDipLegPrac, GradDipACGRM, AGIA

General Manager Corporate & Governance

Blake was appointed to the role of General Manager—Corporate & Governance in 2022. Blake leads the organisation's corporate service, commercial and strategy functions, encompassing finance, human resources, procurement, risk, company secretary, enterprise technology, and strategic development and execution. Blake has sector experience across government, utilities, financial services and logistics, with a focus on delivering transformation, commercial and risk and compliance initiatives in highly regulated industries. Prior to his appointment to the Executive Leadership Team, Blake held the position of Compliance Manager at MIWB.

Nicholas Tsikleas

GradCertProjMgt

General Manager Capital Projects

Nicholas joined MIWB in April 2021 as a Construction Superintendent and has since assumed the role as General Manager Capital Projects. With over 15 years' experience in leadership and project management, Nicholas is responsible for overseeing the management and execution of MIWB's capital portfolio. His extensive expertise spans various industries including construction, tunnelling, oil and gas, and mining. Nicholas brings a wealth of knowledge and a proven track-record of successful project delivery to his current position.

Scott Collinge

GradDip (Biology), PgDip(Management Studies)

General Manager Operations

Scott joined MIWB as General Manager Operations in June 2023. Scott is responsible for the overall management of MIWB's water treatment, compliance, power network and the R48 Reserve. Scott brings more than 25 years' experience in the water industry across commercial, local government and consulting organisations.

Corporate governance

MIWB is committed to ensuring that its governance and business management practices are of the highest standard. This commitment is fundamental to achieving our vision of being a respected leader in regional water distribution and treatment. We aim to be a sustainable, commercialised, and outcome-focused organisation that is deeply engaged with our community, while managing risks to ensure the safe, reliable, and cost-efficient delivery of bulk water and electricity services.

Our corporate governance framework is designed to promote transparency, accountability, and integrity in all our operations. This is achieved through a comprehensive set of policies, procedures, and standards that provide the Board, the Executive Leadership Team, and all employees with the clarity needed to exercise appropriate stewardship of the organisation. This framework instils trust and confidence with our external stakeholders and shareholder.

MIWB's governance framework is designed to align with best practice principles, including from the *Queensland Government's Corporate Governance Guidelines for Government Owned Corporations*, and the *ASX Corporate Governance Principles and Recommendations*.

The table below provides an overview of the attendance of our Directors at the Board meetings held during the period.

This record includes the term of office for each Director, the number of meetings each Director was eligible to attend, and the number of meetings actually attended for the last financial year.

Director	Attended	Eligible to attend	Last appointed	Expiry
Steve de Kruijff (Chair)	14	15	Appointed 27 May 2016	8 March 2026
George Fortune	12	15	Appointed 15 September 2016	8 August 2024
Karen Read	13	15	Appointed 29 August 2019	8 December 2024
Janice Wilson	14	15	Appointed 9 December 2021	8 December 2024
Leonie Davey	14	15	Appointed 9 March 2023	8 March 2026

The MIWB Board of Directors is responsible for overseeing the organisation's corporate governance. This includes setting the strategic direction, establishing goals for management, and monitoring performance against these goals. The Board is accountable to the Minister for MIWB's efficient and effective performance. Each Director is required to act in the best interests of MIWB and ensure the organisation operates in accordance with its Performance and Corporate Plans.

Under the *Water Act 2000* (Qld), the MIWB Board of Directors consists of five directors appointed by the Governor in Council. The diverse expertise and experience of our Board members ensure effective governance and strategic oversight of our functions and activities.

Board Sub-Committees

In July 2024, the Board established the following sub-committees to assist with its governance and oversight responsibilities:

- Audit, Risk and Finance Committee.
- Strategy, Assets and Technical Committee.
- R48 Reserve Committee.

Audit Risk and Finance Committee

The Board has established the Audit, Risk and Finance Committee (ARFC) as a Board Committee to assist in the execution of its functions, roles and responsibilities.

The role of the ARFC is to assist the Board in fulfilling its oversight of financial integrity and reporting, effectiveness of internal controls, internal and external audit, and enterprise risk management and compliance.

In 2023–24, the ARFC was comprised of three Directors of the MIWB Board of Directors, including Karen Read, Janice Wilson, and Steve de Kruijff. Karen Read was appointed Chairperson of the ARFC and fulfilled this role for the entirety of 2023–24.

MIWB's Internal Auditors and External Auditors were invited to attend meetings to present relevant reports and discuss any key areas requiring oversight of the ARFC. The Chief Executive Officer and the General Manager – Corporate & Governance (also Company Secretary) were standing invitees from MIWB's Executive Leadership Team.

In June 2023, the MIWB Board of Directors conducted a routine review into its Board Committees, resulting in the establishment of the ARFC as a Board Committee from 1 July 2023. The ARFC incorporates oversight of enterprise risk management, recognising and highlighting the importance of effective enterprise risk management and internal control at MIWB. The ARFC replaces the former Board Committee responsible for oversight of audit and internal control, the Finance, Audit and Compliance Committee (FACC) which ceased on 30 June 2024.

In 2023–24, the ARFC reviewed and endorsed the annual internal and external audit plans, ensuring alignment with key risk areas. It assessed the efficacy of internal and external audit functions, including reviewing audit findings and ensuring timely implementation of recommendations. Additionally, the ARFC provided independent oversight of the preparation of financial statements, ensuring compliance with relevant accounting requirements and statutory obligations.

Attendance is shown in the table below.

The ARFC has observed the terms of the ARFC Charter and has had due regard for regulatory and best-practice, including the Audit Committee Guidelines published by Queensland Treasury.

Director	Meetings attended	Meetings eligible to attend
Karen Read (Chair)	8	8
Steve de Kruijff	8	8
Janice Wilson	7	8

Strategy, Assets and Technical Committee

The Strategy, Assets, and Technical Committee (SATC) was established by the Board to assist in the effective governance and strategic oversight of the organisation’s operational activities. The SATC’s primary purpose is to provide strategic advice and oversight on the establishment and delivery of MIWB’s operational strategies, ensuring the efficient, effective, and proper delivery of the organisation’s water and electricity services.

The SATC is dedicated to:

- Monitoring and advising on the development and implementation of MIWB’s key operational strategies, including the Water Strategy, Energy Strategy, and Asset Strategy. Ensuring these strategies align with MIWB’s corporate goals for operational excellence.
- Overseeing the planning, delivery, and governance of MIWB’s Capital Delivery Program. Evaluating high-value and high-risk capital projects to ensure they meet strategic objectives and recommending key decisions to the Board.
- Monitoring the lifecycle management of MIWB’s critical assets, reviewing the Asset Management Framework and the condition of critical assets annually. Ensuring robust asset management practices and effective maintenance programs to enhance operational reliability and efficiency.
- Ensuring the highest standards of water quality by monitoring compliance with the Drinking Water Quality Management Plan (DWQMP) and the Australian Drinking Water Guidelines. Overseeing the delivery of the DWQMP’s Risk Management Improvement Plan and addressing any breaches or incidents.

Through these objectives, the SATC supports MIWB in achieving its mission of providing reliable and sustainable water services, maintaining regulatory compliance, and driving continuous improvement in operational performance. The Committee’s work is essential to ensuring MIWB’s operations are strategically aligned, effectively managed, and resilient to future challenges.

In 2023–24, the SATC was comprised of three Directors of the MIWB Board of Directors, including Janice Wilson, Karen Read and Steve de Kruijff. Janice Wilson served as the Chair of the committee for the full year, providing consistent leadership and oversight to ensure the committee effectively fulfilled its responsibilities and objectives.

Attendance for the SATC is shown in the table below:

Director	Meetings attended	Meetings eligible to attend
Janice Wilson (Chair)	6	6
Steve de Kruijff	5	6
Karen Read	6	6

R48 Reserve Committee

The R48 Committee plays a crucial role in the oversight and strategic management of the R48 Water and Recreation Reserve, a vital community asset managed by MIWB on behalf of the Queensland Government. The Committee’s primary purpose is to support the Board by providing strategic advice and monitoring the effective management and development of the Reserve.

The R48 Committee is tasked with ensuring that the Reserve is managed in a manner consistent with its intended community purposes and in alignment with MIWB’s broader strategic objectives. Key responsibilities include:

- Advising on and reviewing the strategic direction for the Reserve, ensuring alignment with community needs and government policies. This includes developing and updating the Reserve’s Land Management Plan and identifying opportunities for enhancing recreational and environmental values.
- Overseeing the maintenance and improvement of infrastructure and amenities within the Reserve, including pest and weed management, vegetation control, and the upkeep of public facilities. The Committee ensures that these activities are conducted sustainably and in accordance with regulatory requirements.
- Ensuring that appropriate financial resources are allocated for the effective management of the Reserve. This includes reviewing and endorsing budgets and monitoring expenditure to ensure funds are used efficiently.
- Facilitating engagement with community stakeholders to understand and incorporate their needs and preferences into the management of the Reserve. The Committee also evaluates requests for secondary uses of the Reserve, ensuring that such uses align with the Reserve’s primary purposes and community benefits.
- Ensuring that MIWB meets its statutory obligations as the Trustee of the Reserve. This includes monitoring compliance with relevant laws and regulations, conducting periodic reviews and audits, and implementing best practices in governance and land management.

In 2023–24, the R48 Committee continued to focus on these key areas, ensuring that the R48 Reserve remains a valuable and well-managed asset for the Mount Isa community. The Committee's work supports MIWB's commitment to environmental stewardship, community engagement, and the sustainable management of regional water resources.

During the year, the R48 Committee was comprised of three Directors of the MIWB Board of Directors, including George Fortune, Steve de Kruijff, and Leonie Davey. George Fortune served as the Chair of the R48 Committee for the entire year, providing consistent leadership and direction in the Committee's activities and objectives.

Attendance for the R48 Reserve Committee is shown in the table below:

Director	Meetings attended	Meetings eligible to attend
George Fortune (Chair)	4	4
Steve de Kruijff	3	4
Leonie Davey	4	4

Disclosure of Directors' remuneration

Remuneration of the directors is made in accordance with current Queensland Government policy as set out in *Remuneration Procedures for Part-Time Chairs and Members of Queensland Government Bodies*.

During 2023–24, the total remuneration paid was \$121,309. Related additional costs paid during the period (primarily for airfares and accommodation) totalled \$36,562.

Reporting requirements

MIWB is required to regularly review and report on a range of statutory and regulatory obligations, both as a water authority and as a government business entity.

The documents produced include:

- Annual Report
- Quarterly reports
- Annual Financial Statements
- Department of State Development, Infrastructure, Local Government and Planning Monthly Capital Reports
- Corporate Plan
- Performance Plan
- State Infrastructure Plan and Regional Action Plan update
- Water Service Provider Annual Performance Report
- Special Approval No SA05/97 Annual Report to the Regulator (*Electricity Act 1994*)
- Water Supply and Sewerage Services Survey (*Census and Statistics Act 1905*)
- Drinking Water Quality Management Plan Regulatory Review
- DWQMP Annual Report.

MIWB completed all its reporting responsibilities during 2022–23, which included providing the Minister with a summary of information and events for the year, forecasts for the year ahead and assessments of status and performance to date. MIWB also provided the Department of Regional Development, Manufacturing and Water with financial and non-financial performance reports for each quarter according to a regular timetable.

Information systems and recordkeeping

MIWB's information systems support effective corporate governance and the delivery of accurate information for decision-making. With a view to satisfying the accountability requirements of the *Public Records Act 2002* (Qld), MIWB maintains a secure recordkeeping system.

MIWB's recordkeeping policy, which is aligned to the Queensland Government Records Governance Policy (RGP), is currently under review. MIWB manages records at all levels of the business in order to:

- Create complete and reliable records.
- Make records discoverable and accessible for use and re-use.
- Adhere to the policy requirements of the RGP.

All records destroyed during the period have been done so in accordance with the requirements of the RGP, and there were no records transferred to State Archives over the period.

Our current information management arrangements have proven to be reliable with no serious breaches of information security reported over the period.

Risk management

MIWB has various risk management policies and procedures in place for local, portfolio and enterprise levels. During the period, MIWB maintained a robust enterprise risk management framework, defining the roles, responsibilities, and processes for risk management from information gathering and action tracking, through to Management and Board reporting. MIWB has further enhanced the risk management framework by reviewing and documenting business standards.

MIWB is committed to a structured approach to risk management to reduce exposure to operational and strategic risks, and pursue opportunities to enhance our performance. This includes fostering a culture where risk management is recognised as the responsibility of every employee. MIWB's enterprise risk management framework is based on AS/NZS ISO 31000:2018 Risk Management Principles and Guidelines, and meets the requirements of section 23 of the *Financial and Performance Management Standard 2019* (Qld). The framework includes the following:

- Risk Management Policy
- Risk Management Procedure
- Risk Assessment Plan
- Risk Matrix (Model).

Compliance management

In 2023–24, MIWB continued to strengthen our Compliance Management Framework, which provides a structured approach to regulatory compliance across the organisation.

During the period, we focused on enhancing our compliance training and monitoring efforts, ensuring all employees are well-equipped to meet regulatory requirements. As a result of these efforts, we are pleased to report that there were no reportable regulatory breaches, demonstrating our commitment to maintaining the highest standards of compliance and governance.

Investments

MIWB is committed to investments that conform to government prudential standards. It continually reviews its infrastructure investment strategy and prioritises projects that will enhance the reliability and quality of water supplied to customers.

Audit functions

External auditor – financial

The Auditor-General is the auditor of all Queensland public sector entities. The Queensland Audit Office engaged Crowe Australasia to conduct MIWB's 2023–24 external audit. This is the third year Crowe Australasia has conducted the audit.

The external audit is conducted through visits to MIWB's office with the auditor working closely with the Chief Executive, Finance Manager, and finance staff. The auditor's report is considered by the Audit, Risk and Finance Committee. A close-out interview is held between the auditor and the committee, and the committee makes recommendations to the Board concerning the adoption of the financial statements.

External auditor – non-financial

All audit recommendations of the Queensland Audit Office are considered by the Audit, Risk and Finance Committee, which ensures MIWB has due regard for these recommendations.

Internal auditor

MIWB's internal audit function is a key component of our corporate governance framework, providing independent assurance on the effectiveness of our risk management, control and governance processes. MIWB's internal audit function is outsourced. Internal audit reviews are independent and conducted with impartiality and integrity in accordance with relevant professional standards.

The activities of the Internal Auditor are governed by MIWB's Audit, Risk and Finance Committee, in accordance with the requirements of the Internal Audit Mandate and Charter, and the ARFC Charter.

Right to information

As a statutory authority, MIWB supports the right of access to government information to promote transparency, openness, and accountability and will provide this access unless it is commercial-in-confidence or contrary to the public interest to release such information.

MIWB did not process any RTI applications between 1 July 2023 and 30 June 2024 and was not processing any RTI applications at the end of the financial year.

Any enquiries about obtaining information held by MIWB should be made by contacting +61 434 094 743 or emailing info@mountisawater.qld.gov.au.

Right to Information correspondence has been placed on the MIWB website at www.mountisawater.qld.gov.au under the 'Our Data' tab.

Open data

Several annual reporting requirements are addressed through publication of information on the Queensland Government Open Data Portal (the Open Data Portal) (<https://data.qld.gov.au>), in lieu of inclusion in the annual report.

The following information requirements are reported online:

- **Consultancies** – expenditure released on the Queensland Government's Open Data Portal
- **Overseas travel** – nil expenditure.

MIWB is committed to the Queensland Government's Open Data strategy and has adopted the government's strategy, policy and principles to ensure all relevant data is published in the appropriate manner.

MIWB releases procurement and contract management expenditure on the Open Data Portal on a monthly basis. Data on other activities, such as historical lake levels, is available at www.mountisawater.qld.gov.au/ourdata.

Financial performance

MIWB achieved a sound financial result for the 2023–24 financial year, with net profit after income tax equivalents of \$3.9m, based on an operating revenue of \$33.3m, and an operating expenditure profile of \$28.1m.

Based on our financial performance, MIWB is pleased to return a paid dividend of \$3.63m to the Queensland State Government for the 2022–23 financial year, and a proposed dividend payable of \$3.09m for the 2023–24 financial year.

A summary of our financial performance is outlined at Table 1.

Table 1. Financial performance during 2023–24

	2023–24	2022–23	2021–22
Financial performance			
Operating revenue	\$33.3m	\$28.97m	\$27.67m
Operating expenses	\$28.1m	\$22.91m	\$20.43m
Operating profit	\$5.1m	\$6.07m	\$7.23m
Profit from ordinary activities (after tax)	\$3.9m	\$4.54m	\$6.14m⁽¹⁾
Financial position			
Total assets	\$162.0m	\$205.82m	\$177.83m
Total liabilities	\$22.5m	\$37.46m	\$31.34m
Net assets	\$139.6m	\$168.36m	\$148.59m
Cash flow			
Net cash provided by operating activities	\$7.3m	\$11.65m	\$10.00m
Cash at end of financial year	\$19.0m	\$21.07m	\$23.24m
Ratios			
Current ratio	3.13	2.00	2.20
Liabilities/assets ratio	13.86%	18.20%	17.42%
Liabilities/equity ratio	16.09%	22.2%	21.09%

(1) The tax rate change from 26.0% to 25.0% has given rise to a one-off credit against the tax expense for 2021-22.

Financial report and accounts

Financial performance

Mount Isa Water Board ABN 97 761 284 021

For the year ended 30 June 2024

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General information

These financial statements cover the Mount Isa Water Board ("MIWB").

MIWB is a Statutory Body constituted under the Water Act 2000 (Qld) as a Category 1 Water Authority, and a registered provider under the Water Supply (Safety and Reliability) Act 2008 (Qld).

MIWB is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of MIWB is:

31 Carbonate Street
Mount Isa QLD 4825

A description of the nature of MIWB's operations and its principal activities is included in the Annual Report.

For information in relation to these financial statements, please contact MIWB via one of the contact methods below:

- By Phone: +61 434 094 743
- Email: info@mountisawater.qld.gov.au
- By Post: PO Box 1712, Mount Isa, QLD 4825

Statement of Comprehensive Income

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
INCOME FROM CONTINUING OPERATIONS			
Revenue			
Revenue from contracts with customers	2	31,395,042	28,334,578
Interest earned from contracts with clients		688,753	475,489
Reversal of impairment of trade receivables		1,042,489	–
Other revenue		151,736	161,607
TOTAL REVENUE		33,278,020	28,971,674
TOTAL INCOME FROM CONTINUING OPERATIONS			
EXPENSES FROM CONTINUING OPERATIONS			
Employee expenses	3a	(4,012,808)	(3,333,967)
Supplies and services	3c	(14,563,832)	(12,464,943)
Depreciation	7	(8,564,582)	(6,231,156)
Depreciation – right-of-use asset	8	(1,549)	(1,507)
Finance and borrowing costs		(4,175)	(21,041)
Impairment losses		(251,118)	–
Lease interest		(2,026)	(2,712)
Write off of non-current assets		(143,175)	(281,884)
Other expenses		(593,277)	(569,443)
TOTAL EXPENSES		(28,136,542)	(22,906,653)
PROFIT FOR THE YEAR BEFORE INCOME TAX			
		5,141,478	6,065,021
Income tax expense	4	(1,274,656)	(1,523,168)
PROFIT FOR THE YEAR		3,866,822	4,541,853
OTHER COMPREHENSIVE INCOME			
Increase (decrease) on revaluation of property, plant and equipment	13	(29,567,199)	18,867,732
TOTAL COMPREHENSIVE INCOME		(25,700,377)	23,409,585

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2024

	Note	2024 \$	2023 \$
CURRENT ASSETS			
Cash and cash equivalents	5	19,025,274	21,073,354
Receivables	6	3,383,064	2,214,662
Other current assets		83,928	71,099
TOTAL CURRENT ASSETS		22,492,266	23,359,115
NON-CURRENT ASSETS			
Property, plant and equipment	7	139,405,886	182,343,528
Right-of-use asset	8	116,170	114,474
TOTAL NON-CURRENT ASSETS		139,522,056	182,458,002
TOTAL ASSETS		162,014,322	205,817,117
CURRENT LIABILITIES			
Payables	9	6,798,856	11,332,153
Accrued employee benefits		333,626	262,277
Other financial liabilities	10	–	253,127
Tax liabilities		47,062	(142,224)
Other liabilities	12	3,228	586
TOTAL CURRENT LIABILITIES		7,182,772	11,705,919
NON-CURRENT LIABILITIES			
Accrued employee benefits		78,395	77,027
Deferred tax liabilities	11	14,955,934	25,437,051
Other liabilities	12	233,146	239,208
TOTAL NON-CURRENT LIABILITIES		15,267,475	25,753,287
TOTAL LIABILITIES		22,450,247	37,459,206
NET ASSETS		139,564,075	168,357,911
EQUITY			
Contributed equity		30,430,390	30,430,390
Accumulated surplus		42,998,958	42,225,594
Asset revaluation surplus	13	66,134,727	95,701,926
TOTAL EQUITY		139,564,075	168,357,911

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2024

	Note	Accumulated surplus \$	Asset revaluation surplus \$	Contributed equity \$	Total \$
			Note 13		
Balance at 1 July 2022		41,322,816	76,834,194	30,430,390	148,587,401
Operating result from continuing operations		4,541,853	–	–	4,541,853
<i>Other comprehensive income</i>					
• Increase/(decrease) on revaluation of property, plant and equipment	13	–	18,867,732	–	18,867,732
Total comprehensive income for the period		4,541,853	18,867,732	–	23,409,586
<i>Transactions with owners</i>					
• Dividend accrued		(3,639,075)	–	–	(3,639,075)
• Dividends paid		–	–	–	–
Balance at 30 June 2023		42,225,594	95,701,926	30,430,390	168,357,911
Balance at 1 July 2023		42,225,594	95,701,926	30,430,390	168,357,911
Operating result from continuing operations		3,866,822	–	–	3,866,822
<i>Other comprehensive income</i>					
• Increase/(decrease) on revaluation of property, plant and equipment	13	–	(29,567,199)	–	(29,567,199)
Total comprehensive income for the period		3,866,822	(29,567,199)	–	(25,700,377)
<i>Transactions with owners</i>					
• Dividends accrued		(3,093,458)	–	–	(3,093,458)
• Dividends paid		–	–	–	–
Balance at 30 June 2024		42,998,958	66,134,727	30,430,390	139,564,075

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Inflows:</i>			
Receipts from customers		31,500,959	27,392,258
Interest received		649,396	374,420
GST Input Tax Credits from ATO		2,185,183	1,973,108
GST received from customers		138,219	102,342
<i>Outflows:</i>			
Employee expenses		(3,940,091)	(3,215,686)
Supplies and services		(18,564,345)	(10,326,531)
Finance/borrowing costs		(6,201)	(21,640)
Other expenses		(593,277)	(569,443)
GST paid to suppliers		(2,211,595)	(2,026,498)
GST remitted to ATO		(158,606)	(102,256)
Income taxes paid		(1,710,754)	(1,925,403)
Net cash provided by operating activities	14	7,288,888	11,654,671
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Outflows:</i>			
Payments for property, plant and equipment		(5,444,163)	(8,579,875)
Net cash provided by investing activities		(5,444,163)	(8,579,875)
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Outflows:</i>			
Repayment of loans		(253,127)	(321,790)
Dividends paid		(3,639,075)	(4,914,678)
Payment of lease liability		(603)	–
Net cash provided by financing activities		(3,892,805)	(5,236,467)
Net (decrease) increase in cash and cash equivalents		(2,048,080)	(2,161,672)
Cash and cash equivalents at beginning of financial year		21,073,354	23,235,026
Cash and cash equivalents at end of period	5	19,025,274	21,073,354

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2024

Objectives and Principal Activities of MIWB

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Notes to the Financial Statements (continued)

For the year ended 30 June 2024

Objectives and Principal Activities of MIWB

Mount Isa Water Board (“MIWB”) is a Queensland Government Statutory Body constituted under the *Water Act 2000* (Qld) and is a Category 1 Water Authority and registered service provider under the *Water Supply (Safety & Reliability) Act 2008* (Qld).

MIWB is domiciled in Australia. The address of MIWB's principal place of business is 31 Carbonate Street, Mount Isa, Queensland. MIWB is a for-profit entity and is primarily involved in the supply of bulk water.

1. Summary of Significant Accounting Policies

(a) Statement of Compliance

The financial statements have been prepared in compliance with Section 39 of the *Financial and Performance Management Standard 2019*. The financial statements are General Purpose Financial Statements that have been prepared on an accrual basis, in accordance with Australian Accounting Standards and Interpretations. All applicable accounting standards and policies have been consistently applied unless otherwise stated. The financial statements comply with Queensland Treasury's Financial Reporting Requirements for the financial year ending 30 June 2024, and other authoritative pronouncements to the extent they are considered relevant.

MIWB is a for-profit entity for the purposes of financial reporting.

Except where stated, the historical cost convention is used. Cost is based on the fair value of the consideration given in exchange for assets.

(b) Revenue from Contracts with Customers

MIWB is in the business of bulk water transportation and treatment, bulk water sales (through the on-sale of entitlements), electricity distribution services, and the on-sale of electricity. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which MIWB expects to be entitled in exchange for those goods or services. MIWB has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 1(p).

Water delivery services

Revenue from water delivery is recognised over time because the customer simultaneously receives and consumes the benefits provided by MIWB. The complete performance obligation in a contract is viewed as a series of promises to deliver water. Notwithstanding the number of distinct time periods the contract is broken down into, this meets the criteria to be treated as a series of distinct services under AASB 15 and consequently treated as one performance obligation.

With regards to measuring progress towards satisfaction of the performance obligation (the performance obligation to deliver water as and when required over the life of the contract), a time-based measure of progress is considered to be the most appropriate basis upon which to recognise revenue as the total volume of water to be delivered is not known. This measure is also used when determining whether each distinct service (the promise to deliver water in a given period) has been provided.

In determining the transaction price for the sale of water, MIWB considers the effects of variable consideration and the existence of significant financing components.

(i) Variable consideration

The transaction price in the contract is comprised of fixed charges, which change over the course of the contract depending on a number of factors (and consequently are, at least in part, variable), and consumption charges, which vary depending on the quantity of water delivered.

MIWB estimates the amount of consideration to which it will be entitled in exchange for transferring the services to the customer. The variable consideration is only recognised if it is highly probable it will not be reversed. As the variable revenue is being recognised on a year-by-year basis, MIWB considers whether the revenue in relation to a particular year will reverse.

(ii) Significant financing component

Generally, the fixed charges under the contract are set for a period of between one and five years (until the next review date). Under the contract, the reconciliation (true-up) adjustment then adjusts the fixed charges over the next review period. Consequently, the true-up adjustment relating to any year may not be payable (or, conversely, refundable) until several years after the related services were provided.

MIWB does not consider this as a significant financing component as the reason for the time lapse is for reasons other than the provision of finance, and the difference between those amounts is proportional to the reason for the difference.

Sale of water

Revenue from sale of water is recognised at a point in time when control of the asset is transferred to the customer, generally on delivery of the water (each quantity of water delivered is a separate performance obligation).

In determining the transaction price for the sale of water, MIWB considers the effects of variable consideration.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

1. Summary of Significant Accounting Policies (continued)

(b) Revenue from Contracts with Customers (continued)

Variable consideration

Generally, the term contract requires the customer to pay for the water whether or not it takes up its water allocation (provided it is available). The fixed fee is subject to indexation each year and period market review. The term fee cannot decrease. Consequently, there is both a fixed and a variable element to the consideration (both the and variable consideration are allocated across the performance obligations.)

Sale of electricity

Revenue from sale of electricity is recognised over time because the customer simultaneously receives and consumes the benefits provided by MIWB. The complete performance obligation in a contract is viewed as a series of promises to supply electricity. Notwithstanding the number of distinct time periods the contract is broken down into, this meets the criteria to be treated as a series of distinct goods under AASB 15 and consequently treated as one performance obligation.

In determining the transaction price for the sale of electricity, MIWB considers the effects of variable consideration.

Variable consideration

MIWB estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is only recognised if it is highly probable it will not be reversed. As the variable revenue is being recognised on a year-by-year basis, MIWB considers whether the revenue in relation to a particular year will reverse. The variable consideration is attributed to each distinct good (not to the performance obligation as a whole).

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If MIWB performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Refer to Note 1(f) for impairment of contract assets.

Trade Receivables

A receivable represents MIWB's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to Note 1(f) for initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which MIWB has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before MIWB transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when MIWB performs under the contract.

(c) Grants and Contributions

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs (which it is intended to compensate), are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

MIWB did not receive any government grants in the 2023-24 financial year.

(d) Taxation

MIWB is subject to the National Tax Equivalents Regime (NTER).

Current Income Tax Equivalents (Current Tax)

Current tax is calculated by reference to the amount of equivalent income tax payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using taxation rates and taxation laws that have been enacted or substantively enacted by the reporting date. Current tax for the current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable). Current tax assets and liabilities for the current and prior period are measured at the amount expected to be received from or paid to the Queensland Treasury based on the current period's taxable income.

Deferred Income Tax Equivalents (Deferred Tax)

Deferred tax equivalents are accounted for using the liability method in respect of temporary differences, arising from differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding tax base of those items.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and offsets can be utilised.

Deferred tax assets and liabilities are offset when they relate to the income taxes levied by the same taxation authority, and MIWB intends to settle its current tax assets and liabilities on a net basis.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

1. Summary of Significant Accounting Policies (continued)

(d) Taxation (continued)

Current and Deferred Income Tax Equivalents for the Period

Current and deferred tax equivalents are recognised as an expense or income in profit or loss, except when it relates to items credited or debited to other comprehensive income or directly to equity, in which case the deferred tax is recognised in other comprehensive income or directly in equity.

(e) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash includes cash on hand, cash at bank, and money market investments readily convertible to cash (i.e. with a term to maturity less than three months, and bank overdrafts). Cash assets include all cash and cheques received but not banked at 30 June 2024.

Interest revenue is recognised as it accrues using the effective interest method.

(f) Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days from the invoice date and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. MIWB holds the trade receivables with the objective to collect the contractual cash flows and therefore, measures them subsequently at amortised cost using the effective interest method.

Impairment of trade receivables and contract assets

MIWB applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. MIWB has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2024, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The disclosures of significant accounting judgements, estimates and assumptions relating to expected credit losses are provided in Note 1(p).

(g) Acquisition of Assets

Actual cost is used for the initial recording of all non-current physical asset and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the asset ready for use, including architect and engineering design fees. However, any costs that do not meet the recognition threshold, such as training costs, are expensed as incurred.

(h) Property, Plant and Equipment

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

	\$
Land	1
Buildings	10,000
Infrastructure	10,000
Plant and Equipment	5,000

Items with a lesser value are expensed in the year of acquisition. Land improvements undertaken by MIWB are included with buildings.

MIWB has a comprehensive annual maintenance program for its infrastructure assets. Expenditure is only capitalised if it increases the service potential or useful life of the existing asset. Maintenance expenditure that merely restores original service potential (arising from ordinary wear and tear) is expensed.

(i) Depreciation of Property, Plant and Equipment

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

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

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

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

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

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

1. Summary of Significant Accounting Policies (continued)

(i) Depreciation of Property, Plant and Equipment (continued)

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements or the term of the lease, whichever is shorter.

For each class of depreciable asset the following useful lives are used:

Class of Fixed Asset	Life (Years)
Buildings	70
Infrastructure – Pipeline	15-85
Infrastructure – Other	2-110
Plant and Equipment	3-20

(j) Impairment of Non-Current Assets

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

The asset's recoverable amount is determined as the higher of the asset's fair value, less costs of disposal and value in use.

An impairment loss is recognised immediately as an expense in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus to the extent available.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so 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 increase.

When an asset is revalued using either a market or income valuation approach, any accumulated impairment losses at that date are eliminated against the gross amount of the asset prior to restating for the revaluation.

(k) Revaluation of Non-Current Physical Assets

All non-current assets, except for certain items which are carried at cost, are measured at fair value in accordance with AASB 116 Property, Plant and Equipment, AASB 13 Fair Value Measurement, and Queensland Treasury's Non-Current Asset Accounting Policies for the Queensland Public Sector. 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. In respect of these asset classes, the cost of the items acquired during the financial year has been determined by management of MIWB to materially represent their fair value.

Property, plant and equipment classes measured at fair value are revalued on an annual basis either by appraisals undertaken by an independent professional valuer or internal expert, or by the use of appropriate and relevant indices. For financial reporting purposes, the revaluation process is managed by the Commercial Finance Manager, who determines the specific revaluation practices and procedures. The Audit, Risk and Finance Committee oversees the revaluation processes that are undertaken each year, and reports the outcomes of, and recommendations arising from, each annual review to the MIWB Board of Directors.

MIWB has adopted three valuation methods for its non-current assets. These are the income-based approach, the cost approach, and the market approach. The valuation approach adopted considers what is appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Valuation methods used to measure fair value are applied consistently. A change in valuation method is only exercised if the change would result in a measurement that is equally or more representative of fair value in the circumstances.

Units of account for fair value measurement

The fair value measurement is based on the following units of account which considers the highest and best use of the asset, how the asset is historically managed and used, and the availability and quality of relevant observable market data:

- **Cash-Generating Unit (CGU)** – relates to a group of individual assets which consists of assets that are held for future cash generating purposes, including in MIWB's Regulatory Asset Base (RAB).

All assets across water distribution, treatment and high voltage transmission are included as one CGU. This classification aligns with the integrated bulk water and electricity pricing model used to calculate the cost base for the fixed charges for all customers subject to the fixed charge methodology.

- **Non-CGU** – relates to stand-alone assets which consist of assets that do not meet the criteria outlined above. Non-CGU assets predominately relate to freehold land and assets at the R48 Reserve.

Fair value appraisals

Revaluations using independent professional valuers or internal expert appraisals are undertaken at least once every five years for Non-CGU assets (subject to the below).

Appraisals for assets in the CGU are done on an annual basis.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

1. Summary of Significant Accounting Policies (continued)

(k) Revaluation of Non-Current Physical Assets (continued)

However, if a Non-CGU asset experiences significant and volatile changes in fair value, that asset is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal. This is arranged by the Commercial Finance Manager after consultation with the Audit, Risk and Finance Committee.

Materiality concepts (according to *the Framework for the Preparation and Presentation of Financial Statements*) are considered in determining whether the difference between the carrying amount and the fair value of an asset is material (in which case revaluation is warranted).

Refer to Note 1(l) for fair value measurement.

Where a Non-CGU asset has not been specifically appraised in the reporting period, the previous valuation is materially kept up to date via the application of relevant indices. MIWB ensures that the application of such indices result in a valid estimation of the asset's fair values at the reporting date. The professional valuer engaged by MIWB recommends the use of relevant indices for the valuation of various types of assets.

Such indices are either publicly available or are derived from market information available to the professional valuer. The indices used are also tested for reasonableness by comparing the results of indexation to assets that have been valued by an independent professional valuer or internal expert and analysing the trend of changes in values over time. Through this process, which is undertaken from time to time, MIWB assesses and confirms the relevance and suitability of the indices provided by the professional valuer, based on MIWB's own particular circumstances.

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

On revaluation:

- For assets revalued using a cost valuation approach (e.g. depreciated replacement cost) – accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount, after taking into account accumulated impairment losses. This is generally referred to as the 'gross method'; and
- For assets revalued using a market or income-based valuation approach – accumulated depreciation and accumulated impairment losses are eliminated against the gross amount of the asset prior to restating for valuation. This is generally referred to as the 'net method'.

(l) Fair Value Measurement

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

Observable inputs are publicly available data that are relevant to the characteristics of the assets and/or liabilities subject to revaluation. Observable inputs used by MIWB include, but are not limited to, published sales data for land and general office buildings.

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

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

All assets and liabilities of MIWB 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 appraisal:

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

None of MIWB's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy. There were no transfers of assets between fair value hierarchy levels during the period.

More specific fair value information about MIWB's Property, Plant and Equipment is outlined in Note 7.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

1. Summary of Significant Accounting Policies (continued)

(m) Employee Benefits

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

Payroll Tax and Worker's Compensation Insurance are a consequence of engaging employees but are not accounted for in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Wages, Salaries and Personal Leave

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

As MIWB expects such liabilities to be wholly settled within twelve months of reporting date, the liabilities are recognised at undiscounted amounts.

Prior history indicates that on average, personal leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused personal leave entitlements is recognised.

As personal leave is non-vesting, an expense is recognised for this leave as it is taken.

Annual Leave

Annual leave is expected to be taken within twelve months. Annual leave owing at 30 June 2024 is recognised at undiscounted values.

Long Service Leave

MIWB has estimated the liability for long service leave at 30 June 2024. A liability for long service leave is measured as the present value of the estimated future cash outflows to be made, in respect of services provided by employees up to the reporting date. The liability has been included in the financial statements as at 30 June 2024.

Superannuation

Employer superannuation contributions are made by MIWB to employee superannuation funds and are charged as expenses when they are incurred.

Key Management Personnel and Remuneration

Key management personnel and remuneration disclosures are made in accordance with FRR3C of the Financial Reporting Requirements for Queensland Government Agencies, issued by Queensland Treasury, and AASB 124: *Related Party Transactions*. Refer to Note 3(b) for the disclosures on key management personnel and remuneration.

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except for:

- When the GST incurred on a purchase of goods and services is not recoverable from the ATO, in which case the GST is recognised as part of the cost of acquisition of the asset, or as part of an item of expense.
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

(o) Payables

Trade creditors are recognised when goods are received or services performed and are measured at the agreed purchase/contract price, net of applicable trade and other discounts. Usually, payment is settled within 30 days and the amounts owing are unsecured. The carrying amount at 30 June 2024 approximates fair value.

(p) Significant Accounting Estimates and Judgments

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements 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 future periods as relevant.

Significant accounting judgements, estimates and assumptions that have a potentially significant effect are outlined in the following financial statement notes:

- Revenue from Contracts with Customers – Note 2.
- Valuation of Property, Plant and Equipment – Note 7.
- Contingencies – Note 16.
- Impairment provision on trade receivables and contract assets – Note 15.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

1. Summary of Significant Accounting Policies (continued)

(q) Financial Instruments

Recognition

Financial instruments are initially recognised in the Statement of Financial Position when MIWB becomes a party to the contractual provisions of the financial instrument.

Measurement

Financial instruments are measured as follows:

- **Receivables** – held at amortised cost (refer Note 1(f))
- **Payables** – held at amortised cost (refer Note 1(o))
- **Borrowings** – held at amortised cost.

Borrowings are initially recognised at fair value, plus any transaction costs directly attributable, then subsequently held at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument (or, when appropriate, a shorter period) to the net carrying amount of that instrument.

Borrowings are classified as non-current liabilities to the extent that MIWB has an unconditional right to defer settlement until at least twelve months after reporting date.

MIWB does not enter into transactions for speculative purposes, nor for hedging. MIWB holds no financial assets classified at fair value through profit or loss.

All other disclosures relating to the financial risk management of financial instruments held by MIWB are included in Note 15.

(r) Finance Costs

Finance costs include interest on bank overdrafts and short-term and long-term borrowings.

Finance costs attributable to qualifying assets are capitalised as part of the assets. All other finance costs are expensed in the period in which they are incurred.

(s) Insurance

MIWB's non-current physical assets and other business risks are insured through Willis Australia Limited Insurance Brokers. Premiums are paid on a risk assessment basis. In addition, MIWB pays premiums to WorkCover Queensland in respect of its obligations for Workers' Compensation Insurance.

(t) Authorisation of Financial Statements for issue

The financial statements are authorised for issue by the Chair at the date of signing the Management Certificate.

(u) New and Revised Accounting Standards Accounting standards applied for the first time

No new accounting standards or interpretations that apply to MIWB for the first time in the 2023-24 financial year had any material impact on the financial statements. Any accounting standards applicable for the first time in the 2023-24 financial year have been implemented and applied as required.

Accounting standards early adopted

No accounting standards have been early adopted by MIWB for the 2023-24 financial year.

Accounting standards issued but not yet effective

The following accounting standards and interpretations were issued and apply to annual reporting periods beginning on or after 1 January 2024.

MIWB intends to apply these accounting standards to the extent required when they are in operation (effective):

- AASB 2020-1 (issued March 2020) Amendments to AASB 101- Classification of Liabilities as Current or Non-current; and
- AASB 2020-6 (issued December 2023) Non-current Liabilities with Covenants Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants.

The amendments to AASB 101: *Presentation of Financial Statements* affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The main changes to the classification requirements:

1. The requirement for an 'unconditional' right has been deleted from paragraph 69(d) because covenants in banking agreements would rarely result in unconditional rights;
2. The right to defer settlement for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period;
3. Classification is based on the right to defer settlement, and not intention (paragraph 73); and

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

1. Summary of Significant Accounting Policies (continued)

(u) New and Revised Accounting Standards

4. If the right to defer settlement of a liability arising from a loan arrangement is dependent upon the entity complying with specified conditions (covenants) in that loan arrangement, such covenants only affect the entity's right to defer settlement for at least twelve months after the reporting period if the entity must comply with the covenants on or before the end of the reporting period (reporting date). This applies even if compliance with the covenant is assessed only after the reporting date (for example, if compliance is assessed based on audited financial statements authorised after the end of the reporting period). If a liability could be settled by an entity transferring its own equity instruments prior to maturity (e.g., a convertible bond), classification is determined without considering the possibility of earlier settlement by conversion to equity, but only if the conversion feature is classified as equity under AASB 132: Financial Instruments Presentation. If the conversion feature is classified as a liability or a derivative liability, the entity must consider the existence of any early conversion options when determining the classification as current or non-current.

If the entity classifies liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period, the changes require additional disclosures to enable users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period.

These amendments to the accounting standards will likely have no material impact on the financial statements.

(v) Other Presentation Matters

Currency and Rounding – Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest dollar.

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

Current/Non-Current Classification – Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes. Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or MIWB does not have an unconditional right to defer settlement beyond 12 months after the reporting date. All other assets and liabilities are classified as 'non-current'.

(w) Commercialisation

Pursuant to the Water Act 2000 (Qld), MIWB was commercialised on 1 October 2000. Commercialisation had a significant impact on MIWB, principally through the implementation of National Competition Policy Reforms.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

2. Revenue from Contracts with Customers

	2024 \$	2023 \$
Water delivery services		
Sale of water	29,811,484	27,311,153
Sale of electricity	1,583,558	1,023,425
	31,395,042	28,334,578
(d) Timing of revenue recognition		
Transferred at a point in time	5,170,381	4,275,510
Transferred over time	26,224,661	24,059,069
	31,395,042	28,334,578
(e) Contracts with customers		
Glencore Mount Isa Mines Ltd	13,533,359	12,367,178
Mount Isa City Council	12,691,302	11,691,891
Incitec Pivot Ltd	3,572,346	3,237,019
Other	14,477	15,065
North West Queensland Water Pipeline Pty Ltd	1,583,558	1,023,425
	31,395,042	28,334,578
(f) Assets and Liabilities Related to Contracts with Customers		
Trade receivables – refer to Note 6		

Significant judgements in recognising revenue from contracts with customers

MIWB applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

(i) Water delivery services

Identifying performance obligations

There are two types of charges generally detailed in bulk water customer contracts; a fixed charge (“stand ready”) and consumption (variable/volumetric) charges. MIWB considered whether, from the perspective of the customer, these relate to two separate types of performance obligation (i.e., a promise to stand ready to deliver water as and when required and a promise to deliver water) or only one (i.e., a promise to deliver water as and when required).

In the case of MIWB’s bulk water customer contracts, MIWB considered that, from the perspective of the customer, they do not ‘benefit’ from MIWB standing ready to deliver water, they ‘benefit’ when water is delivered. Consequently, MIWB considered there is only one type of performance obligation, that of delivering water as and when required.

Determining the timing of satisfaction of delivery of water

MIWB considered how many of this type of performance obligation (to deliver water over the life of the contract) there are (i.e., whether there are multiple performance obligations or a single performance obligation). MIWB considered that the delivery of water meets the criteria to be satisfied over time, as the customer simultaneously receives and consumes the benefits of water supplied as MIWB performs. As this is the case, the delivery of water is a provision of a series of goods that is treated as a single performance obligation.

MIWB determined that a time-based measure of progress is considered to be the most appropriate basis upon which to recognise revenue given the total volume of water to be delivered is not known.

Determining transaction price

The transaction price in the contract comprises the fixed charges, which change over the course of the contract depending on a number of factors (and consequently are, at least in part, variable), and consumption charges, which vary depending on the quantity of water delivered to the customer.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

2. Revenue from Contracts with Customers (continued)

MIWB considered whether the consideration needs to be allocated based on relative standalone sale prices. Whilst this allocation method is generally required, MIWB considered the exception for the allocation of variable consideration. In MIWB's case, the fees are linked to the costs to fulfil the obligation through the formulae used to derive the fixed and consumption charges. Consequently, the fees charged (adjusted for the true-up adjustment) meets the allocation objective. Therefore, the variable consideration allocated to each service period is the fixed charges (adjusted for the true-up adjustment (considering the reversal constraint) plus the consumption charges charged in relation to that period.

(ii) Sale of water

Identifying the contract

In addition to providing bulk water services, MIWB sells part of its water allocation to Incitec Fertiliser Operations Pty Ltd under a commercial (term) agreement. There are three contracts with the same counterparties and MIWB considered that these are linked contracts and accounted for as if they were one contract.

Identifying performance obligations

MIWB considered the nature of the performance obligation. In this situation, Incitec Fertiliser Operations Pty Ltd could not benefit from the supply of water without the delivery services nor could it benefit from the delivery services without the supply of water. Consequently, there is only one type of performance obligation, being the supply of water to the delivery point.

Determining the timing of satisfaction of sale of water

Unlike in a contract for bulk water infrastructure services, the supply of water is a supply of goods. Each quantity of water is a separate performance obligation. As each performance obligation is satisfied at a point in time, the performance obligations would not meet the criteria to be treated as a series under AASB 15 *Revenue from Contracts with Customers*. The transaction price is therefore allocated across the multiple performance obligations.

Determining transaction price and allocating consideration to the separate performance obligations

The consideration payable under the contracts with Incitec Fertiliser Operations Pty Ltd includes a fixed fee (for the sale of water, subject to indexation and market review), fixed charges (as in the water delivery contract) and volumetric consumption charges for water delivered (as in the water delivery contract).

The fixed fee for the supply of water cannot go down. Consequently, there is both a fixed and a variable element to the consideration. Both the fixed and variable consideration are allocated across the performance obligations.

In relation to allocating the variable consideration to the separate performance obligations, the variable element of the fixed fee (indexation and market reviews) and the 'fixed' charge under the water delivery contract (formula driven) do not relate specifically to the volume of water delivered. Consequently, the variable consideration is allocated based on relative standalone sale prices. It is therefore necessary for MIWB to estimate the variable consideration that is highly probable to be received (i.e., limited by the reversal constraint) over the life of the contract. This consideration is then allocated across the performance obligations.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

3. Expenses from Continuing Operations

3a. Employee Expenses

	2024 \$	2023 \$
Wages and salaries	3,324,443	2,689,589
Annual leave expense*	61,556	94,796
Long service leave expense*	11,665	24,849
Board member fees	109,297	97,794
Employer's superannuation contributions*	363,609	305,811
Employee Related Expenses		
Worker's compensation premium*	19,086	18,978
Payroll tax*	123,152	102,150
	4,012,808	3,333,967

* Refer to Note 1(m)

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis as at 30 June 2024 is:	25.3	21.8
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3b. Key executive management personnel and related party disclosures

The Directors of MIWB and the key executive management personnel, described as Key Management Personnel (KMP), that had authority and responsibility for planning, directing and controlling the activities of the agency during the 2023-24 financial year and during the 2022-23 financial year (for comparative purposes) are outlined in the table below.

Board of Directors

The MIWB Board of Directors are responsible for the way in which the authority performs its functions and exercises its powers, including but not limited to deciding the objectives, strategies, and policies to be followed by MIWB, and ensuring MIWB performs its functions in a proper, effective, and efficient way. Specific Director KMPs and their roles are outlined below:

Position	Responsibilities	Appointment authority	Date initially appointed to position (Date appointment ceased)
Chairperson – Mr Steve de Kruijff	Responsible for leading and directing the board, presiding at all meetings attended, for governing the operations of MIWB and reporting and continuous disclosure to the Minister under the <i>Water Act 2000</i> (Qld).	<i>Water Act 2000</i> (Qld), Sections 600, 601 and 604.	Appointed as Chairperson: 27 May 2016
Director – Ms Leonie Davey	Responsible for governing the operations of MIWB and reporting and continuous disclosure to the Minister under the <i>Water Act 2000</i> (Qld).	<i>Water Act 2000</i> (Qld), Sections 600 and 604.	9 March 2023
Director – Mr George Fortune			15 September 2016
Director – Ms Karen Read			29 August 2019 (was Independent Chair of Finance, Audit and Compliance Committee from 23 July 2014)
Director – Ms Janice Wilson			9 December 2021

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

3. Expenses from Continuing Operations (continued)

3b. Key executive management personnel and related party disclosures (continued)

Key Executive Management Personnel

The following details for KMP, which include Directors and Executive Management, reflect those positions that had authority and responsibility for planning, directing, and controlling the activities of MIWB during the 2023-24 and 2022-23 financial years. MIWB has determined that its Executive Management KMP comprise the members of its Executive Leadership Team (ELT). In the FY2023-24 financial year, the ELT consisted of the three General Managers (outlined below) and the Chief Executive Officer.

Further information about these positions can be found in the body of the Annual Report under the section relating to the Executive Leadership Team.

Position	Responsibilities
Chief Executive Officer	Accountable to the MIWB Board of Directors for the overall management and operation of MIWB, as well as ensuring the successful delivery of MIWBs strategic direction.
General Manager – Corporate & Governance	Responsible for the organisation's corporate and commercial functions, encompassing finance, human resources, procurement, risk, company secretary, enterprise (corporate) technology, and strategic customer contracts.
General Manager – Operations	Responsible for managing all aspects of the day-to-day operation and maintenance of the water treatment, storage, and distribution network, as well as high-voltage infrastructure, including drinking water quality monitoring, testing and assurance, operational technology, and community operations at the R48 Reserve (Lake Moondarra).
General Manager – Capital Projects	Responsible for the planning and delivery of MIWBs portfolio of capital projects, including managing engineering services and external contractors.

3b. Shareholding Ministers

MIWB's responsible Minister is identified as part of MIWB's KMP, and this is the Minister for Regional Development and Manufacturing and Minister for Water. Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. MIWB does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Service Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP in the Queensland Government, aggregate remuneration expenses for all Ministers are disclosed in the Queensland Government and Whole of Government Financial Statements for 2024, which are published as part of Queensland Treasury's Report on State Finances.

3b. Remuneration

The Remuneration Policy for Executive Management KMPs is set and approved by the MIWB Board of Directors, while the compensation for each Director is set by the Department of Premier and Cabinet in accordance with the *Remuneration Procedures for Part-Time Chairs and Members of Queensland Government Bodies*. Individual remuneration and other terms of employment (including motor vehicle entitlements) are specified in individual executive services agreements. Remuneration expenses for those KMP comprise the following components:

- Short term employee benefits which include:
 - **Base** – consisting of base salary, 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. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income.
 - **Non-monetary benefits** – consisting of provision of vehicle as a tool of trade together with fringe benefits tax applicable to the benefit.
- Long term employee benefits include long service leave accrued.
- Post employment benefits include superannuation contributions.
- Termination benefits include payments in lieu of notice on termination and other lump sum separation.

No Executive Management KMP's received a performance or bonus payment in the 2023-24 or 2022-23 financial years.

Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long-term employee benefits and post-employment benefits.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

3. Expenses from Continuing Operations (continued)

3b. (b) Remuneration (continued)

Board of Directors' compensation

1 July 2023 – 30 June 2024

Position	Benefits					Total Remuneration
	Base	Non-Monetary Benefits	Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	
	\$	\$	\$	\$	\$	\$
Chairperson – Mr Steve de Kruijff	41,000	–	–	4,510	–	45,510
Director – Ms Karen Read	22,000	–	–	2,420	–	24,420
Director – Ms Janice Wilson	22,000	–	–	2,420	–	24,420
Director – Mr George Fortune	4,797	–	–	517	–	5,314
Director – Ms Leonie Davey	19,500	–	–	2,145	–	21,645
Total Remuneration	109,297	–	–	12,012	–	121,309

1 July 2021– 30 June 2023

Position	Benefits					Total Remuneration
	Base	Non-Monetary Benefits	Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	
	\$	\$	\$	\$	\$	\$
Chairperson – Mr Steve de Kruijff	37,000	–	–	3,885	–	40,885
Director – Ms Lisa Clancy	14,250	–	–	1,496	–	15,746
Director – Ms Karen Read	20,000	–	–	2,100	–	22,100
Director – Ms Janice Wilson	19,500	–	–	2,048	–	21,548
Director – Ms Leonie Davey	6,675	–	–	701	–	7,376
Total Remuneration	97,425	–	–	10,230	–	107,655

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

3. Expenses from Continuing Operations (continued)

3b. Remuneration (continued)

Key Executive Management Personnel compensation

1 July 2023 – 30 June 2024

Position	Contract commencement date / (termination date)	Benefits			Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
		Base	Non-Monetary Benefits					
		\$	\$	\$	\$	\$	\$	
Chief Executive	30/05/2022	467,631	-	2,608	31,554	-	501,794	
General Manager – Capital Projects	24/08/2022	276,557	25,125	2,230	27,479	-	331,391	
General Manager – Corporate & Governance	25/07/2022	266,749	-	2,030	28,050	-	296,829	
General Manager – Operations	19/06/2023	255,747	-	492	26,441	-	282,680	
Total Remuneration		1,266,684	25,125	7,360	113,524	-	1,412,694	

1 July 2022 – 30 June 2023

Position	Contract commencement date / (termination date)	Benefits			Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
		Base	Non-Monetary Benefits					
		\$	\$	\$	\$	\$	\$	
Chief Executive	30/05/2022	363,680	5,223	735	27,400	-	397,038	
General Manager – Capital Projects	24/08/2022	208,217	25,125	1,044	19,768	-	254,154	
General Manager – Corporate & Governance	25/07/2022	235,469	-	710	24,010	-	260,189	
General Manager – Operations	19/06/2023	6,865	-	6	721	-	7,592	
Finance Manager	12/02/2009	200,402	-	7,770	20,989	-	229,161	
Former Commercial Manager	(5/09/2022)	63,369	-	-	12,789	112,176	188,335	
Former Capital Works Manager	(7/10/2022)	71,282	-	-	6,731	-	78,013	
Total Remuneration		1,149,285	30,348	10,266	112,408	112,176	1,414,483	

3b Transactions with Directors' and Director related entities

In the ordinary course of business (under normal terms and conditions, and excluding Director remuneration, during the financial year), MIWB has dealt with the following entities, which are Director related entities:

- Mount Isa City Council, of which Mr George Fortune was a Councillor.

MIWB entered into 12 transactions for the supply of goods and services to Director related entities during the 2023-24 financial year (2022-23: 13 transactions) and 13 transactions for the purchase of goods and services (2022-23: 15 transactions).

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

3. Expenses from Continuing Operations (continued)

3b Transactions with Directors' and Director related entities (continued)

The aggregate amounts recognised in profit or loss during the year relating to Directors and Director related entities, other than Directors' remuneration, comprise:

	2024 \$	2023 \$
Revenue		
Water Charges	12,691,302	11,692,891
Expenditure		
Other expenses	7,726	6,479
Supplies & Services – Other*	760,834	–

Amounts receivable from, and payable to, directors and their director related entities at the reporting date comprise:

Receivables		
Trade receivables	1,042,609	1,003,460
Payables		
Trade creditors	–	502

* Following the reconciliation (i.e., true-up) of fixed and variable bulk water charges, a refund of \$760,833.88 was paid to the Mount Isa City Council in the FY2023-24 financial year.

3b (e) Transactions with Key Executive Management Personnel and Key Executive Management Personnel Related Entities

The terms and conditions of the transactions with Executive Management KMP were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to Non-Executive Management KMP related entities on an arm's length basis.

From time to time, Executive KMP of MIWB or their related entities, may purchase goods from MIWB. These purchases are on the same terms and conditions as those entered into by other employees of MIWB or customers and are trivial or domestic in nature. There are no transactions with Executive Management KMP and their related entities in the 2023-24 financial year.

3c Supplies and Services

	2024 \$	2023 \$
Accounting and secretarial	58,599	28,056
Audit fees – External audit*	61,700	59,000
Audit fees – Internal fees	93,276	75,182
Professional Services	562,442	304,601
General repairs and maintenance	9,739	1,776
Insurance	371,623	331,722
Legal fees	175,645	172,821
Recruitment and relocation	130,972	92,190
Water testing	141,110	125,494
SunWater – Lake Julius	657,225	573,422
Power costs	5,521,103	5,213,532
Technical services	1,091,919	214,575
Operating and maintenance	4,511,058	4,606,850
Filtration costs	55,565	588
Other	1,121,856	665,135
	14,563,832	12,464,944

* Total audit fees paid to the Queensland Audit Office relating to the 2023–24 financial year are estimated to be \$61,700 (2023: \$59,000). There are no non-audit services included in this amount.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

4. Income Tax Expense

	2024 \$	2023 \$
(d) Income tax equivalents expense		
Current income tax charges	1,910,982	1,885,528
Deferred income tax relating to origination and reversal of temporary tax differences	(625,384)	(367,945)
Under/(over) provision in prior years	(10,942)	5,585
Tax rate change	–	–
Income tax expense	1,274,656	1,523,168
Deferred income tax (revenue) expense included in income tax expense comprises:		
Decrease/(Increase) in deferred tax assets	244,650	(26,528)
(Decrease)/Increase in deferred tax liabilities	(870,034)	(341,417)
	(625,384)	(367,945)
(e) Numerical reconciliation of income tax expense and tax expense calculated per statutory income tax rate		
Profit from operations before income tax expense	5,141,480	6,065,021
Tax at the rate of 25.0%	1,285,370	1,516,255
Permanent tax differences	228	1,328
Under/(over) provision in prior years	(10,942)	5,585
Change to corporate tax rate	–	–
Income tax equivalents expense	1,274,656	1,523,168
(f) Tax expense relating to items of other comprehensive income		
Deferred Tax		
Net gain/loss on revaluation of property, plant & equipment	(9,855,733)	6,289,244
	(9,855,733)	6,289,244

5. Cash and Cash Equivalents

	2024 \$	2023 \$
Cash at Bank	18,665,320	20,729,970
Deposits at Queensland Treasury Corporation, at call	359,954	343,384
	19,025,274	21,073,354

6. Receivables

	2024 \$	2023 \$
Current		
Trade Debtors	2,984,824	2,945,068
Provision for impairment*	–	(1,042,489)
Accrued Interest	172,847	133,490
GST Receivable	225,393	178,594
	3,383,064	2,214,662

*During the financial year, MIWB recognised a reversal of an expected credit loss amounting to \$1.042 million. This reversal is attributable to the resolution of a long-standing dispute with Mount Isa Mine Pvt Ltd, which resulted in the recovery of a previously impaired receivable.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

7. Property, Plant & Equipment

	2024	2023
	\$	\$
Land		
At fair value	84,569	94,877
	84,569	94,877
Leasehold Land:		
At cost	568,986	568,986
	568,986	568,986
Buildings:		
At fair value	416,814	1,522,525
Less: Accumulated depreciation	–	(953,130)
	416,814	569,396
Infrastructure: Pipelines		
At fair value	62,031,079	209,060,710
Less: Accumulated depreciation	–	(125,064,589)
	62,031,079	83,996,121
Infrastructure: Other		
At fair value	80,317,765	171,796,361
Less: Accumulated depreciation	(7,316,119)	(81,436,467)
	73,001,646	90,359,894
Plant and Equipment Infrastructure:		
At cost	1,503,190	2,884,462
Less: Accumulated depreciation	–	(1,419,784)
	1,503,190	1,464,679
Capital work in progress		
At cost	1,799,602	5,289,576
Total	139,405,886	182,343,528

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

7. Property, Plant & Equipment (continued)

Movement in Carrying Amounts

The movement in the carrying amounts for each class of property, plant and equipment between the beginning and end of the financial year is summarised as follows:

	Balance at beginning of year	Adjustments Additions	Disposals	Revaluation increments/ (decrements)	Depreciation expense	WIP Written- off to expense	Transfers	Carrying amount at end of year
30 June 2024	\$	\$	\$	\$	\$	\$	\$	\$
Land (at fair value)	94,877	-	-	(10,308)	-	-	-	84,569
Leasehold improvements on Land (at cost)	568,986	-	-	-	-	-	-	568,986
Buildings (at fair value)	569,396	-	-	(129,738)	(22,844)	-	-	416,814
Infrastructure: Pipelines (at fair value)	83,996,120	-	-	(19,298,010)	(2,698,657)	-	31,624	62,031,079
Infrastructure: Other (at fair value)	90,359,893	-	-	(19,966,893)	(5,594,829)	-	8,203,477	73,001,646
Plant and Equipment (at cost)	1,464,680	-	-	(269,099)	(248,253)	-	555,862	1,503,190
Capital WIP (at cost)	5,289,576	5,444,164	-	-	-	(143,175)	(8,790,963)	1,799,602
TOTAL	182,343,528	5,444,164	-	(39,674,048)	(8,564,583)	(143,175)	-	139,405,886

	Balance at beginning of year	Adjustments Additions	Disposals	Revaluation increments/ (decrements)	Depreciation expense	WIP Written- off to expense	Transfers	Carrying amount at end of year
30 June 2023	\$	\$	\$	\$	\$	\$	\$	\$
Land (at fair value)	94,877	-	-	-	-	-	-	94,877
Leasehold improvements on Land (at cost)	568,986	-	-	-	-	-	-	568,986
Buildings (at fair value)	516,238	-	-	73,076	(19,919)	-	-	569,396
Infrastructure: Pipelines (at fair value)	71,122,705	-	-	14,851,670	(2,178,151)	-	199,897	83,996,120
Infrastructure: Other (at fair value)	74,316,445	-	(153,937)	10,232,229	(3,865,306)	-	9,830,462	90,359,893
Plant and Equipment (at cost)	1,073,830	-	-	-	(167,781)	-	558,631	1,464,680
Capital WIP (at cost)	7,309,913	8,696,599	-	-	-	(127,947)	(10,588,989)	5,289,576
TOTAL	155,002,994	8,696,599	(153,937)	25,156,976	(6,231,156)	(127,947)	-	182,343,528

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

7. Property, Plant & Equipment (continued)

A. 30 June 2024 Change in fair value measurement approach

Historically, MIWB has adopted the 'cost approach' to revalue all asset classes (except for land, which applied a market valuation approach), supplemented by an annual indexation of each asset class using relevant indices prepared by a registered professional valuer. MIWB determined that the cost approach was the most suitable valuation methodology under AASB 13 *Fair Value Measurement* based on relevant circumstances and the application of accounting standards. The valuation methodology for fair value measurement for the prior period, including relevant assumptions and considerations, is outlined at 'B. 30 June 2023 Fair value measurement'.

During the year, there was evidence of economic obsolescence for MIWB's assets due to the expected reduction in volumetric water demand from Mount Isa Mines Limited (a Glencore Company), following the announcement of the closure of underground copper mining and copper processing activities in Mount Isa, from 2025-26 financial year, onwards. Having regard to this event, and the evidence of economic obsolescence (i.e., the probable reduction in demand for variable water and service capacity moving forward), MIWB determined that it was appropriate to review and revise the valuation of its non-current assets. Based on an internal assessment, MIWB determined that fair value measurement based on specific identification of unit of account is appropriate. The units of account determined are as follows:

1. A Cash Generating Unit (CGU) that relates to a group of individual assets which consists of all assets across the water distribution, treatment and high voltage transmission network. MIWB determined that the highest and best use of the relevant asset is as part of a group of complementary assets; and
2. Non-CGU assets that relate to stand-alone assets which consists predominately of freehold land, buildings (located at the R48 Reserve), and other infrastructure, plant and equipment.

Further, MIWB determined that a change in valuation technique is appropriate as the change would result in a measurement that is equally or more representative of fair value in the current circumstances. In summary, the changes follow:

Asset class	Previous valuation method	Current valuation method	Fair value appraisal
Buildings	Cost	Income	Independent Valuer
Infrastructure: Pipelines	Cost	Income	Independent Valuer
Plant and Equipment	Cost	Income	Independent Valuer
Infrastructure: Other	Cost	Income	Independent Valuer

A.1 CGU – fair value hierarchy level

The details of the individual assets included in this CGU follows:

Asset class	Fair value at 30 June 2024
	\$
Buildings	416,363
Infrastructure: Pipelines	61,694,075
Infrastructure: Other	70,446,460
Plant and Equipment	1,545,671
TOTAL CGU	134,102,569

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

7. Property, Plant & Equipment (continued)

A. 30 June 2024 Change in fair value measurement approach (continued)

The following table outlines the key inputs and assumptions and their relationships to fair value considered in the discounted cash flow methodology for the valuation of the CGU.

Input	Nature and range of inputs	Relationship of inputs to fair value
Revenue cash flows	Revenue cash flows have been determined based on the estimated revenues (i.e., fixed charge customer price paths) for the five-year period between 1 July 2024 and 30 June 2029.	A higher allowed rate of return increases the fair value.
Operating expenditure	Operating expenditures have been determined based on the board-approved inputs to the fixed charge pricing model used to calculate the customer price paths for the five-year period.	A lower operating expenditure increases the fair value.
Capital expenditure	Capital expenditures have been determined based on the board-approved inputs to the fixed charge pricing model used to calculate the customer price paths for the five-year period.	A higher future capital expenditure decreases the fair value.
Terminal value	The terminal value at 30 June 2029 has been determined using the Gordon Growth Model ("GGM") and Regulatory Asset Base ("RAB") Multiple Approach. The mid-point values used to calculate the terminal value (prior to the application of the discount rate) was \$158,818,153 million for the GGM, and \$130,643,813 for the RAB Multiple Method.	A higher terminal value and multiple increases the fair value.
Discount rate	A plain vanilla nominal weighted average cost of capital has been applied for the fair value model. The discount rate (WACC) has been adopted based on advice from independent experts relative to the funding profile and risks pertaining to MIWB.	The higher the nominal WACC, the lower the fair value.

Significant inputs to impairment testing

The significant judgements and key assumptions and inputs into the discounted cash flow model used to calculate the fair-value of the CGU are outlined below.

MIWB has used five-year cash flows in the discounted cash flow model that represent the forecasted fixed charges to major customers for the period from 1 July 2024 to 30 June 2029. MIWB believes that these cash flows best reflect the operational and capital requirements of the business.

Within those cash flows there are significant assumptions about activities and their related cash flows, both revenue and cost. Material changes in those assumptions, such as the level of operating and capital expenditure, would have a reasonably significant impact on the impairment outcome.

MIWB has adopted a plain vanilla nominal WACC as its discount rate for calculating the fair value of the CGU. The discount rate reflects the funding profile and risks relative to MIWB and reflects the capital structure of the business.

The terminal value was calculated using both the GGM and the RAB Multiple Method. MIWB adopted the mid-point average of the terminal value for the purpose of calculating the fair-value of the CGU. MIWB has adopted growth rates for the purpose of terminal value calculations that do not exceed long-term inflation growth for its CGUs. MIWB adopted the mid-point of the Reserve Bank of Australia's target inflation rate of 2% to 3%.

Sensitivity analysis on fair value model

Sensitivity analysis has been undertaken on the impact of changes in significant inputs and assumptions in the fair value model, including as it relates to changes in escalation rates, discount rates and capital expenditure.

The fair value model is most sensitive to the escalation and discount rates. As outlined above, MIWB has adopted a prudent approach (based on independent advice) to calculating the escalation rate, representing the mid-point of the Reserve Bank of Australia's target inflation rate of 2% to 3%, and has adopted a WACC that has been prepared by an independent third-party that reflects the funding profile and risks pertaining to MIWB.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

7. Property, Plant & Equipment (continued)

B. 30 June 2023 Fair value measurement

B.1 Land & Buildings – fair value hierarchy level 2

As at 30 June 2023, MIWB completed an independent valuation of its Land and Buildings in accordance with AASB 116 *Property Plant and Equipment*, and AASB 13 *Fair Value Measurement*. A market-based approach was applied. MIWB engaged AssetVal to undertake an independent valuation of land.

The valuation of the 31 Carbonate Street Office Building used the Direct Comparison Approach as the primary method, and the Cost Approach as the secondary (check) method to determine Fair Value, therefore utilising Level 2 inputs as per AASB 13 *Fair Value Measurement*. The Direct Comparison Approach involved researching a number of sales in the Mount Isa area, which were selected as evidence in determining a Fair Value. The selection criteria for these sales considered location, site area, topography, zoning, access and potential demand.

After determining Fair Value using the Direct Comparison Approach, the Cost Approach was used as a secondary (check) methodology to the Direct Comparison Approach. The Cost Approach adds the Depreciated Replacement Cost of the site improvements (office building) to a determined land value to arrive at Fair Value. To accomplish this, a number of vacant land sales were selected as evidence to determine the land value of the site, allowing for adjustments for factors such as size, location shape and topography. The building replacement cost was obtained from the application of unit rates obtained from cost guides such as *Rawlinsons Australian Construction Handbook* while the Depreciation Rate was determined based on age and functionality of the subject building.

After considering both methods side by side, the valuation from the Primary Methodology was adopted for the Fair Value of the 31 Carbonate Street Office Building. The AASB 13 *Fair Value Measurement* framework provides multiple methodologies to conduct level 2 and level 3 valuations and sets out that the methodology that allows the most observable data to be utilised in producing the valuation should be adopted as the preferred methodology. As stated above, for the 31 Carbonate Street Office Building, the methodology was the Direct Comparison Approach.

B.2 Leasehold Improvement on Land

Leasehold improvement on land is held under perpetual leases and is valued at cost.

B.3 Infrastructure: Pipelines & Other – fair value hierarchy level 3

As at 30 June 2023, MIWB completed an independent valuation of its pipeline and other infrastructure assets in accordance with AASB 116 *Property Plant and Equipment* and AASB 13 *Fair Value Measurement*. Other infrastructure and pipeline assets have been valued using a cost approach. In undertaking the valuation of the other infrastructure assets, due consideration has been given to the degree of obsolescence (physical, function/technical and economic) associated with each of these assets. MIWB engaged AssetVal to undertake an independent valuation of the fair value of the other and pipeline infrastructure assets. In doing this, the valuer adopted the written down current replacement cost approach. Other infrastructure assets revalued included pump stations, storages, treatment facilities, buildings (including laboratories), electrical facilities and R48 facilities. Plant was excluded from the revaluation as were assets at the end of their useful life.

Due to the predominantly specialised nature of water infrastructure assets, the valuations have been undertaken on a Cost Approach. The cost approach is deemed a Level 3 input. Under this approach, the following process has been adopted.

B.4 Level 3 Significant valuation inputs and relationship to fair value

Pipeline infrastructure assets have been assessed utilising valuation techniques that maximise the use of observable data where possible. Typically, the methodology applied will be determined based on the AASB 13 Input Decision tree. Standard valuation principles dictate that a cost approach method (generally incremental Greenfield) is a suitable primary methodology when assessing assets that have no active market nor has directly applicable income. The major steps in using the cost approach for these assets include:

- Where there is no market, the net current value of an asset is the gross value less accumulated depreciation to reflect the consumed or expired service potential of the asset. Published/available market data for recent projects, and/or published cost guides are utilised to determine the estimated replacement cost (gross value) of the asset, including allowances for preliminary and professional fees. This is considered a Level 2 input.
- A condition assessment is applied, which is based on factors such as the age of the asset, overall condition as noted by the Valuer during inspection, economic and/or functional obsolescence. The condition assessment directly translates to the level of depreciation applied.
- In determining the level of accumulated depreciation for major assets, the Valuer has disaggregated into significant components which exhibit different patterns of consumption (useful lives). The condition assessment is applied on the component basis.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

7. Property, Plant & Equipment (continued)

To calculate the appropriate amount of accumulated depreciation, assets were either subject to a site inspection or an assessment to determine remaining useful life. Where site inspections were conducted (i.e. for sampled visible assets), the assets were allocated a condition assessment, which was used to estimate remaining useful life as tabled below:

Condition rating	Description explanation	Percentage of Life Remaining
1	Near new with no visible deterioration	90-100%
2	Excellent overall condition early stages of deterioration	80-90%
3	Very good overall condition with obvious deterioration evident	70-80%
4	Good overall condition, obvious deterioration, serviceability impaired very slightly	60-70%
5	Fair overall condition, obvious deterioration, some serviceability loss	50-60%
6	Fair to poor overall condition, obvious deterioration, some serviceability loss	40-50%
7	Poor overall condition, obvious deterioration, some serviceability loss, high maintenance costs	30-40%
8	Very poor overall condition, severe deterioration, very high maintenance costs. Consider renewal	20-30%
9	Extremely poor condition, severe serviceability problems, renewal required immediately	10-20%
10	Failed asset, no longer serviceable, should not remain in service	0-10%

The valuation techniques used in the determination of fair values maximise the use of observable data where it is available and relies as little as possible on entity specifics. The disclosure of valuation estimates is designed to provide users with an insight into the judgements that have been made in the determination of fair values.

B.5 Calculation of Gross Replacement Cost

The replacement cost of the water infrastructure assets was determined by applying the unit rates to each individual asset.

The unit rates applied include all materials, labour and overheads. These unit rates are estimated using information collated from similar recent project costs, direct quotations from suppliers, unit rate databases, indices and *Rawlinsons' Australian Construction Handbook*.

B.6 Accumulated Depreciation

An assessment of remaining useful life was made using data supplied by MIWB. An assessment of remaining useful life was made by the Valuer taking into consideration the construction date, evidence of recent repairs or capital works and the surrounding environmental factors.

B.7 Impact of Unobservable Inputs

The Valuer has undertaken a sensitivity analysis to observe the impact of unobservable inputs to Fair Value. The analysis is summarised in the following table:

Significant unobservable input	Range of inputs	Relationship of unobservable inputs to fair value
Number of labour hours	5-100 hr/m ²	The higher the labour hours, the higher the fair value
Raw material usage quantities	Varies dependent of type and applications	The higher the usage quantities, the higher the fair value
Condition rating	1-10 as specified	The lower the condition rating, the higher the fair value
Remaining useful life	1-200 years	The longer the remaining life, the higher the fair value

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

7. Property, Plant & Equipment (continued)

C. Carrying Amount of Assets Recognised at Fair Value

The Carrying Amount of Property, Plant and Equipment which has been revalued, that would have been recognised had the assets been carried at cost, is set out below:

	2024 \$	2023 \$
Land	32,500	32,500
Buildings	775,460	775,460
Infrastructure – Pipelines	38,614,454	38,582,829
Infrastructure – Other	99,493,393	91,289,917
Other Plant and Equipment	1,569,704	1,464,680
Total	140,485,511	132,145,386

8. Leases

MIWB has a perpetual lease over a parcel of land from the Department of Resources that is used for a bulk water pipeline. As the arrangement is perpetual, MIWB determined the estimated useful life of the pipeline as a reasonable basis of lease term which is 80 years. MIWB does not have lease contracts with lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Accounting policy

From 1 July 2019, a right-of-use asset and a corresponding liability was recognised by MIWB.

Lease liabilities

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable by MIWB under residual value guarantees.
- The exercise price of a purchase option if MIWB is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects MIWB exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases that relate to properties, MIWB's incremental borrowing rate is used, which is based on Queensland Treasury Corporation's fixed loan borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

8. Leases (continued)

Right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability.
- Any lease payments made at or before the commencement date less any lease incentives received.
- Any initial direct costs.
- Restoration costs.

MIWB's right-of-use asset is depreciated over the lease term on a straight-line basis.

Reconciliation of movement of right-of-use asset	\$
Opening balance – 1 July 2022	124,512
Depreciation expense	(1,507)
Re-assessments	(8,531)
Closing balance – 30 June 2023	114,474
Opening balance – 1 July 2023	114,474
Depreciation expense	(1,549)
Re-assessments	3,245
Closing balance – 30 June 2024	116,170

9. Payables

	2024 \$	2023 \$
Current Liabilities		
Trade creditors	2,030,429	2,291,613
Other creditors	175,259	88,737
Accruals	1,499,710	5,312,727
Dividends payable*	3,093,458	3,639,075
	6,798,856	11,332,153

* On 15 May 2024, MIWB wrote a letter to the Minister for Regional Development and Manufacturing and Minister for Water recommending the payment of a dividend to the State for the financial year ended 30 June 2024 based on 80% of NPAT as per section 660(3) of the *Water Act 2000* (Qld). The Minister approved dividend recommendation in a letter dated 29 May 2024.

10. Other Financial Liabilities

	2024 \$	2023 \$
Current		
Loans – Queensland Treasury Corporation	–	253,127
	–	253,127
Total Financial Liabilities	–	253,127

No assets have been pledged as security for any liabilities.

All borrowings are in Australian-dollar (i.e., \$AUD) denominated amounts and carried at amortised cost. No interest has been capitalised during the current or comparative reporting period. The repayment date for the loan from Queensland Treasury Corporation was March 2024. There have been no defaults or breaches of the loan agreements during the period.

Principal and interest repayments were made quarterly in arrears during the financial year, with interest rates being 4.676% as set by the Queensland Treasury Corporation.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

10. Other Financial Liabilities

As at 30 June 2024, the market value of the debt is zero, as all outstanding principal and interest payments were completed in March 2024 (2023: \$252,036). Market value at a relevant time reflects the remaining cash flows required to repay the debt, valued at the current market rate of interest at the time which equates to the amount that would be required at any point in time to be repaid, to extinguish the debt outstanding at that time.

It is the intention of MIWB to hold all its borrowings for their full term. As MIWB has no borrowings as at 30 June 2024, there is no fair value adjustment required to be made to the carrying amount of the borrowings.

11. Current and Deferred Tax

	2024 \$	2023 \$
ASSETS		
Non-current		
Deferred tax asset comprises:		
Employee benefits	103,005	84,826
Accrued expenses	13,398	14,750
Provisions: Other	–	260,622
Legal fees	2,081	2,081
Lease liability	30,297	29,637
Deferred income	28,797	30,312
Deferred tax asset	177,578	422,228
LIABILITIES		
Non-current		
Deferred tax liability comprises:		
Accrued income	42,213	33,373
Business expenditure	(37,559)	(6,867)
Property, Plant & Equipment	15,127,858	25,832,773
Deferred tax liability	15,132,512	25,859,279
Net deferred tax liability	14,954,934	25,437,051

12. Other Liabilities

	2024 \$	2023 \$
Current		
Lease liability	3,228	586
Non-current		
Grants received in advance	115,186	121,249
Lease liability	117,960	117,960
	233,146	239,208
	236,374	239,794

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

13. Asset Revaluation Surplus

The asset revaluation surplus represents the net effect of upward and downward revaluations of property, plant and equipment to fair value.

	Balance at beginning of year	Revaluation Increments	Revaluation Decrements	Impairment Losses through equity	Impairment reversals through equity	Balance at end of year
30 June 2024	\$	\$	\$	\$	\$	\$
Land	43,953	–	–	(10,308)	–	33,645
Buildings	91,640	–	–	(91,640)	–	–
Infrastructure	95,490,080	91,376	–	(29,480,374)	–	66,101,082
Plant & Equipment	76,253	–	–	(76,253)	–	–
Total	95,701,926	91,376	–	(29,658,575)	–	66,134,727

	Balance at beginning of year	Revaluation Increments	Revaluation Decrements	Impairment Losses through equity	Impairment reversals through equity	Balance at end of year
30 June 2023	\$	\$	\$	\$	\$	\$
Land	43,953	–	–	–	–	43,953
Buildings	36,833	54,807	–	–	–	91,640
Infrastructure	76,677,155	18,812,925	–	–	–	95,490,080
Plant & Equipment	76,253	–	–	–	–	76,253
Total	76,834,194	18,867,732	–	–	–	95,701,926

Revaluation increments and decrements above are disclosed net of tax.

14. Cashflow Information

	2024 \$	2023 \$
Reconciliation of Profit to Net Cash from Operating Activities		
Profit after income tax	3,866,822	4,548,845
Non-cash items		
Depreciation	8,564,582	6,231,046
Depreciation – Right-Of-Use Asset	1,549	1,617
Loss on write off	143,175	170,079
Revaluation decrement	251,118	–
Profit on Sale of Asset	(1,042,489)	–
Movement in Operating Assets and Liabilities	11,784,757	10,951,587
Receivables	(39,756)	(1,096,901)
Interest Receivable	(39,358)	(101,069)
GST Receivables	(46,799)	(53,304)
Prepayments	(12,829)	(39,433)
Payables	(3 3,987,683)	2,396,982
Annual Leave	71,349	95,986
Long Service Leave	1,368	22,295
Deferred Income	(6,603)	(6,062)
Deferred Tax including tax effect of revaluations	(625,384)	(367,945)
Provision for Taxes	189,286	(147,465)
Net cash from operating activities	7,288,888	11,654,671

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

14. Cashflow Information (continued)

Changes in Liabilities Arising from Financing Activities

	Closing Balance 2023	Non-Cash Charges			Cash Flows		Closing Balance 2024
		Transfers to/ (from) other Queensland Government Entities	New Leases Acquired	Other	Cash Received	Cash Repayments	
2024	\$	\$	\$	\$	\$	\$	\$
Borrowings	253,128	-	-	-	-	(253,128)	-
Lease liability	118,546	-	-	2,642	-	-	121,188
Dividends Payable	3,639,075	-	-	-	-	(3,639,075)	-
Total	4,010,749	-	-	2,642	-	(3,892,203)	121,188

	Closing Balance 2021	Non-Cash Charges			Cash Flows		Closing Balance 2023
		Transfers to/ (from) other Queensland Government Entities	New Leases Acquired	Other	Cash Received	Cash Repayments	
2023	\$	\$	\$	\$	\$	\$	\$
Borrowings	574,982	-	-	(65)	-	(321,790)	253,128
Lease liability	127,650	-	-	(9,104)	-	-	118,546
Dividends Payable	4,914,678	-	-	3,639,075	-	(4,914,678)	3,639,075
Total	5,617,310	-	-	3,629,907	-	(5,236,467)	4,010,749

15. Financial Instruments

Financial Risk Management

Financial risk management is implemented pursuant to MIWB's risk management policies, and the requirements of the Queensland Government. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of MIWB.

MIWB's financial instruments consist primarily of cash and cash equivalents, accounts receivable and payable, and loans from Queensland Treasury Corporation (of which, there are no borrowings as at 30 June 2024). Consequently, MIWB has exposure to credit risk, liquidity risk, interest rate risk and capital management risk from its use of financial instruments. Pursuant to its obligations under the Water Act 2000 (Qld), the MIWB Board of Directors has overall accountability for the establishment and oversight of the risk management framework, including financial risk management.

MIWB manages its exposure to key financial risks, including credit risk, liquidity risk and interest rate risk, in accordance with its financial policies, approved by the MIWB Board of Directors.

MIWB does not have any derivative instruments at 30 June 2024.

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

i) Financial Risk Measurement Strategies

MIWB measures risk exposure using a variety of methods as follows:

Risk Exposure	Measurement Method
Credit risk	Ageing analysis, earnings at risk
Liquidity risk	Cash flow analysis
Market risk	Interest rate sensitivity analysis

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

15. Financial Instruments (continued)

ii) Credit Risk Exposure

Credit risk exposure refers to the situation where MIWB may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation. MIWB's credit risk arises from cash and cash equivalents and trade receivables.

The maximum exposure to credit risk at the reporting date in relation to each asset class of recognised financial assets is the gross carrying amount of those assets (inclusive of any provision for impairment) as disclosed in the Statement of Financial Position.

There is concentration of credit risk with respect to receivables as MIWB has a small number of customers. MIWB policy is that water and electricity sales are only made to eligible customers with contracts in place.

MIWB has four major customers that it delivers bulk water and electricity services to. As such, there is some concentration of trade receivables. The individual most material trade receivable balance at 30 June 2024 is \$1,112,646, which represents 38 per cent of the total trade receivables at reporting date (2023: \$2,092,278 and 59.8 per cent).

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

MIWB manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that MIWB invests in secure assets and monitors all funds owned on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

Trade receivables and contract assets

MIWB uses a provision matrix to calculate expected credit losses for trade receivables and contract assets. The provision rates are based on days past due for customers that have similar loss patterns.

The provision matrix is initially based on MIWB's historical observed default rates. MIWB will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year that could reasonably lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions.

No provision for expected credit losses has been recognised on the basis of historical default rates, forward looking information and materiality as at 30 June 2023 and 30 June 2024.

iii) Liquidity Risk

Liquidity risk refers to the situation where MIWB may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

MIWB was exposed to liquidity risk in respect of its payables and borrowings from Queensland Treasury Corporation in the 2023-24 financial year. However, as at 30 June 2024, the market value of the debt is zero, as all outstanding principal and interest repayments were completed in March 2024.

MIWB manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring MIWB has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

The following table sets out the liquidity risk of financial liabilities held by MIWB. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities and the repayment of the principal amount outstanding at reporting date. The undiscounted cash flows in these tables differ from the amounts in the Statement of Financial Position.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

15. Financial Instruments (continued)

	Note	2024 Payable in			Total
		< 1 year	1 - 5 years	> 5 years	
Financial Liabilities		\$	\$	\$	\$
Payables	9	6,798,856	–	–	6,798,856
Total		6,798,856	–	–	6,798,856

	Note	2023 Payable in			Total
		< 1 year	1 - 5 years	> 5 years	
Financial Liabilities		\$	\$	\$	\$
Payables	9	11,332,153	–	–	11,332,153
Other financial liabilities – QTC Borrowings	10	253,127	–	–	253,127
Total		11,585,280	–	–	11,585,280

iv) Market Risk

MIWB does not trade in foreign currency and is not materially exposed directly to commodity price changes or other market prices. MIWB was exposed to interest rate risk through its borrowings from Queensland Treasury Corporation, and cash deposits in interest bearing accounts. MIWB does not undertake any hedging in relation to interest risk.

v) Interest Rate Risk

MIWB is not exposed to downside financial implications associated with interest rate risk as it does not have any borrowings as at 30 June 2024. Nonetheless, where interest rate risk is monitored (for example, when MIWB had borrowings) the Corporate & Governance Division conducts analysis and reporting, including sensitivity analysis, to assess its exposures. This monitoring aims to assess the impact of interest rate fluctuations on cash flows.

16. Contingencies

At the date of this report, there are no known contingent liabilities.

17. Climate Risk

No adjustments to the carrying value of assets were recognised during the financial year as a result of climate-related risks impacting current accounting estimates and judgements. No other transactions have been recognised during the financial year specifically due to climate-related risks impacting MIWB.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

Certificate of the Mount Isa Water Board

These general purpose financial statements have been prepared pursuant to section 62 (1) of the *Financial Accountability Act 2009* (Qld) (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:

- a) The prescribed requirements for establishing and keeping the accounts have been complied with in all material respects;
- b) The statements have been drawn up so as to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Mount Isa Water Board for the period 1 July 2023 to 30 June 2024, and of the financial position of the Mount Isa Water Board as at the end of that year.

We acknowledge responsibility under section 7 and section 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.



Steve de Kruijff OAM, MAusIM
Chairperson



Bill Esteves GCLP, GC.Bus, LLB, MA, MBA
Chief Executive Officer

Dated 27th day of August 2024

Independent Auditor's Report

To the Board of Mount Isa Water Board

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Mount Isa Water Board.

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
- 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

The Board is 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.

Independent Auditor's Report (continued)



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 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.

Report on other legal and regulatory requirements

Statement

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

A handwritten signature in blue ink that reads "Lisa Fraser".

Lisa Fraser
as delegate of the Auditor-General

30 August 2024
Queensland Audit Office
Brisbane

Glossary

ADWG	Australian Drinking Water Guidelines (2011)	Glencore	Glencore completed a merger with Xstrata in May 2013 and the local mining operator is now known as Mount Isa Mines, a Glencore Company
ANZECC	Australian and New Zealand Environment and Conservation Council	Lake Julius	Owned and operated by SunWater, a government-owned corporation
Blue-green algae	A naturally occurring type of bacteria known as “Cyanobacteria” found in rivers, lakes, damp soil, tree trunks and hot springs. Some species of BGA have the potential to produce toxins.	Lake Moondarra	Owned by Mount Isa Mines Limited as resource operations licence holder
Board	The Board of Directors of Mount Isa Water Board	MIWB	Mount Isa Water Board, as the Statutory Corporate entity
DRDMW	Department of Regional Development, Manufacturing and Water	MICC	Mount Isa City Council
DWQMP	Drinking Water Quality Management Plan	ML	Megalitre (one million litres)
EBIT	Earnings before Interest and Tax	R48 Reserve	R48 Water and Recreation Reserve
FTE	Full Time Equivalent (employee)	RTI	Right to Information relating to the <i>Right to Information Act 2009</i>
		SunWater	The government-owned corporation operating under that name.
		Water Act	<i>Water Act 2000 (Qld)</i> as amended.

Government Body Summary

Mount Isa Water Board

Act or instrument	<i>Water Act 2000 (Qld)</i>
Functions	Principally the ownership, management, operation and maintenance of treatment plants, pipelines and other bulk water distribution infrastructure and dam recreational areas and any other occupation incidental thereto.
Achievements	Delivered a safe and reliable supply of water, sustaining life and industry in the Mount Isa Region. Invested over \$8.8 million in capital projects to sustain the long-term reliability of the water distribution and treatment systems. Delivered on our commercial imperative with a dividend return for the Queensland Government to reinvest in Queensland and in the community of Mount Isa.
Financial reporting	Financial results are presented in the financial statements. MIWB is not exempt from a financial statement audit by the Auditor-General

Remuneration

Position	Name	Meetings/ sessions attendance	Approved annual, sessional or daily fee ⁽¹⁾	Approved sub- committee fees if applicable ⁽¹⁾	Actual fees received ⁽²⁾
Chair	Steven de Kruijff	Board: 14 Audit, Risk and Finance Committee: 8 Strategy, Asset and Technical Committee: 5 R48 Reserve Committee: 3	\$35,000	\$6,000	\$45,510
Director	Karen Read	Board: 13 Audit, Risk and Finance Committee: 8 Strategy, Asset and Technical Committee: 6	\$17,500	\$4,500	\$24,420
Director	George Fortune	Board: 12 R48 Reserve Committee: 4	\$17,500	\$2,500	\$5,314 ⁽³⁾
Director	Leonie Davey	Board: 14 R48 Reserve Committee: 4	\$17,500	\$2,000	\$21,645
Director	Janice Wilson	Board: 14 Audit, Risk and Finance Committee: 7 Strategy, Asset and Technical Committee: 6	\$17,500	\$4,500	\$24,420
No. scheduled meetings/ sessions		Board: 15 Audit, Risk and Finance Committee: 8 Strategy, Asset and Technical Committee: 6 R48 Reserve Committee: 4			
Total out of pocket expenses			\$36,562 (primarily airfares and accommodation)		

(1) Compensation for each Director is set by the Department of Premier and Cabinet in accordance with the *Remuneration Procedures for Part-Time Chairs and Members of Queensland Government Bodies*.

(2) Actual fees received include approved fees plus superannuation.

(3) George Fortune was entitled to compensation from the time his tenure as a councillor for the Mount Isa City Council ended on 2 April 2024 in accordance with advice from Department of Regional Development, Manufacturing and Water.

Annual report 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 (ii)
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1 60 (iii)
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2 (i)
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3 (i)
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4 (i)
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5 (i)
	General information	<ul style="list-style-type: none"> Introductory Information
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 8
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.2 6 - 7
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.3 5
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1 21
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1 14
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2 15 - 16
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3 61
	<ul style="list-style-type: none"> Public Sector Ethics 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4 12
	<ul style="list-style-type: none"> Human Rights 	<i>Human Rights Act 2019</i> ARRs – section 13.5 12
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.6 2
Governance – risk management and accountability	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1 19
	<ul style="list-style-type: none"> Audit committee 	ARRs – section 14.2 17
	<ul style="list-style-type: none"> Internal audit 	ARRs – section 14.3 20
	<ul style="list-style-type: none"> External scrutiny 	ARRs – section 14.4 20
	<ul style="list-style-type: none"> Information systems and recordkeeping 	ARRs – section 14.5 19
	<ul style="list-style-type: none"> Information Security attestation 	ARRs – section 14.6 19

Summary of requirement	Basis for requirement	Annual report reference
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1 11
	• Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2 12
Open Data	• Statement advising publication of information	ARRs – section 16 20
	• Consultancies	ARRs – section 31.1 data.qld.gov.au
	• Overseas travel	ARRs – section 31.2 data.qld.gov.au
	• Queensland Language Services Policy	ARRs – section 31.3 data.qld.gov.au
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1 57
	• Independent Auditor’s Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2 58

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

This annual report is available for viewing or download from www.mountisawater.qld.gov.au/ourdata/corporate-documents

