MOUNT ISA WATER BOARD

ANNUAL REPORT

2025–2026

Queensland Government

This annual report ('the report') provides information about Mount Isa Water Board's (MIWB) financial and non-financial performance during 2025–26.

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

The report has been prepared in accordance with the *Financial Accountability Act 2009* (Qld), 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* (Qld), which provides specific requirements for information to be disclosed in annual reports; the Queensland Government's Annual report requirements for Queensland Government agencies for 2025–26 and other legislative requirements.

This report has been prepared for the Minister for Local Government and Water and Minister for Fire, Disaster Recovery and Volunteers 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.

Interpreter

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 (07) 4139 0169 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 (07) 4139 0169, 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

1 September 2026

The Honourable Ann Leahy MP
Minister for Local Government and Water and
Minister for Fire, Disaster Recovery and Volunteers
PO Box 15009
City East QLD 4002

Dear Minister,

I am pleased to present the Annual Report 2025–26 and financial statements for the Mount Isa Water Board.

I certify that this annual report complies with:

- the requirements of the *Water Act 2000* (Qld);
- the prescribed requirements of the *Financial Accountability Act 2009* (Qld) and the *Financial and Performance Management Standard 2019* (Qld); 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 report or accessed at www.mountisawater.qld.gov.au.

Yours sincerely

Leonie Davey
Chair
Mount Isa Water Board

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About Mount Isa Water Board

Mount Isa Water Board plays an essential role in supporting the Mount Isa community, local industry and the regional economy through the delivery of safe, reliable and fit-for-purpose bulk water and utility services.

Our history

The Mount Isa Water Board (MIWB) was formed in 1973 and was later established as a commercialised statutory authority under the *Water Act 2000* (Qld). For more than five decades, MIWB has supported the Mount Isa community and local industry through the delivery of safe, reliable and fit-for-purpose bulk water services.

Mount Isa is located on the traditional lands of the Kalkadoon People in North West Queensland. The city is situated along the Leichhardt River, which rises in the Selwyn Ranges and flows through Mount Isa into Lake Moondarra, with additional regional water storage capacity provided by Lake Julius.

As part of the North West Minerals Province, Mount Isa has long been a centre of industrial activity and regional economic development. MIWB has supported this development by managing and operating critical bulk water infrastructure, providing associated electricity infrastructure services, and acting as Trustee of the R48 Reserve at Lake Moondarra. Over time, MIWB has continued to evolve in response to changing community, customer and industry needs, with an ongoing focus on sustainability, resilience and long-term service reliability.

Our purpose and responsibilities

MIWB's primary responsibility is to provide essential bulk water services that support the Mount Isa community, local industry and the broader regional economy. MIWB is committed to delivering safe, reliable and fit-for-purpose water services through the transportation, treatment and distribution of bulk water from Lake Moondarra and Lake Julius.

MIWB operates and maintains bulk water transport, treatment and distribution infrastructure in accordance with bulk water contracts with its three major customers:

- **Mount Isa City Council (MICC)** which reticulates potable water to the local community;
- **Mount Isa Mines Ltd**, a Glencore company, which uses non-potable water in mining, concentration and smelting operations; and
- **Southern Cross Operations Limited** which uses non-potable water for acid manufacturing operations.

In addition to bulk water services, MIWB provides high-voltage electricity distribution and related infrastructure services to support two commercial customers:

- **North West Queensland Water Pipeline Pty Ltd (NWQWP)**, a subsidiary of Sunwater Limited; and
- **Telstra Limited** to power the Small Cell Tower at Lake Moondarra, improving mobile coverage in the region.

MIWB is also the Trustee of the R48 Reserve, an approximately 11,000-hectare water catchment and recreational area surrounding Lake Moondarra. As custodian of the reserve, MIWB maintains public amenities including picnic areas, boat ramps and play facilities, which are enjoyed by residents and visitors throughout the year.

Snapshot of our assets

MIWB manages and maintains a comprehensive network of water and electricity infrastructure that supports the delivery of safe, reliable and fit-for-purpose services to the Mount Isa region. As at 30 June 2026, the fair value of MIWB's infrastructure assets was approximately $102.7 million. Key assets include:

- **Lake Moondarra Water Distribution System and associated infrastructure,** including:
  - Clear Water Lagoon natural sedimentation reservoir;
  - The 13.5 km Lake Moondarra pipeline;
  - Pump stations, including Col Popple Pump Station, Lake Moondarra Pontoon Pump Station and the Lake Moondarra Booster Pump Station; and
  - The 6.6 km George Fisher Mine twin pipelines.
- **Lake Julius Water Distribution System and associated infrastructure,** including:
  - The 61.5 km Julius pipeline, with a maximum capacity of 64.5 megalitres per day;
  - Fred Haigh Pump Station, 22.6 Booster Pump Station and Balance Tank;
  - The C4 Valve Station; and
  - 60 km of high-voltage overhead transmission line, the Take-Off Yard and switchyards.
- **Mount Isa Terminal Reservoir (MITR) System,** comprising:
  - A 50 megalitre reservoir;
  - Six membrane filtration units;
  - Two chlorine gas disinfection plants;
  - Two 3 megalitre clean water tanks; and
  - Two bulk water pump stations.
- **Electricity Infrastructure,** including:
  - High-voltage transmission assets supporting electricity supply to North West Queensland Water Pipeline Pty Ltd (NWQWP), a subsidiary of Sunwater Limited; and
  - Infrastructure supporting the Small Cell Tower under Telstra's Electricity Supply Agreement.

Our regulatory environment

MIWB operates within a comprehensive regulatory framework that supports accountability, transparency and the safe and reliable delivery of essential services. As a Category 1 Water Authority established under the *Water Act 2000* (Qld), MIWB is responsible for delivering water services efficiently, sustainably and in accordance with its statutory obligations.

MIWB is also a commercialised statutory authority and Significant Business Activity, operating as far as practicable on a commercial basis while meeting its public sector, regulatory and reporting obligations. MIWB's governance and operational activities are further guided by the *Land Act 1994* (Qld), under which MIWB acts as Trustee of the R48 Reserve at Lake Moondarra. MIWB is committed to managing the reserve in the interests of the community, with regard to sustainability, public safety and responsible land management.

MIWB's Board of Directors is appointed by the Governor in Council in accordance with the *Water Act 2000* (Qld). The Board provides strategic direction, monitors performance and oversees MIWB's compliance with legislative, regulatory and governance requirements. The Board is supported by three committees:

- The Audit, Risk and Finance Committee, which provides oversight of financial reporting, audit, risk management, internal controls and compliance;
- The Strategy, Assets and Technical Committee, which advises on infrastructure planning, asset management, technical matters and operational performance; and
- The R48 Reserve Committee, which provides advice on the management and use of the R48 Reserve.

MIWB also maintains governance, risk and compliance frameworks to support the effective management of its obligations, including obligations relating to drinking water quality, financial accountability, public sector reporting, recordkeeping, environmental management and workplace health and safety.

Our vision

MIWB's vision is to set the standard for regional utility services.

Our mission

MIWB's mission is to provide safe, efficient and reliable bulk water and utility services to meet customers' needs, by performing as a profitable, competent, proactive and engaged organisation.

Our values

MIWB's values guide its decisions, behaviours and interactions with customers, stakeholders, employees and the community. They support the delivery of MIWB's strategic objectives and reinforce a culture of service, accountability, innovation and trust.

CUSTOMERS FIRST	**IDEAS INTO ACTION**	**UNLEASH POTENTIAL**	**BE COURAGEOUS**	**EMPOWER PEOPLE**
We prioritise understanding our customers, delivering what matters to them and making decisions with empathy.	We encourage challenging norms, embracing new ideas and working collaboratively across boundaries.	We aim for excellence, set clear expectations, and actively seek and act on feedback.	We own our actions, successes and mistakes, take calculated risks, and act with transparency.	We lead with trust, play to everyone's strengths, and focus on developing ourselves and those around us.

A message from the Chair and CEO

We are pleased to present the 2025-26 Annual Report for the Mount Isa Water Board.

Building on the momentum of last year's success, we have once again achieved significant milestones which affirm our commitment to setting the standard for regional utility services.

Bulk water distribution and treatment

Throughout the year, our operations team effectively administered and maintained our bulk water distribution and treatment assets to ensure that we consistently met our customers' bulk water needs. We supplied a total of 15,343 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 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 Northwest Queensland.

Land management

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

Water quality

This year, our commitment to operational excellence in the management and maintenance of our water treatment infrastructure ensured the consistent delivery of safe and healthy potable water, with minimal down time or service disruptions.

This year we continued to explore opportunities to enhance water treatment processes. Our focus remains on improving system efficiency while ensuring the most cost-effective capital outlay over the next five years.

People and culture

Our commitment to people, wellbeing and culture underpins our success, driving continuous improvement, strong results and a spirit of collaboration and teamwork.

As we reflect on the year gone by, we recognise that our success is not a result of isolated achievements, but of united and purposeful effort. It is the combination of visionary leadership, strong governance, strategic alignment and meticulous planning, both operational and strategic, combined with the dedication and hard work of our team.

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

Reliable infrastructure

Our exceptional service levels this year reflect the significant advancements made by our operations and capital projects teams in asset management planning and evidence-based capital programming. We recognise the critical role infrastructure plays in driving economic prosperity across the north west and enhancing the quality of life for the communities we serve. With a deep understanding of the region's unique challenges, we are well positioned to ensure our infrastructure remains dependable and resilient, continuing to deliver meaningful and lasting impact.

Corporate and commercial success

We are proud of the continued uplift in the quality, efficiency and maturity of our corporate and governance functions. The Corporate & Governance Division has played a pivotal role in strengthening commercial stability by improving centralised procurement services, delivering internal process and system efficiencies, and supporting a more disciplined five-year capital investment outlook. A key achievement during the year was the commencement of MIWB's ERP transformation project, which represents a significant step forward in modernising core business systems, improving data quality and visibility, strengthening internal controls, and creating a more integrated platform for finance, procurement, budgeting, records management, human resources and payroll. Looking ahead, the division will maintain close engagement with customers and project sponsors to understand their evolving requirements for bulk water and energy infrastructure beyond 2030.

Our focus for 2026–27 and beyond

We are immensely proud of what we have achieved together this year. Our unwavering commitment to efficiency and sustainability continues to guide us, and we are confident of our organisation's ability to thrive in the years ahead.

Looking forward, we remain focused on driving innovation, minimising environmental impact, embracing sustainable practices and leading an optimal value approach to delivering reliable infrastructure services.

With the momentum built through our internal transformation and the remarkable accomplishments of this year, we move ahead with confidence and optimism, well positioned for more success.

Acknowledgements

We extend our heartfelt appreciation to our employees, partners, customers and shareholder for their support and invaluable contribution to our achievements. Together, we are building 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 resilience throughout a year marked by continuous improvement and extraordinary accomplishments.

We also express our deep gratitude to our stakeholders, customers, and the Mount Isa community for their trust and ongoing support.

We extend our sincere thanks to outgoing Chair Steve de Kruijff and outgoing directors Karen Read and Janice Wilson for their valued service, leadership and contribution to MIWB. Their guidance, governance experience and commitment to the organisation have supported MIWB through an important period of strategic and operational progress.

We also warmly welcome new directors Eryan Haddon, Jane McMillan and Brett Peterson, whose experience, regional insight and professional expertise will further strengthen the Board's oversight and support MIWB's continued focus on safe, reliable and sustainable utility services for Mount Isa and Northwest Queensland.

Leonie Davey
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	$34.47 million	$34.71 million	Nil
Operating expenditure	$27.94 million	$25.65 million	Note 1
Operating profit	$6.53 million	$9.06 million	Note 2
Current ratio	5.3	7.73	Note 3
Total assets	$159.30 million	$143.11 million	Note 4
Return on total assets (ROA)	4.10%	6.33%	Nil
Dividend payable	$3.92 million	$5.44 million	Note 5
Lost time injury (LTI)	0	0	Nil
Reportable environmental incidents	0	0	Nil
Recreation area (R48) stakeholder meetings	100%	100%	Nil
Watermain / pipe leaks	≤3	0	Nil
Supply interruption duration – Industrial	≤6 hours	2.52 hours	Nil
Supply interruption duration – MICC	≤24 hours	0.00 hours	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 Australian Drinking Water Guidelines (ADWG) Table 10.6	0	0	Nil
Operational costs against budget	≤5%	(17.31%)	Nil
Operation and maintenance costs per ML supplied	$996.31/ML	$749.40/ML	Nil

(1) Operating expenditure was 8.2 per cent lower than target.
(2) Operating profit was 38.7 per cent above target, primarily due to the impact of (1).
(3) Current ratio was 45.9 per cent higher than target primarily due to MIWB's strong cash holdings at year end. The current ratio is calculated excluding the dividend payable.
(4) Total assets were 10.2 per cent lower than target primarily due to the impairment of non-current assets at the end of the previous financial year.
(5) The FY2026 dividend payable is based on 80 per cent of net profit after tax. The final dividend payable will be confirmed once the financial statements are finalised.

Key business improvement initiatives

In 2025–26, MIWB performed against the key objectives and measures set out in its Performance Plan, including financial, health and safety, environmental and operational performance measures agreed with the Minister.

MIWB delivered strong outcomes against its operational performance targets during 2025–26. This included continued compliance with water quality requirements, supporting the delivery of safe and reliable potable water to Mount Isa City Council for reticulation to the local community.

Operational performance remained strong, with minimal service disruptions and no water main or pipe leakages reported during the period. These outcomes reflect MIWB's continued focus on proactive asset maintenance, operational planning and effective management of its bulk water infrastructure.

Ongoing improvements to operations and maintenance practices supported the delivery of cost-effective services. The cost of operations and maintenance per megalitre of water supplied was recorded at $749.40/ML for the reporting period.

Operations update

MIWB undertakes engineering, operations and maintenance activities each year to support the reliability, resilience and performance of Mount Isa's bulk water and electricity infrastructure, while also planning for future service requirements.

During 2025–26, MIWB continued to deliver its water quality and compliance program to support the safe and reliable supply of potable drinking water to Mount Isa City Council for reticulation to the local community.

Meeting water quality standards

Water quality remains a core operational priority for MIWB. During 2025–26, MIWB continued to manage drinking water quality in accordance with the Australian Drinking Water Guidelines and its regulator-approved Drinking Water Quality Management Plan.

During the year, MIWB submitted an amended Drinking Water Quality Management Plan to the regulator, following review and updates to reflect system changes and improvement actions. The amended plan was approved in February 2026.

MIWB also continued to progress water quality improvement initiatives, including planning for enhanced instrumentation and automation across the extraction and treatment system, improved monitoring capability, and future upgrades to chlorine disinfection and treatment processes.

Wet season inflows into Lake Moondarra resulted in short-term changes to raw water quality, including turbidity and dissolved oxygen variations. MIWB implemented operational contingency measures, including temporarily sourcing water for treatment from Clear Water Lagoon. Treated drinking water continued to meet applicable health-based requirements during this period.

Asset resilience and reliability

MIWB continued to inspect, assess and plan for future infrastructure needs to support the ongoing delivery of reliable bulk water services. During 2025–26, asset condition information and operational priorities informed renewal and maintenance activities across water, power and supporting infrastructure.

Strategic investments were progressed during the year to renew and upgrade critical infrastructure, with a focus on improving reliability, reducing operational risk and minimising service disruptions to customers.

Operational minor works

In 2025–26, MIWB made targeted investments in asset maintenance and reliability, including the following initiatives.

Critical spares procurement

MIWB continued its critical spares procurement program to support operational continuity. This included staged purchasing of key spares for water and electricity infrastructure, including piping, valves, chlorine dosing equipment, high-voltage transmission components and other items identified through operations and maintenance planning.

Mobile plant and equipment renewals

MIWB continued its mobile plant and equipment renewal program, supporting a more fit-for-purpose fleet and improved operational response capability. The program is intended to improve field mobility, communications and reliability for operational teams responding to planned and time-sensitive works.

Operational response and public safety

MIWB responded to wet season conditions at Lake Moondarra, including high inflows and spillway overflow. Operational controls were implemented to manage short-term changes in raw water quality, while public safety measures were applied at the R48 Reserve, including temporary access restrictions, warning signage and public safety messaging.

Fire mitigation and emergency response

During the year, MIWB continued routine fire mitigation activities across relevant sites, including maintenance of fire breaks and vegetation management around overhead powerlines. These activities supported the protection of critical infrastructure and public areas, including during the R48 bushfire response in March 2026.

In-kind support – water trailer

MIWB continued to provide its chilled drinking water trailer as in-kind support for local events, including events held by schools, charities, foundations and community organisations.

Collectively, these initiatives reflect MIWB's ongoing focus on maintaining reliable water and electricity infrastructure, improving operational resilience and supporting the Mount Isa community.

Managing water supply

In 2025–26, MIWB continued to manage bulk water supply to meet customer requirements across the Mount Isa region. Total water supplied during the reporting period was 15,343 ML.

Lake Moondarra remained the primary source of raw water supply for Mount Isa City Council and Mount Isa Mines, while Lake Julius, a key drought contingency water source, remained at a high capacity of 93.4 per cent as at 30 June 2026.

As of 30 June 2026, the capacity of Lake Moondarra was 89.1 per cent, an increase of 17.7 percentage points from 71.4 per cent at 30 June 2025. These inflows temporarily affected raw water quality; however, MIWB managed the operational impacts through established contingency measures, including temporarily sourcing water for treatment from Clear Water Lagoon.

MIWB continued to monitor storage levels, customer demand and system performance to support water security, infrastructure planning and the reliable delivery of safe and efficient bulk water services.

Capital projects update

In 2025–26, MIWB continued to invest in capital works to support the reliability, safety and long-term performance of its bulk water, electricity and supporting infrastructure. Capital investment during the year was focused on renewing ageing assets, reducing operational risk and improving service continuity for customers.

A total of $6.8 million was invested in capital works during the reporting period. Key projects progressed during the year included:

Lake Julius power pole replacements

MIWB progressed the Lake Julius power pole replacement project, which involves the staged replacement of aged timber poles and cross-arms on the Lake Julius 66kV power line. This multi-year program supports the reliability and resilience of electricity infrastructure that is critical to the operation of the Lake Julius water supply system.

Col Popple Pump Station renewal

MIWB progressed the Col Popple Pump Station renewal project, a critical asset renewal initiative to replace key pumping infrastructure. The project will improve the reliability and resilience of bulk water transfer to the Mount Isa Terminal Reservoir and reduce operational risk across the bulk water network.

Flow meter replacement – Stage 2

MIWB progressed the second stage of its flow meter replacement program to improve the accuracy and reliability of bulk water measurement data. The project supports operational decision making, customer assurance and regulatory reporting across the Lake Moondarra and Lake Julius water supply schemes.

Fred Haigh Pump Station electro-mechanical overhaul

MIWB completed remaining close-out activities associated with the Fred Haigh Pump Station electro-mechanical overhaul. The project supports the ongoing reliability and performance of critical infrastructure associated with the Lake Julius system.

Collectively, these projects demonstrate MIWB's continued focus on prudent capital investment, proactive asset renewal and the safe, reliable and efficient delivery of bulk water services to the Mount Isa region.

Operating in a regional environment presents unique challenges for water utilities. MIWB's reassessment of its capital portfolio during the year reflects a continued commitment to prudent and efficient investment.
By prioritising critical infrastructure and system improvements, MIWB continued to strengthen its resilience and operational capacity while adapting to evolving service, asset management and technology requirements.

Our strategic objectives

MIWB's Corporate Plan sets the strategic direction for the organisation and is aligned with its vision to set the standard for regional utility services. The strategy is underpinned by five interrelated pillars that guide business planning, investment decisions, risk management and service delivery.

Our areas of focus

People, Culture & Capability – Safe, appreciated and high performing people

MIWB is focused on maintaining a supportive, safe, respectful and inclusive workplace, while strengthening leadership, workforce capability and organisational resilience. Key strategies include:

- **Culture and capability:** Supporting leadership development, organisational values and workforce capability.
- **Safety and wellbeing:** Improving safety systems and promoting a safe, inclusive and respectful workplace.
- **Systems and support:** Enhancing information systems, business processes and data-driven decision making.

Customers & Community – Customer focused and value driven

MIWB is committed to reliable, responsive and customer-focused services, while managing the R48 Reserve on behalf of the Queensland Government. Key strategies include:

- **Customer experience:** Enhancing service delivery and stakeholder engagement to meet evolving expectations.
- **Community connection:** Promoting awareness of MIWB's role and strengthening ties to the R48 Reserve.
- **Recreation and access:** Managing R48 Reserve amenities and permits to support safe and sustainable public access.

Infrastructure & Environment – Compliant and fit-for-purpose infrastructure

MIWB is focused on maintaining reliable, compliant and resilient infrastructure, while protecting the environment and supporting sustainable management of the R48 Reserve. Key strategies include:

- **Reliable water supply:** Ensuring water services are fit-for-purpose, secure, and responsive to changing conditions.
- **Asset and technology capability:** Improving asset management, operational technology, SCADA, instrumentation and automation.
- **Environmental stewardship:** Managing environmental impacts through responsible land, catchment and infrastructure practices.

Commercial & Financial – Prudent, efficient and cost-effective services

MIWB is committed to prudent financial management, efficient service delivery and long-term sustainability through responsible use of resources, sound commercial practices and strategic asset management. Key strategies include:

- **Financial sustainability:** Maintaining disciplined cost management, sound financial performance and sustainable pricing practices.
- **Asset and cost efficiency:** Optimising asset performance, lifecycle planning, and procurement processes.
- **Revenue resilience:** Exploring opportunities to strengthen and diversify MIWB's revenue base where commercially appropriate.

Economic Development – Agile and responsive

MIWB plays an active role in supporting Mount Isa's long-term economic resilience by enabling water infrastructure planning, maintaining strong customer and government relationships, and responding to emerging regional opportunities. Key strategies include:

- **Planning and collaboration:** Supporting regional water readiness through government and industry collaboration.
- **Investment enablement:** Assessing opportunities to invest in, upgrade or right-size infrastructure where appropriate.
- **Opportunity response:** Remaining agile to respond to emerging commercial and regional development opportunities.

Strategic objective

People, culture and capability

People are central to MIWB's vision to set the standard for regional utility services. MIWB is committed to supporting a safe, capable and engaged workforce that takes pride in delivering value for customers, stakeholders and the Mount Isa community.

MIWB's people are central to its vision to set the standard for regional utility services. Through the People, Culture & Capability pillar, MIWB is focused on maintaining a supportive, safe, respectful and inclusive workplace, with capable and resilient people supported by effective systems, clear processes and data-driven decision making.

During 2025–26, MIWB continued to strengthen its people, culture and capability foundations through improvements to workforce planning, human resources processes, safety management systems, employee engagement, learning and development, and corporate technology. This work supported MIWB's ability to deliver safe, reliable and efficient services to customers and the Mount Isa community.

MIWB continued to encourage employees to live the organisation's values: Customers first, Ideas into action, Unleash potential, Be courageous and Empower people. These values guide workplace behaviours and support a culture of accountability, service, innovation and trust.

During the year, employees were provided with opportunities to further develop their capability through the annual performance and development process, targeted training, professional development activities and role-specific learning. MIWB also continued to invest in leadership capability, including through the Queensland Government Leadership Competencies Framework, which supports a shared understanding of effective leadership and expected workplace behaviours.

Staff profile

MIWB's organisational structure continued to support the delivery of its statutory functions, operational responsibilities and strategic priorities. The Chief Executive Officer and General Managers comprise MIWB's Executive Leadership Team, which is responsible for strategic planning and the operational, financial and governance performance of the organisation.

As at 30 June 2026, MIWB's workforce comprised 22 full-time equivalent employees, excluding contractors and directors. Workforce planning remained a key focus during the year, with MIWB continuing to manage attraction, retention and capability requirements in a competitive regional labour market.

Contractors and labour-hire personnel are engaged from time to time to address critical capability or capacity requirements, including vacancies, specialist work, project delivery and operational support. MIWB also continues to work with its third-party operations and maintenance contractor to support the delivery of water, electricity and related operational activities.

Workforce planning, attraction and retention

Workforce planning remained a key focus for the Board and Executive Leadership Team during 2025–26. MIWB continued to focus on attracting, developing and retaining skilled employees in a competitive regional labour market.

During the year, MIWB reviewed and refined human resources policies, procedures and workforce practices to promote consistency, fairness and clarity in relation to workplace expectations, employee benefits, performance and development. MIWB also continued to offer employee benefits and flexible working arrangements where operationally appropriate, supporting its employee value proposition and workforce retention.

Public sector ethics

MIWB's Code of Conduct sets out the ethical standards and behaviours expected of all employees, directors and officers. The Code of Conduct is underpinned by the *Public Sector Ethics Act 1994* (Qld) and the following ethical principles:

- Integrity and impartiality;
- Promoting the public good, including a commitment to the Queensland Multicultural Charter;
- Commitment to the system of government; and
- Accountability and transparency.

MIWB reinforces these principles through induction, training, policy awareness and performance management processes. During the year, MIWB continued to review and maintain policies and procedures to ensure they support ethical conduct, accountability and appropriate workplace behaviours.

Key workforce policies

MIWB maintains a suite of workforce, governance and conduct policies to support consistent decision making and effective management of workplace obligations. Key policies include:

- Code of Conduct;
- 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;
- Flexible Work Arrangements Policy;
- Training and Development Policy;
- Gifts and Conflicts of Interest Policy;
- ICT Acceptable Use Policy;
- Travel Policy;
- Work Health and Safety Policy; and
- Workplace Injury Rehabilitation Policy.

Ongoing refinements to workforce policies occurred during the year to ensure they remained fit-for-purpose and aligned with organisational needs.

Human rights

MIWB is committed to ensuring its policies, procedures and decision-making practices have regard to the *Human Rights Act 2019* (Qld). During the reporting period, new employees completed training on MIWB's human rights obligations as part of the induction process. MIWB received no human rights complaints during 2025–26.

Supporting carers

MIWB recognises carers and the important contribution they make to the people they care for and to the broader community. MIWB makes the Carers Charter, as set out in the Schedule to the *Carers (Recognition) Act 2008* (Qld), accessible to employees. During the reporting period, MIWB had no reported carers on staff.

Redundancies

During 2025–26, there was one redundancy.

Health, safety and wellbeing

As an essential service provider, MIWB is committed to providing a safe and healthy workplace for employees, contractors and visitors. MIWB seeks to maintain a consultative and proactive safety culture where employees are encouraged to identify hazards, manage risks and contribute to continuous improvement.

During 2025–26, MIWB recorded:

- 0 workers compensation claims;
- 0 notifiable incidents; and
- 0 lost time injury.

MIWB continued to strengthen its Safety Management System during the year, including through:

- Continued development and use of the DoneSafe safety management platform;
- Improvements to safety governance, reporting and documentation;
- Increased engagement with key contractors through consultation, communication and assurance activities;
- Implementation of PlanSafe to support emergency management arrangements;
- Safety communications and promotion of safe systems of work; and
- Continued review and maintenance of key safety policies and procedures.

These initiatives reflect MIWB's ongoing commitment to embedding a proactive, accountable and risk-based safety culture.

Supporting mental health and wellbeing

MIWB continued to support employee mental health and wellbeing through initiatives that promote awareness, connection and early support. During the year, this included maintaining accessible wellbeing resources, supporting Mental Health First Aid training, promoting wellbeing initiatives and coordinating activities that support connection across MIWB's Mount Isa and Brisbane-based teams.

These activities supported MIWB's continued focus on psychological safety, employee wellbeing and a respectful workplace culture.

Strategic objective

Customers and community

MIWB is the Trustee of the R48 Reserve, an approximately 11,000-hectare water catchment and recreational area surrounding Lake Moondarra. The Reserve is highly valued by the Mount Isa community, supporting recreation, environmental values and public access to Lake Moondarra. MIWB maintains public amenities including picnic areas, playgrounds, boat ramps and water recreation facilities, which are enjoyed by residents and visitors throughout the year.

As Trustee, MIWB manages public amenities, regulates land use and supports the ongoing care of the Reserve through activities such as pest and weed management, fire mitigation, vegetation management and maintenance of community facilities. Public amenities under MIWB's care include boat ramps, parks, public bathrooms, barbeques, playgrounds, roads, walking tracks and shade facilities at key locations including Transport Bay, Blackrock, Warrina Park and Kingfisher Point.

The R48 Reserve is also an important habitat for local flora and fauna, with more than 238 bird species recorded across the area.

During 2025–26, MIWB continued to manage the Reserve in a way that balances community access, public safety, environmental stewardship and responsible land management.

Following significant wet season inflows, Lake Moondarra reached capacity and water flowed over the spillway. The event attracted strong community interest from residents and visitors seeking to view the overflow. MIWB implemented public safety measures, including temporary access restrictions, warning signage, public safety messaging and readiness for short-notice road and park closures. These measures supported safe public access while managing risks associated with rapidly changing conditions, localised flooding and higher-risk areas near the spillway.

In March 2026, a bushfire occurred within the R48 Reserve near the Lake Moondarra access road. The incident was managed by emergency services and brought under control within 24 hours. No park areas or recreational facilities were impacted, and there was no damage to MIWB infrastructure within the Reserve. MIWB continues routine fire mitigation activities across relevant sites, including maintenance of fire breaks and vegetation management around overhead powerlines to protect critical infrastructure and public areas.

During the year, MIWB completed fencing along the spillway access road to improve public safety by restricting access to hazardous areas near the spillway channel. Electrical infrastructure upgrades at public park areas were also completed to support the safe and reliable operation of recreational facilities.

MIWB also progressed planning and procurement for the Warrina Park Upgrade Project, a major community infrastructure project that will renew public amenities and improve recreational facilities at Lake Moondarra. Delivery is scheduled for FY2026–27.

MIWB continued to engage with community user groups, permittees and leaseholders operating within the R48 Reserve, including groups involved in water sports, outdoor recreation and community activities. These relationships help ensure community use of the Reserve remains safe, coordinated and consistent with MIWB's trustee responsibilities.

Throughout the reporting period, the Reserve supported a range of community, recreational, education, fundraising and training activities. These included school activities, running and trail events, community fundraisers, outdoor recreation activities and emergency preparedness exercises. Examples included the Outback to the Stack fun run and walk, Mount Isa School of the Air cross-country event, Lake to Leichhardt Trail Run, Zonta Rodeo Queen Quest fundraising events, and training activities undertaken by the Australian Defence Force and Queensland State Emergency Service.

MIWB remains committed to working with community groups, customers, government agencies and local stakeholders to support the safe, sustainable and long-term enjoyment of the R48 Reserve for the Mount Isa community.

Strategic objective

Infrastructure and environment

MIWB is focused on maintaining compliant, reliable and fit-for-purpose infrastructure that supports safe water supply, operational resilience and responsible environmental management. This includes ongoing investment in asset management, water quality systems, operational technology, supervisory control and data acquisition (SCADA), instrumentation and automation.

Water availability

During the 2025–26 wet season, Lake Moondarra received significant inflows and reached capacity, resulting in water flowing over the spillway. Lake Julius also overflowed during the period. These events improved regional water storage levels and demonstrated the importance of MIWB's dual storage arrangements, operational planning and source water monitoring.

The inflows resulted in short-term changes to raw water quality; however, MIWB managed the operational impacts through established contingency measures. This included temporarily sourcing water for treatment from Clear Water Lagoon while Lake Moondarra water quality returned to more suitable levels. Drinking water supplied for reticulation continued to meet applicable health-based requirements.

Water storage capacity

At full capacity, Lake Moondarra holds approximately 106,800 ML, while Lake Julius has a capacity of approximately 107,500 ML. These two storages remain critical water sources for Mount Isa and the surrounding region.

As at 30 June 2026:

- Lake Moondarra was at 89.1 per cent capacity, equating to approximately 95,159 ML; and
- Lake Julius was at 93.4 per cent capacity, equating to approximately 103,265 ML.

Asset and technology capability

During the year, MIWB continued to strengthen asset and technology capability to support reliable service delivery and better operational decision making. This included progressing initiatives to improve asset data, system monitoring, water quality instrumentation, automation and operational technology resilience.

MIWB progressed the Flow Meter Replacement – Stage 2 project to improve the accuracy and reliability of bulk water measurement data across the Lake Moondarra and Lake Julius water supply schemes. This work supports operational decision making, customer assurance and regulatory reporting.

MIWB also continued planning for future instrumentation, automation and SCADA improvements. These initiatives are intended to improve real-time monitoring capability, strengthen cybersecurity and resilience of critical operational systems, and support more data-driven asset lifecycle management.

Long-term security of supply

Ensuring the long-term security and reliability of water supply remains a critical priority for MIWB. Lake Moondarra and Lake Julius are both essential to meeting the region's water needs, with Lake Julius continuing to provide an important drought and water quality mitigation source.

MIWB continues to support long-term water security through strategic planning, infrastructure renewal, water treatment improvements, asset lifecycle planning and engagement with customers and government stakeholders.
These activities support the safe, efficient and reliable delivery of bulk water services in a regional environment where demand, climate and operating conditions can change over time.

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

Reporting period	Volumetric Change (ML)	Capacity (%)
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
July 2024 – June 2025	-13,777	71.4
July 2025 – June 2026	+18,904	89.1

Strategic objective

Commercial and financial

This pillar focuses on delivering prudent, efficient and cost-effective services. MIWB's commercial and financial priorities include maintaining sound financial performance, strengthening revenue resilience, improving procurement and contract management, optimising asset performance and identifying opportunities to reduce costs and improve efficiency.

Customer and commercial arrangements

MIWB continued to engage with customers, government and industry stakeholders to understand future infrastructure requirements and respond to changing economic conditions in Northwest Queensland. This included monitoring the impacts of structural changes in the Mount Isa resources sector and considering implications for future demand, customer arrangements and long-term infrastructure planning.

During the year, MIWB completed the novation of its bulk water contract arrangements to Southern Cross Operations Limited, following completion of the associated commercial, legal and risk assessments. Southern Cross Operations Limited became the entity through which the Mount Isa manufacturing operations transacted from 1 August 2025. The novation ensured continuity of contractual arrangements while protecting MIWB's legal, commercial and financial interests.

MIWB also continued to monitor opportunities to support emerging projects in the North West Minerals Province where these align with MIWB's statutory functions, commercial principles and long-term sustainability.

Procurement and contract management

During 2025–26, MIWB continued to strengthen its procurement and contract management framework to support a centralised, consistent and risk-based approach to procurement. This included continued use of procurement planning, fit-for-purpose market engagement, contract oversight and quality assurance processes.

MIWB also progressed alignment of its procurement framework with the Queensland Procurement Policy 2026. This included reviewing procurement policies, procedures, templates, governance settings and sourcing practices to support value for money, probity, transparency, supplier engagement and compliance with applicable Queensland Government procurement requirements.

The procurement function continued to partner with business areas to develop appropriate procurement strategies, improve procurement documentation and support robust evaluation and contract outcomes. MIWB also continued to use whole-of-government and Local Buy arrangements where appropriate to streamline sourcing, support compliance and achieve efficient commercial outcomes.

Internal service delivery and systems improvement

MIWB continued to invest in internal systems and processes to improve efficiency, strengthen controls and support better decision making. During the year, MIWB secured a contract with TechnologyOne to deliver an integrated Enterprise Resource Planning (ERP) SaaS system, with implementation commencing in March 2026.

The ERP program is intended to modernise core business functions, streamline key processes, reduce manual handling and improve the accuracy, timeliness and visibility of financial and operational information. Phase one will focus on core finance, procurement, budgeting, records management and human resources/payroll functions, with go-live targeted from the second quarter of FY2026–27. A second phase is expected to extend capability across asset management, maintenance planning and project delivery.

This staged approach is intended to manage implementation risk and provide a stronger digital foundation for MIWB's financial, operational and compliance management.

Financial sustainability and cost optimisation

MIWB continued to manage its financial position in accordance with commercialisation principles, customer contracts and statutory obligations. Financial sustainability was supported through disciplined cost management, prudent capital investment, regular financial reporting to the Board and Audit, Risk and Finance Committee, and ongoing review of customer pricing and demand assumptions.

During the year, MIWB also continued to assess opportunities to optimise operating costs, including energy efficiency across its water distribution systems. These activities support MIWB's capacity to deliver reliable services, maintain essential infrastructure and provide an appropriate return to the Queensland Government.

Strategic objective

Economic development

MIWB plays an important role in supporting the sustainable economic development of Mount Isa and the broader Northwest Queensland region. This pillar reflects MIWB's commitment to being agile and responsive by maximising the value of existing infrastructure, planning for future demand and assessing opportunities to support sustainable regional growth.

During 2025–26, MIWB continued to consider the implications of structural changes in regional industry, including the transition of Mount Isa's copper mining and processing activities. This work supported demand forecasting, infrastructure planning and consideration of future service requirements.

Forecasting and planning for future demand

MIWB continued to monitor changes in water demand and regional development trends to inform future planning and asset requirements. This included using customer input, historical demand data and independent modelling to better understand the implications of changing industrial activity, population trends and climatic variability.

This forward-looking approach supports prudent investment decisions and helps MIWB respond proportionately to emerging opportunities while maintaining reliable and efficient services for existing customers.

Infrastructure readiness and regional support

MIWB's economic development focus is underpinned by maintaining fit-for-purpose infrastructure and assessing opportunities to invest in, upgrade or right-size assets where commercially and operationally appropriate.

During the year, MIWB progressed planning activities to support infrastructure readiness, including demand and infrastructure assessment work, asset renewal planning and consideration of future service delivery needs. These activities support MIWB's ability to respond to changing regional conditions while maintaining reliable services for existing customers.

MIWB will continue to work with customers, government and regional stakeholders to support sustainable economic development where opportunities align with MIWB's statutory functions, commercial principles and long-term financial sustainability.

Stakeholder engagement and growth opportunities

MIWB continued to engage with customers, government, industry and regional stakeholders to identify emerging opportunities and understand future service requirements. This included engagement with State Government representatives on opportunities that may support Mount Isa's economic transition and long-term sustainability.

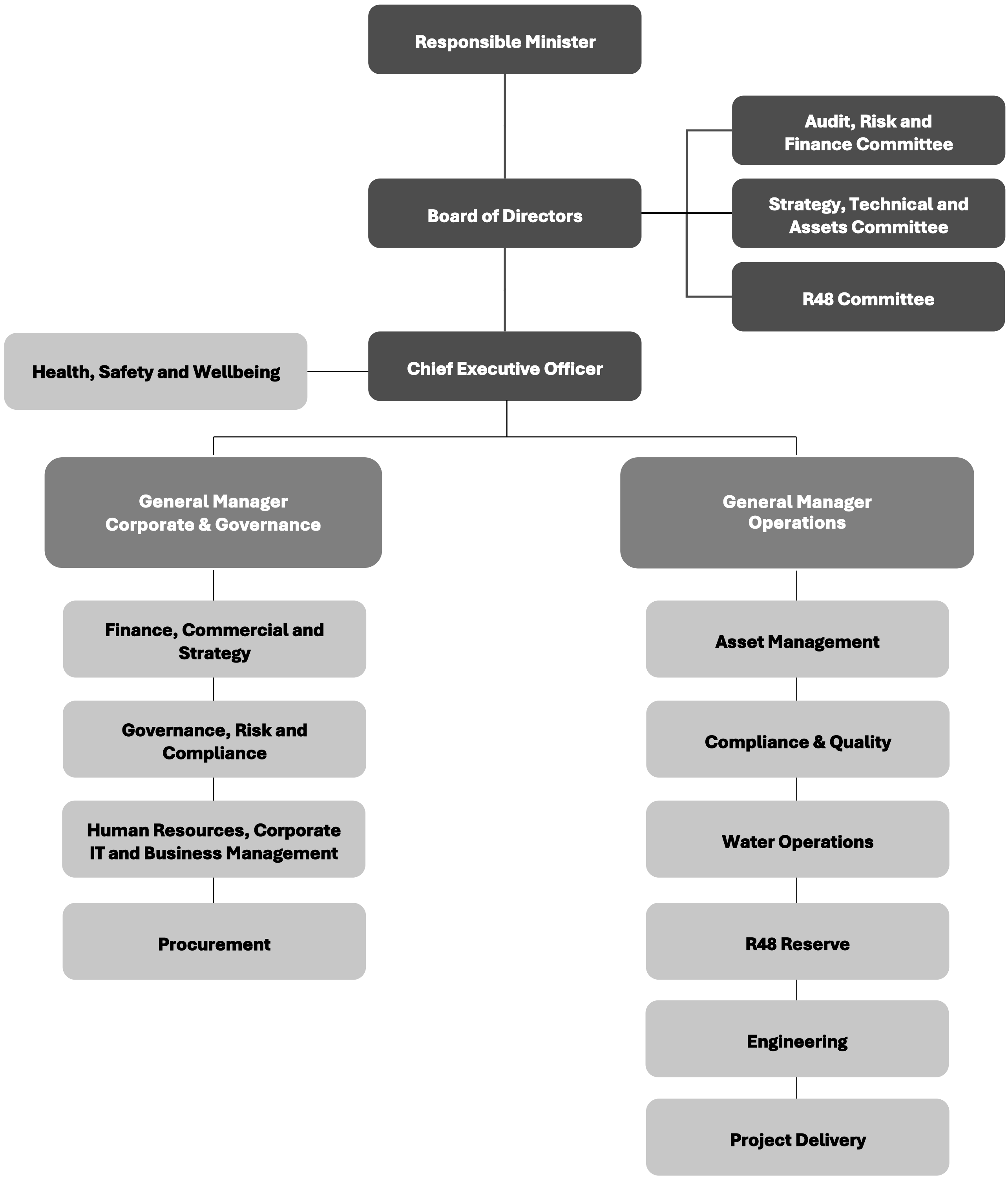
Through this engagement, MIWB seeks to understand potential future demand for bulk water, electricity and related services, and to identify where existing infrastructure, technical capability or future investment may support new or emerging projects.

MIWB will continue to work with customers, government and regional stakeholders to support sustainable economic development where opportunities align with MIWB's organisational capability, strategic priorities and long-term financial sustainability.

Governance

Organisation structure

As of 30 June 2026, our organisational structure was as follows:



Board of Directors (current)

On 23 April 2026, a new Chair and directors were appointed to the MIWB Board. The current Board brings a mixture of regional leadership, financial expertise, governance experience, technical oversight and community connection to support MIWB's strategic direction and stewardship of essential water infrastructure.

Current directors as at 30 June 2026

Mrs Leonie Davey

B.Bus, GAICD, LLB

Director since March 2023; Chair of the Board since April 2026

Leonie Davey has lived and worked in regional Queensland since 1994. She has extensive experience in community development, legal practice and corporate governance. Ms Davey held the position of Chief Executive Officer for the Federal Government's North Queensland regional development body from 2004 to 2007, and was a director of the North Queensland GP Training Organisation from 2008 to 2016. Since 2019, she has practised as a solicitor in Queensland and, from January 2021, has been the Managing Partner of a private law firm.

Cr John Tully

Director since August 2024

Councillor John Tully originates from a property near Bedourie, Queensland, and returned to Mount Isa with his family in 2013. He established City and Country Realty more than 10 years ago, and is a long-term advocate for Mount Isa and the surrounding region. Cr Tully has a strong interest in initiatives that support Mount Isa's liveability, including community infrastructure, sport and recreation, local business, housing and public amenity. His family is heavily invested in Mount Isa, including through operating local businesses.

Ms Eryan Haddon

Director since April 2026; Chair of the Audit, Risk and Finance Committee

Eryan Haddon is a Chartered Accountant with more than 30 years of experience in public practice, and is the owner of a locally-based accounting and business advisory firm in Mount Isa. Ms Haddon has a strong background in working with business owners and company directors on strategic planning, business improvement and financial performance, with a focus on enhancing efficiency, cash flow, profitability and sustainable growth. A Mount Isa local for more than 25 years, Ms Haddon has a genuine commitment to the community and has held a range of board, governance and committee roles throughout that time. She brings this combination of financial expertise, strategic thinking and community connection to her role as a director of MIWB.

Mr Brett Peterson

Director since April 2026; Chair of the Strategy, Assets and Technical Committee

Brett Peterson is a long-term Mount Isa resident and former Mount Isa City Councillor. He served as Deputy Mayor from 2012 until March 2016 and was a Councillor for more than 12 years. Mr Peterson was also the Managing Director of Mount Isa Mining Supplies for more than 20 years. He has previously served as a director of MIWB following nomination by a former elected City Council, and has held a range of board and advisory roles across the private, public and community sectors. Mr Peterson is Chair of MIWB's Strategy, Assets and Technical Committee and a member of MIWB's R48 Committee.

Cr Jane McMillan

Director since April 2026; Chair of the R48 Committee

Councillor Jane McMillan is an experienced agricultural director, pastoral executive and local government representative, based on a beef cattle station on the outskirts of Cloncurry, Queensland. Cr McMillan has a multifaceted career spanning agricultural advocacy, board governance, local council leadership and rural healthcare. She is highly regarded for her background in agribusiness risk management, compliance, regional healthcare operations and corporate governance. Cr McMillan is committed to, and understands the importance and challenges of, providing the Mount Isa community and region with essential water to support liveability and productivity.

Outgoing directors

MIWB acknowledges and thanks the outgoing directors whose terms concluded on 23 April 2026. Each served MIWB prior to and during the 2025–26 reporting period, providing valuable leadership, expertise and oversight across governance, strategy, financial management, asset planning and service delivery.

Mr Steve de Kruijff

OAM, MAusIMM

Director and Chair of the Board until April 2026

Steve de Kruijff's career spans almost four decades in the mining industry, predominantly in Northwest 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.

Ms Karen Read

B.Bus, FCPA, GAICD

Director and Chair of the Audit, Risk and Finance Committee until April 2026

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 all of this time, including several years in Mount Isa from 1995.
From 2014–2017, she was employed as Chief Financial Officer for a consulting engineering and project practice business. Ms Read has extensive Board experience including as a director of Wesley Research Institute, director of Cowboys Leagues Club, and director of Burdekin Salt and Minerals. She is also a former director of Queensland Country Bank and Queensland Country Health Fund. Ms Read is a Fellow of CPA Australia, and a Graduate of the Australian Institute of Company Directors. She is the Deputy Chair of North Queensland Branch Regional Council of CPA Australia.

Ms Janice Wilson

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

Director and Chair of the Strategy, Assets and Technical Committee until April 2026

Janice Wilson is a project director with more than 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 Chair of the Regional, Rural and Remote Specialist Network.

Executive Leadership Team

As of 30 June 2026, MIWB's Executive Leadership Team (ELT) comprised the Chief Executive Officer, General Manager – Corporate & Governance, and General Manager – Operations.

MIWB's ELT 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 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,
MA (Public Sector Leadership), MBA, GAICD

Chief Executive Officer

William (Bill) is an accomplished executive with more than 25 years of experience in the public sector, possessing highly developed leadership skills that cultivate high-performance teams and effective service delivery. Bill has significant experience and expertise in leading strategies and operational plans within complex, geographically-diverse environments. Recognised as a transformational leader with a collaborative and empowering leadership style, Bill 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.

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.

James To

MAppFin, BBA

General Manager – Corporate & Governance

James leads MIWB's Corporate & Governance functions, including governance, risk, compliance, procurement, corporate reporting, technology and transformation activities. James has more than 15 years' experience across governance, risk, assurance, compliance, financial services, utilities and resources. Since joining MIWB in 2024, he has led key improvements to procurement governance, Board reporting, risk and compliance processes, contract management and corporate systems. His background includes senior risk and compliance roles across major financial services organisations, as well as commercial and market analysis experience in the resources sector.

Corporate governance

MIWB is committed to maintaining strong governance and business management practices that support transparency, accountability and effective stewardship of essential water and utility services. This commitment supports MIWB's vision to set the standard for regional utility services and underpins the safe, reliable and cost-effective delivery of bulk water, electricity and trustee recreational services.

MIWB's corporate governance framework provides the Board, Executive Leadership Team and employees with clear roles, responsibilities, policies and procedures to support effective decision making, risk management and compliance. The framework is designed to strengthen integrity, accountability and confidence among customers, stakeholders, the Queensland Government and the Mount Isa community.

MIWB's governance practices are informed by relevant public sector governance requirements and good practice principles, including the Queensland Government's corporate governance guidance and, where appropriate, principles from the ASX Corporate Governance Principles and Recommendations.

The MIWB Board of Directors is responsible for overseeing the organisation's corporate governance, setting strategic direction, establishing performance expectations for management, and monitoring delivery against approved plans. The Board is accountable to the Minister for MIWB's efficient and effective performance. Directors are required to act in MIWB's best interests and ensure the organisation operates in accordance with its Corporate Plan, Performance Plan and statutory obligations.

Under the *Water Act 2000* (Qld), MIWB is governed by a Board of five directors appointed by the Governor in Council. During 2025–26, MIWB underwent a Board transition, with a new Chair and directors appointed on 23 April 2026. The Board acknowledges the valuable contribution of the outgoing directors who served throughout the reporting period.

The following table provides an overview of director attendance at Board meetings held during the reporting period. It includes each director's term of office, the number of meetings each director was eligible to attend, and the total number of meetings attended.

Director	Attended	Eligible to attend	Appointed / Reappointed	Term end / Expiry
Steve de Kruijff*	11	11	27 May 2016	23 Apr 2026
Karen Read*	10	11	29 Aug 2019	23 Apr 2026
Janice Wilson*	8	11	9 Dec 2021	23 Apr 2026
Leonie Davey**	12	13	23 Apr 2026	23 Apr 2030
Cr John Tully	10	13	8 Aug 2024	24 Mar 2028
Brett Peterson	2	2	23 Apr 2026	23 Apr 2030
Cr Jane McMillan	2	2	23 Apr 2026	23 Apr 2030
Eryan Haddon	2	2	23 Apr 2026	23 Apr 2030

* Appointment concluded during the reporting period.

** Director since 9 March 2023; appointed Chair on 23 April 2026.

Attendance reflects meetings held during each director's eligible term.

Board sub-committees

The Board has established three committees to assist directors in discharging their governance and oversight responsibilities:

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

These committees support effective oversight of financial performance, audit, risk management, operational delivery, asset planning, capital investment and stewardship of the R48 Reserve.

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 FY2025–26, the ARFC was comprised of three directors of the MIWB Board of Directors. For the period to 25 May 2026, the ARFC comprised Karen Read, Janice Wilson and Steve de Kruijff. Karen Read was appointed Chair of the ARFC and fulfilled this role during that period.

Following the appointment of new directors by Governor in Council on 23 April 2026, the Board convened on 25 May 2026 and approved revised Board Committee memberships. Eryan Haddon was appointed Chair of the ARFC, with Cr Jane McMillan and Leonie Davey appointed as members, for a period of three years.

MIWB's internal and external auditors were invited to attend meetings to present relevant reports and discuss key areas requiring the oversight of the ARFC. The Chief Executive Officer and the General Manager – Corporate & Governance were standing invitees to meetings of the ARFC.

The ARFC incorporates oversight of enterprise risk management, recognising and highlighting the importance of effective enterprise risk management and internal control at MIWB. In FY2025–26, the ARFC reviewed and endorsed the annual internal and external audit plans, ensuring alignment with key risk areas. It assessed the effectiveness of the external audit function, including reviewing audit findings and monitoring the 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.

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.

Attendance by Members at the ARFC in FY2025–26 is outlined in the table:

Director	Meetings attended	Meetings eligible to attend
Karen Read, Chair until 23 April 2026	4	4
Steve de Kruijff	4	4
Janice Wilson	4	4
Eryan Haddon, Chair from 25 May 2026	1	1
Leonie Davey	0	1
Cr Jane McMillan	1	1

Strategy, Assets and Technical Committee

The Strategy, Assets and Technical Committee (SATC) assists the Board in providing strategic oversight of MIWB's operational, technical, infrastructure and asset management activities. The Committee supports effective governance of MIWB's bulk water, electricity and related infrastructure services, with a focus on reliability, compliance, resilience and long-term service delivery.

The SATC's responsibilities include oversight and advice in relation to:

- Monitoring and advising on the development and implementation of MIWB's key operational strategies, including the Water Strategy, Energy Strategy and Asset Strategy, and ensuring these strategies align with MIWB's corporate goals for operational excellence;
- Overseeing the planning, delivery, and governance of MIWB's Capital Delivery Program, and 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, and ensuring robust asset management practices and effective maintenance programs to enhance operational reliability and efficiency; and
- Ensuring the highest standards of water quality by monitoring compliance with the DWQMP and the ADWG, and 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.

During 2025–26, the SATC membership changed following the Board transition on 23 April 2026. Janice Wilson served as Chair of the Committee until her appointment concluded, with Steve de Kruijff and Karen Read also serving as members during the reporting period. Following the Board transition, Brett Peterson was appointed Chair of the SATC, with Leonie Davey and Eryan Haddon appointed as Committee members.

Attendance for the SATC is shown in the table below:

Director	Meetings attended	Meetings eligible to attend
Janice Wilson, Chair until 23 April 2026	4	5
Steve de Kruijff	5	5
Karen Read	5	5
Brett Peterson, Chair from 25 May 2026	1	1
Leonie Davey	0	1
Eryan Haddon	1	1

R48 Reserve Committee

The R48 Reserve Committee supports the Board in overseeing the strategic management of the R48 Water and Recreation Reserve, an important community and recreational asset, managed by MIWB on behalf of the Queensland Government. The Committee provides advice and oversight to support the effective, sustainable and responsible management 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 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; and
- 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.

During 2025–26, the Committee continued to support MIWB's stewardship of the R48 Reserve, with a focus on public safety, community access, environmental management and the sustainable use of recreational areas. The Committee's work supported MIWB's broader commitment to community engagement, responsible land management and the long-term enjoyment of the Reserve by the Mount Isa community.

During the reporting period, Committee membership changed following the Board transition on 23 April 2026. Leonie Davey served as Chair of the Committee until the transition, with Steve de Kruijff and Cr John Tully also serving as members during the reporting period. Following the Board transition, Cr Jane McMillan was appointed Chair of the Committee, with Cr John Tully and Brett Peterson appointed as Committee members.

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

Director	Meetings attended	Meetings eligible to attend
Leonie Davey, Chair until 23 April 2026	4	4
Steve de Kruijff	4	4
Cr John Tully	1	4
Cr Jane McMillan, Chair from 25 May 2026	0	0
Brett Peterson	0	0

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 2025–26, the total remuneration paid was $120,218. Related additional costs paid during the period (primarily for airfares and accommodation) totalled $36,546.86.

Reporting requirements

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

The documents produced include:

- The Annual Report;
- Quarterly reports;
- Annual financial statements;
- Department of State Development, Infrastructure, Local Government and Planning monthly capital reports;
- MIWB's Corporate Plan;
- MIWB's Performance Plan;
- The 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*);
- Regulatory Review of the Drinking Water Quality Management Plan (DWQMP); and
- The DWQMP Annual Report.

MIWB fulfilled all of its reporting responsibilities during 2025–26, 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 Local Government, Water and Volunteers 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 to:

- Create complete and reliable records;
- Make records discoverable and accessible for use and re-use; and
- 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 is committed to a structured and proactive approach to risk management that supports effective decision making, accountability and the delivery of safe, reliable and efficient services.

During 2025–26, MIWB reviewed and revised its Enterprise Risk Management Framework to strengthen the way risks are identified, assessed, managed, monitored and reported across the organisation. The revised framework clarifies roles and responsibilities for risk management at operational, management and Board levels, and supports more consistent reporting of key risks, controls, actions and emerging issues.

MIWB's approach to risk management is based on AS/NZS ISO 31000:2018 Risk Management – Guidelines and supports the requirements of section 23 of the *Financial and Performance Management Standard 2019* (Qld). The framework is supported by key documents including the:

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

Risk management is embedded through regular management review, reporting to the Audit, Risk and Finance Committee, Board oversight, internal controls, assurance activities and action tracking. MIWB continues to promote a culture where risk management is understood as a shared responsibility across the organisation.

Compliance management

During 2025–26, MIWB continued to strengthen its compliance management practices to support the effective identification, monitoring and reporting of regulatory and legislative obligations.

MIWB maintains a Compliance Management Framework and supporting procedures to guide compliance activities across the organisation. This includes maintaining compliance obligations, assigning responsibilities, monitoring key controls and reporting compliance matters through management and governance channels.

During the year, MIWB continued to improve compliance awareness, documentation and reporting processes to support accountability and transparency. MIWB received no reportable regulatory breaches during the reporting period.

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 2025–26 external audit. This is the fourth 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 General Manager – Corporate & Governance, Commercial Finance Manager, and the broader Finance Team. The auditor's report is considered by the ARFC. 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 ARFC, which ensures MIWB has due regard for these recommendations.

Internal auditor

MIWB's internal audit function is an important part of its corporate governance framework, providing independent assurance over the effectiveness of risk management, internal controls and governance processes.

MIWB's internal audit services are delivered by an external provider. Internal audit activities are conducted independently and in accordance with relevant professional standards.

During 2025–26, internal audit activities continued to support MIWB's governance and assurance program by providing independent review of selected areas of risk, control and business process performance.

The internal audit program is overseen by the Audit, Risk and Finance Committee in accordance with the Internal Audit Charter and the Audit, Risk and Finance Committee 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 Request to Information (RTI) applications between 1 July 2025 and 30 June 2026 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 (07) 4139 0169 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) at https://www.data.qld.gov.au/.

The following information requirements are reported on the Open Data Portal:

- **Consultancies** – expenditure released on the Queensland Government's Open Data Portal; and
- **Overseas travel** – nil expenditure reported for 2025-26.

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 monthly via the Open Data Portal. Data on other activities, such as historical lake levels, is available at www.mountisawater.qld.gov.au/ourdata.

Financial performance

MIWB recorded a strong financial outcome for the 2025–26 financial year, achieving a net profit after income tax equivalents of $6.8 million, supported by operating revenue of $34.7 million and operating expenditure of $25.7 million.

In line with this performance, MIWB has accrued a dividend of $5.44 million for 2025–26, following a dividend payment of $4.68 million to the Queensland State Government for 2024–25.

A detailed summary of our financial performance is provided in Table 1.

Table 1. Financial performance during 2025–26

	2025–26	2024–25	2023–24
Financial performance			
Operating revenue	$34.7m	$34.1m	$33.3m
Operating expenses	$25.7m	$26.3m	$28.1m
Operating profit	$9.1m	$7.8m	$5.1m
Profit from ordinary activities (after tax)	$6.8m	$5.8m	$3.9m
Financial position			
Total assets	$143.1m	$141.1m	$162.0m
Total liabilities	$17.9m	$17.4m	$22.5m
Net assets	$125.2m	$123.7m	$139.6m
Cash and liquidity			
Net cash provided by operating activities	$13.2m	$11.6m	$7.3m
Cash, cash equivalents and term deposits at year end	$26.1m	$24.0m	$19.0m
Ratios			
Current ratio	7.73[1]	7.29[1]	3.13
Liabilities/assets ratio	12.52%	12.33%	13.86%
Liabilities/equity ratio	14.31%	14.07%	16.09%

[1] The current ratio is calculated excluding the accrued dividend payable.

Financial report and accounts

Mount Isa Water Board ABN 97 761 284 021

For the period ended 30 June 2026

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: (07) 4139 0169
- Email: info@mountisawater.qld.gov.au
- By Post: PO Box 1712, Mount Isa, QLD 4825

Statement of comprehensive income

For the period ended 30 June 2026

	Note	2026 $	2025 $
INCOME FROM CONTINUING OPERATIONS			
Revenue			
Revenue from contracts with customers	**2**	33,478,323	33,320,038
Interest earned from contracts with clients		957,713	757,536
Other revenue		11,920	6,062
TOTAL REVENUE		**34,447,956**	**34,083,636**
Gain on sale of property, plant and equipment		260,642	16,364
TOTAL INCOME FROM CONTINUING OPERATIONS		**34,708,598**	**34,100,000**
EXPENSES FROM CONTINUING OPERATIONS			
Employee expenses	**3a**	(5,113,202)	(4,126,582)
Supplies and services	**3c**	(12,927,791)	(13,815,113)
Depreciation	**8**	(6,299,602)	(6,708,469)
Depreciation – right-of-use asset	**9**	(50,493)	(29,497)
Impairment losses		-	(488,986)
Lease interest		(5,719)	(5,141)
Write off of non-current assets		(491,322)	(254,466)
Other expenses		(762,591)	(872,770)
TOTAL EXPENSES		(25,650,720)	(26,301,024)
PROFIT FOR THE YEAR BEFORE INCOME TAX		9,057,878	7,798,976
Income tax expense	**4**	(2,262,063)	(1,950,041)
PROFIT FOR THE YEAR		**6,795,815**	**5,848,935**
OTHER COMPREHENSIVE INCOME			
Increase on revaluation of property, plant and equipment	**13**	197,403	(22,734,403)
Tax on items of comprehensive income	**4**	(49,352)	5,683,686
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**148,051**	**(17,050,717)**
TOTAL COMPREHENSIVE INCOME		**6,943,866**	**(11,201,782)**

The accompanying notes form part of these financial statements.

Statement of financial position
As at 30 June 2026

	Note	2026 $	2025 $
CURRENT ASSETS			
Cash and cash equivalents	**5**	14,579,469	9,798,210
Receivables	**6**	3,733,023	4,101,688
Other current assets	**7**	11,905,476	14,261,201
TOTAL CURRENT ASSETS		**30,217,968**	**28,161,099**
NON-CURRENT ASSETS			
Property, plant and equipment	**8**	112,751,646	112,788,282
Right-of-use asset	**9**	140,806	185,234
TOTAL NON-CURRENT ASSETS		**112,892,452**	**112,973,516**
TOTAL ASSETS		**143,110,420**	**141,134,615**
CURRENT LIABILITIES			
Payables	**10**	8,362,057	7,488,941
Accrued employee benefits		304,790	272,421
Tax liabilities		632,603	745,548
Other liabilities	**12**	44,205	36,529
TOTAL CURRENT LIABILITIES		**9,343,655**	**8,543,439**
NON-CURRENT LIABILITIES			
Accrued employee benefits		81,821	69,607
Deferred tax liabilities	**11**	8,264,644	8,565,428
Other liabilities	**12**	229,940	272,999
TOTAL NON-CURRENT LIABILITIES		**8,576,405**	**8,908,034**
TOTAL LIABILITIES		**17,920,060**	**17,451,473**
NET ASSETS		**125,190,360**	**123,683,142**
EQUITY			
Contributed equity		30,430,390	30,430,390
Accumulated surplus		45,527,909	44,168,742
Asset revaluation surplus	**13**	49,232,061	49,084,010
TOTAL EQUITY		**125,190,360**	**123,683,142**

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the period ended 30 June 2026

	Note	Accumulated surplus $	Asset revaluation surplus $	Contributed equity $	Total $
			Note 13		
Balance at 1 July 2024		**42,998,958**	**66,134,727**	**30,430,390**	**139,564,075**
Operating result from continuing operations		5,848,935	–	–	5,848,935
Other comprehensive income					
• Decrease on revaluation of property, plant and equipment	**13**	–	(17,050,717)	–	(17,050,717)
Total comprehensive income for the period		5,848,935	(17,050,717)	–	(11,201,782)
Transactions with owners					
• Dividend accrued		(4,679,151)	–	–	(4,679,151)
• Dividends paid		–	–	–	–
Balance at 30 June 2025		**44,168,742**	**49,084,010**	**30,430,390**	**123,683,142**
Balance at 1 July 2025		**44,168,742**	**49,084,010**	**30,430,390**	**123,683,142**
Operating result from continuing operations		6,795,815	–	–	6,795,815
Other comprehensive income					
• Increase on revaluation of property, plant and equipment	**13**	–	148,051	–	148,051
Total comprehensive income for the period		6,795,815	148,051	–	6,943,866
Transactions with owners					
• Dividends accrued		(5,436,648)	–	–	(5,436,648)
• Dividends paid		–	–	–	–
Balance at 30 June 2026		**45,527,909**	**49,232,061**	**30,430,390**	**125,190,360**

The accompanying notes form part of these financial statements.

Statement of cash flows
For the period ended 30 June 2026

	Note	2026 $	2025 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Inflows:			
Receipts from customers		33,867,640	32,548,466
Interest received		951,232	729,843
GST input tax credits from ATO		1,955,621	1,708,219
GST received from customers		174,633	186,510
Outflows:			
Employee expenses		(5,068,620)	(4,196,575)
Supplies and services		(13,112,186)	(14,732,254)
Finance/borrowing costs		(5,719)	(5,141)
Other expenses		(762,591)	(872,770)
GST paid to suppliers		(1,963,935)	(1,621,059)
GST remitted to ATO		(174,633)	(193,029)
Income taxes paid		(2,675,792)	(1,958,034)
Net cash generated from operating activities	**14**	**13,185,650**	**11,594,176**
CASH FLOWS FROM INVESTING ACTIVITIES			
Inflows:			
Proceeds from sale of property, plant and equipment		260,642	16,364
Net proceeds from term deposits		2,655,741	-
Outflows:			
Payments for property, plant and equipment		(6,606,242)	(3,569,061)
Payment for term deposits		-	(4,941,516)
Net cash used in investing activities		**(3,689,859)**	**(8,494,213)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Outflows:			
Repayment of loans		-	-
Dividends paid		(4,679,151)	(3,093,458)
Payment of lease liability		(35,381)	(19,345)
Net cash used in financing activities		**(4,714,532)**	**(3,112,803)**
Net increase in cash and cash equivalents		4,781,259	(12,840)
Cash and cash equivalents at beginning of financial year		9,798,210	9,811,050
Cash and cash equivalents at end of period	**5**	**14,579,469**	**9,798,210**

The accompanying notes form part of these financial statements.

Notes to the financial statements
For the period ended 30 June 2026

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 period ending 30 June 2026, and other authoritative pronouncements to the extent they are considered relevant.

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(o).

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.

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 fixed and variable consideration are allocated across the performance obligations).

1. Summary of significant accounting policies (continued)

(b) Revenue from contracts with customers (continued)

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.

(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.

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 receipted but not banked at 30 June 2026.

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

1. Summary of significant accounting policies (continued)

(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 Financial Instruments* 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 2026 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(o).

(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) 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.

The depreciable amounts 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

(i) 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.

1. Summary of significant accounting policies (continued)

(j) 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.

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 endorsement by 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(k) 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'.

1. Summary of significant accounting policies (continued)

(k) 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 8.

(l) 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 2026 is recognised at undiscounted values.

Long service leave

MIWB has estimated the liability for long service leave at 30 June 2026. 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 2026.

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.

(m) 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; and
- 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.

1. Summary of significant accounting policies (continued)

(n) 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 2026 approximates fair value.

(o) Significant accounting estimates and judgements

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 8;
- Contingencies – Note 16;
- Impairment provision on trade receivables and contract assets – Note 15;
- Estimation of useful lives of assets – Note 8; and
- Deferred tax assets and liabilities – Note 11.

(p) 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)).
- Term deposits – held at amortised cost (refer Note 7)
- Payables – held at amortised cost (refer Note 1(n)).
- 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.

(q) Authorisation of financial statements for issue

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

(r) New and revised accounting standards

Accounting standards applied for the first time

The following amendments to Australian Accounting Standards were applied by MIWB for the first time in the 2025–26 financial year:

- AASB 2023-5 *Amendments to Australian Accounting Standards – Lack of Exchangeability;*
- AASB 2024-4 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128; and*
- AASB 2026-1 *Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements*.

AASB 2023-5 amended AASB 1, AASB 121 and AASB 1060 to provide guidance on assessing whether one currency is exchangeable into another currency, estimating an exchange rate when exchangeability is lacking and providing related disclosures. The amendments had no impact on MIWB because MIWB does not undertake material foreign currency transactions or hold material foreign currency balances.

AASB 2024-4 deferred the effective date of amendments concerning the sale or contribution of assets between an investor and its associate or joint venture. The amendments had no impact on MIWB's financial statements.

AASB 2026-1 added illustrative examples to the guidance accompanying AASB 136 Impairment of Assets and AASB 137 Provisions, Contingent Liabilities and Contingent Assets. The examples illustrate how existing disclosure requirements apply to uncertainties affecting asset recoverable amounts and decommissioning or restoration obligations. The amendments did not change the recognition or measurement requirements of AASB 136 or AASB 137. MIWB considered the additional guidance when preparing its impairment and provision disclosures, and the amendments had no material impact on the financial statements.

No amendments applied for the first time in 2025–26 had a material impact on the amounts recognised in MIWB's financial statements.

Accounting standards early adopted

No accounting standards have been early adopted by MIWB for the 2025-26 financial year.

Accounting standards issued but not yet effective

The following standards and amendments have been issued but were not yet mandatory for MIWB for the year ended 30 June 2026:

- AASB 17 *Insurance Contracts* and AASB 2022-9 *Amendments to Australian Accounting Standards – Insurance Contracts* in the Public Sector, effective for annual reporting periods beginning on or after 1 July 2026;

1. Summary of significant accounting policies (continued)

(r) New and revised accounting standards (continued)

- AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments*, effective for annual reporting periods beginning on or after 1 January 2026;
- AASB 2024-3 *Amendments to Australian Accounting Standards – Annual Improvements Volume 11*, effective for annual reporting periods beginning on or after 1 January 2026;
- • AASB 2025-1 *Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity*, effective for annual reporting periods beginning on or after 1 January 2026; and
- • AASB 18 *Presentation and Disclosure in Financial Statements*, effective for for-profit entities for annual reporting periods beginning on or after 1 January 2027 (2027-28 financial year).

AASB 17 and AASB 2022-9 establish recognition, measurement, presentation and disclosure requirements for insurance contracts, including public sector-specific requirements. Based on MIWB's current activities and contractual arrangements, MIWB does not expect these requirements to have a material impact because it does not issue insurance contracts or operate material insurance-like arrangements within the scope of AASB 17.

AASB 2024-2 amends AASB *7 Financial Instruments: Disclosures* and AASB 9 *Financial Instruments*, including requirements relating to the settlement of financial liabilities through electronic payment systems and the assessment of contractual cash flow characteristics. Based on MIWB's current financial instruments, which primarily comprise cash, receivables, payables and lease liabilities, no material impact is expected.

AASB 2024-3 makes limited amendments to AASB 1, AASB 7, AASB 9, AASB 10 and AASB 107 as part of the Annual Improvements Volume 11. MIWB does not expect these amendments to have a material impact on its financial statements.

AASB 2025-1 amends the accounting requirements for contracts referencing nature-dependent electricity, including certain electricity purchase agreements, and introduces related disclosure requirements. MIWB is assessing the application of these amendments to its electricity purchase and supply arrangements. Based on the assessment completed to date, no material impact is expected.

AASB 18 will replace AASB 101 Presentation of Financial Statements. As MIWB is a for-profit entity, the standard will first apply to MIWB for the financial year ending 30 June 2028. The standard is not expected to change the recognition or measurement of MIWB's assets, liabilities, income or expenses, or its total profit or net assets. It will, however, change the presentation and disclosure of MIWB's financial performance.

MIWB has commenced assessing the detailed impact of AASB 18 on its financial statement formats, account classifications, cash flow presentation, comparative information and publicly reported performance measures. The presentation and disclosure impacts will be incorporated when the standard becomes mandatory.

Other Australian Accounting Standards and amendments issued but not yet effective have been assessed as either not applicable to MIWB or not expected to have a material impact on its financial statements.

(s) 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'.

(t) 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.

2. Revenue from contracts with customers

	2026 $	2025 $
Water delivery services		
Sale of water	31,709,291	31,386,543
Sale of electricity	1,769,032	1,933,495
	33,478,323	**33,320,038**
a) Timing of revenue recognition		
Transferred at a point in time	5,355,514	5,533,984
Transferred over time	28,122,809	27,786,054
	33,478,323	**33,320,038**
b) Contracts with customers		
Glencore Mount Isa Mines Ltd	14,694,447	14,738,164
Mount Isa City Council	13,428,362	13,047,890
Southern Cross Operations Limited[1]	3,571,580	3,586,401
North West Queensland Water Pipeline Pty Ltd	1,769,032	1,933,495
Other	14,902	14,088
	33,478,323	**33,320,038**
c) 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.

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.

1 Southern Cross Operations Limited became the relevant contracting entity for the Mount Isa manufacturing operations from 1 August 2025. The 2025 comparative amount relates to Incitec Fertilisers Operations Pty Ltd, as reported in the prior-year financial statements.

2. Revenue from contracts with customers (continued)

(ii) Sale of water

Identifying the contract

In addition to providing bulk water services, MIWB sells part of its water allocation to Southern Cross Operations Limited 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, Southern Cross Operations Limited 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 Southern Cross Operations Limited 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.

3. Expenses from continuing operations

3a. Employee expenses

	2026 $	2025 $
Wages and salaries	4,110,531	3,489,641
Annual leave expense*	29,250	(49,124)
Long service leave expense*	15,812	2,208
Board member fees	107,652	107,191
Employer's superannuation contributions*	467,273	386,569
Employee-related expenses		
Worker's compensation premium*	43,397	52,059
Payroll tax*	339,287	138,038
Total	**5,113,202**	**4,126,582**

* Refer to Note 1(l)

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis as at 30 June 2026 is as follows:	22.0	25.0

3b. Key executive management personnel and related party disclosures

The directors of MIWB and the key executive management personnel, collectively described as Key Management Personnel (KMP), are those persons who had authority and responsibility for planning, directing and controlling the activities of MIWB during the 2025–26 financial year. Comparative information is also provided for the 2024–25 financial year.

Board of Directors

During the 2025–26 financial year, changes were made to the composition of the Board following the appointment of a new Chair and three new directors, effective 23 April 2026.

The MIWB Board of Directors is responsible for the manner in which the authority performs its functions and exercises its powers. This includes deciding the objectives, strategies and policies to be followed by MIWB and ensuring that MIWB performs its functions in a proper, effective and efficient manner.

The directors who served as KMP during the reporting period, together with their respective roles and appointment periods, are outlined in the table below.

Position	Responsibilities	Appointment authority	Date initially appointed to position (Date appointment ceased)
Chair – Mr Steve de Kruijff	Responsible for leading and directing the Board, presiding at meetings attended, governing the operations of MIWB and reporting and continuous disclosure to the Minister under the *Water Act 2000*.	*Water Act 2000* section 600,601 and 604	**27/05/2016 (ceased 23/04/2026)**
Chair – Mrs Leonie Davey	Responsible for leading and directing the Board, presiding at meetings attended, governing the operations of MIWB and reporting and continuous disclosure to the Minister under the *Water Act 2000*.	*Water Act 2000* ss.600, 601 and 604	**Director: 09/03/2023; appointed Chair: 23/04/2026**
Director – Cr John Tully	Responsible for governing the operations of MIWB and reporting and continuous disclosure to the Minister under the *Water Act 2000*.	*Water Act 2000* ss.600 and 604	**8/08/2024**
Director – Mrs Leonie Davey ***(to 22 April 2026)***	Responsible for governing the operations of MIWB and reporting and continuous disclosure to the Minister under the *Water Act 2000*.	*Water Act 2000* ss.600 and 604	**09/03/2023 (ceased as Director on appointment as Chair 23/04/2026)**

3. Expenses from continuing operations (continued)

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

Director – Ms Karen Read	Responsible for governing the operations of MIWB and reporting and continuous disclosure to the Minister under the *Water Act 2000*.	*Water Act 2000* ss.600 and 604	**29/08/2019 (ceased 23/04/2026)**
Director – Ms Janice Wilson	Responsible for governing the operations of MIWB and reporting and continuous disclosure to the Minister under the *Water Act 2000*.	*Water Act 2000* ss.600 and 604	**09/12/2021 (ceased 23/04/2026)**
Director – Ms Eryan Haddon	Responsible for governing the operations of MIWB and reporting and continuous disclosure to the Minister under the *Water Act 2000*.	*Water Act 2000* ss.600 and 604	**23/04/2026**
Director – Mr Brett Peterson	Responsible for governing the operations of MIWB and reporting and continuous disclosure to the Minister under the *Water Act 2000*.	*Water Act 2000* ss.600 and 604	**23/04/2026**
Director – Cr Jane McMillan	Responsible for governing the operations of MIWB and reporting and continuous disclosure to the Minister under the *Water Act 2000*.	*Water Act 2000* ss.600 and 604	**23/04/2026**

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 2025-26 and 2024-25 financial years. MIWB has determined that its executive management KMP comprises the members of its Executive Leadership Team (ELT). In the FY2025-26 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 MIWB's strategic direction.
General Manager – Finance, Transformation & Procurement	Responsible for MIWB's finance, procurement, commercial finance, economic modelling, corporate technology, business transformation, customer contracts and related corporate service functions.
General Manager – Operations	Responsible for managing all aspects of the day-to-day operation and maintenance of MIWB's water treatment, storage and distribution network, high-voltage infrastructure, drinking water quality monitoring, testing and assurance, community operations at the R48 Reserve (Lake Moondarra), and the planning and delivery of MIWB's capital projects portfolio.
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 – Capital Projects	Responsible for the planning and delivery of MIWB's 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 Local Government and Water and Minister for Fire, Disaster Recovery and Volunteers. 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 2026, which are published as part of Queensland Treasury's Report on State Finances.

3. Expenses from continuing operations (continued)

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; and
  - 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 KMPs received a performance or bonus payment in the 2025-26 or 2024-25 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.

Board of Directors' compensation

1 July 2025 – 30 June 2026

	Short term employee benefits		Long term employee benefits	Post employment benefits	Termination benefits	Total remuneration
	Base	Other				
Position	**$**	**$**	**$**	**$**	**$**	**$**
Chair – Ms Leonie Davey[1]	**22,723**	**–**	**–**	**2,727**	**–**	**25,450**
Chair – Mr Steve de Kruijff[2]	36,427	–	–	4,371	–	40,798
Director – Ms Karen Read[2]	18,615	–	–	2,234	–	20,849
Director – Ms Janice Wilson[2]	19,546	–	–	2,346	–	21,892
Director – Ms Eryan Haddon[3]	3,342	–	–	401	–	3,743
Director – Ms Jane McMillan[3]	3,342	–	–	401	–	3,743
Director – Brett Peterson[3]	3,342	–	–	401	–	3,743
Total remuneration	**107,337**	**–**	**–**	**12,881**	**–**	**120,218**

1 July 2024– 30 June 2025

	Short term employee benefits		Long term employee benefits	Post employment benefits	Termination benefits	Total remuneration
	Base	Other				
Position	**$**	**$**	**$**	**$**	**$**	**$**
Chair – Mr Steve de Kruijff	41,000	–	–	4,715	–	45,715
Director – Ms Karen Read	22,000	–	–	2,530	–	24,530
Director – Ms Janice Wilson	22,000	–	–	2,530	–	24,530
Director – Mr George Fortune[4]	2,314	–	–	255	–	2,569
Director – Ms Leonie Davey	19,877	–	–	2,286	–	22,163
Total remuneration	**107,191**	**–**	**–**	**12,316**	**–**	**119,507**

[1] Ms Leonie Davey was appointed Chair effective 23 April 2026, having served as a Director before that date.

[2] The appointments of Mr Steve de Kruijff, Ms Karen Read and Ms Janice Wilson ended on 23 April 2026. Mr de Kruijff served as Chair until that date.

[3] Ms Eryan Haddon, Ms Jane McMillan and Mr Brett Peterson were appointed as Directors effective 23 April 2026.

[4] Mr George Fortune ceased to hold office as a Director on 8 August 2024.

3. Expenses from continuing operations (continued)

3b. Remuneration (continued)

Key executive management personnel compensation

1 July 2025 – 30 June 2026

Position	Contract commencement date / (termination date)	Short term employee benefits		Long term employee benefits	Post employment benefits	Termination benefits	Total remuneration
		Base	Other benefits				
		$	$	$	$	$	$
Chief Executive	30/05/2022	491,319	15,366	11,966	30,000	–	548,652
General Manager – Capital Projects[1]	24/08/2022 / (08/10/2025)	192,684	8,765	–	13,278	102,273	316,999
General Manager – Corporate & Governance[2]	25/07/2022 / (27/03/2026)	237,927	5,781	–	26,324	–	270,032
General Manager – Corporate & Governance[3]	4/06/2026	16,304	6,509	1,713	1,957	–	26,483
General Manager – Operations	19/06/2023	332,160	22,530	3,880	35,741	–	394,312
General Manager– Finance, Transformation & Procurement	13/02/2026 / (03/06/2026)	74,442	–	–	8,933	–	83,375
Total remuneration		**1,344,836**	**58,952**	**17,559**	**116,233**	**102,273**	**1,639,853**

1 July 2024 – 30 June 2025

Position	Contract commencement date / (termination date)	Short term employee benefits		Long term employee benefits	Post employment benefits	Termination benefits	Total remuneration
		Base	Other benefits				
		$	$	$	$	$	$
Chief Executive	30/05/2022	499,603	3,614	4,142	36,106	–	543,465
General Manager – Capital Projects	24/08/2022	276,041	25,125	4,862	28,737	–	334,765
General Manager – Corporate & Governance	25/07/2022	267,167	–	2,913	30,483	–	300,563
General Manager – Operations	19/06/2023	273,532	–	1,047	27,527	–	302,106
Total remuneration		**1,316,343**	**28,739**	**12,964**	**122,853**	**–**	**1,480,899**

1 The position of General Manager – Capital Projects was made redundant, and the incumbent ceased employment on 8 October 2025. Termination benefits included an ex gratia payment of $20,455.

2 The former General Manager – Corporate & Governance ceased employment on 27 March 2026.

3 The position of General Manager – Finance, Transformation & Procurement was established on 13 February 2026 and ceased on 3 June 2026. The incumbent was appointed General Manager – Corporate & Governance effective 4 June 2026.

3. Expenses from continuing operations (continued)

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 John Tully was a Councillor.
- Trekk Advisory, of which Ms Eryan Haddon is a director and controlling shareholder

MIWB entered 12 transactions for the supply of goods and services to director-related entities during the 2025-26 financial year (2024-25: 12 transactions) and 11 transactions for the purchase of goods and services (2024-25: 12 transactions).

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

	2026 $	2025 $
Revenue		
Water charges	13,428,362	13,047,890
Expenditure		
Other expenses	8,868	9,046

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

Receivables		
Trade receivables	1,123,830	1,101,087
Payables		
Trade creditors	1,155	-

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 were no such transactions in the 2025–26 or 2024–25 financial years.

3c. Supplies and services

	2026 $	2025 $
Accounting and secretarial	89,314	92,221
Audit fees – External audit*	68,000	65,900
Audit fees – Internal fees	110,764	94,935
Professional services	43,655	141,791
General repairs and maintenance	68,761	72,528
Insurance	454,754	440,044
Legal fees	75,919	142,651
Recruitment and relocation	121,996	123,383
Water testing	75,457	90,814
SunWater – Lake Julius	772,563	716,112
Power costs	5,094,034	6,198,915
Technical services	193,728	140,605
Operating and maintenance	3,758,813	3,731,359
Filtration costs	572,066	523,634
Ops - Information Technology Systems	400,440	161,900
Ops - Security	117,957	116,557
Software Maintenance & Support	118,247	101,418
Travel & Accom - Staff	273,780	276,330
Software < $5,000	112,482	104,783
Other expenses	405,061	479,233
Total	**12,927,791**	**13,815,113**

*Total audit fees paid to the Queensland Audit Office relating to the 2025-26 financial year are estimated to be $68,000 (2025: $65,900). There are no non-audit services included in this amount.

4. Income tax expense

	2026 $	2025 $
a) Income tax equivalents expense		
Current income tax charges	2,707,725	2,656,557
Deferred income tax relating to origination and reversal of temporary tax differences	(443,257)	(706,147)
Under/(over) provision in prior years	(2,405)	(369)
Income tax expense	**2,262,063**	**1,950,041**
Deferred income tax (revenue) expense included in income tax expense comprises:		
• Decrease/(Increase) in deferred tax assets	3,038	(3,867)
• Decrease in deferred tax liabilities	(446,295)	(702,280)
	(443,257)	**(706,147)**

b) Numerical reconciliation of income tax expense and tax expense calculated per statutory income tax rate

	2026	2025
Profit from operations before income tax expense	9,057,878	7,798,976
Tax at the rate of 25.0%	2,264,470	1,949,744
Permanent tax differences	–	666
Under/(over) provision in prior years	(2,407)	(369)
Income tax equivalents expense	**2,262,063**	**1,950,041**

c) Tax expense relating to items of other comprehensive income

	2026	2025
Deferred tax		
Net gain/loss on revaluation of property, plant & equipment	49,352	(5,683,686)
	49,352	**(5,683,686)**

5. Cash and cash equivalents

	2026 $	2025 $
Cash at bank	8,124,027	9,420,511
Deposits at Queensland Treasury Corporation, at call	6,455,442	377,699
Total	**14,579,469**	**9,798,210**

6. Receivables

	2026 $	2025 $
Current		
Trade debtors	3,372,936	3,756,396
Accrued interest	207,020	200,540
GST receivable	153,067	144,752
Total	**3,733,023**	**4,101,688**

7. Other current assets

	2026 $	2025 $
Other current assets		
Term deposits	11,500,000	14,155,740
Prepayments	405,476	105,461
Total	**11,905,476**	**14,261,201**

8. Property, plant and equipment

	2026 $	2025 $
Land		
At fair value	94,125	88,797
	94,125	**88,797**
Leasehold land:		
At cost	568,986	568,986
	568,986	**568,986**
Leasehold improvements:		
At cost	50,792	125,396
	50,792	**125,396**
Buildings:		
At fair value	554,216	345,453
	554,216	**345,453**
Infrastructure: Pipelines		
At fair value	47,920,850	49,599,658
	47,920,850	**49,599,658**
Infrastructure: Other		
At fair value	60,126,438	58,924,088
	60,126,438	**58,924,088**
Plant and equipment infrastructure		
At fair value	2,388,865	1,930,803
	2,388,865	**1,930,803**
Capital work in progress		
At cost	1,047,374	1,205,101
Total	**112,751,646**	**112,788,282**

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:

30 June 2026	Balance at the beginning of the year $	Adjustments additions $	Disposals $	Revaluation increments/ (decrements) $	Depreciation expense $	WIP written-off to expense $	Transfers $	Carrying amount at end of year $
Land (at fair value)	88,797	–	–	5,328	–	–	–	94,125
Leasehold land (at cost)	568,986	–	–	–	–	–	–	568,986
Leasehold Improvements (at cost)	125,396	–	–	–	(77,001)	–	2,397	50,792
Buildings (at fair value)	345,453	–	–	–	(16,161)	–	224,924	554,216
Infrastructure: Pipelines (at fair value)	49,599,658	–	–	–	(1,731,291)	–	52,483	47,920,850
Infrastructure: Other (at fair value)	58,924,088	–	(549,456)	192,075	(3,997,209)	–	5,556,940	60,126,438
Plant and equipment (at fair value)	1,930,803	–	(237)	–	(477,940)	–	936,239	2,388,865
Capital WIP (at cost)	1,205,101	6,626,961	–	–	–	(11,705)	(6,772,983)	1,047,374
TOTAL	**112,788,282**	**6,626,961**	**(549,693)**	**197,403**	**(6,299,602)**	**(11,705)**	**–**	**112,751,646**

8. Property, plant and equipment (continued)

30 June 2025	Balance at the beginning of the year $	Adjustments additions $	Disposals $	Revaluation increments/ (decrements) $	Depreciation expense $	WIP written-off to expense $	Transfers $	Carrying amount at end of year $
Land (at fair value)	84,569	-	-	4,228	-	-	-	88,797
Leasehold land (at cost)	568,986	-	-	-	-	-	-	568,986
Leasehold improvements (at cost)	-	-	-	-	(25,410)	-	150,806	125,396
Buildings (at fair value)	416,814	-	-	(74,210)	(17,593)	-	20,442	345,453
Infrastructure: Pipelines (at fair value)	62,031,079	-	-	(10,654,999)	(2,012,575)	-	236,153	49,599,658
Infrastructure: Other (at fair value)	73,001,646	-	(254,465)	(12,083,974)	(4,400,640)	-	2,661,521	58,924,088
Plant and equipment (at cost)	1,503,190	304,024	-	(414,776)	(252,251)	-	790,616	1,930,803
Capital WIP (at cost)	1,799,602	3,265,037	-	-	-	-	(3,859,538)	1,205,101
TOTAL	**139,405,886**	**3,569,061**	**(254,465)**	**(23,223,731)**	**(6,708,469)**	**-**	**-**	**112,788,282**

MIWB has adopted fair value measurement based on the specific identification of units of account. 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.

A.1 CGU – fair value hierarchy level

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

Asset class	2026 $	2025 $
Buildings	554,216	345,453
Infrastructure: Pipelines	47,920,850	49,599,688
Infrastructure: Other	57,852,734	56,602,159
Plant and equipment	2,360,003	1,930,806
Total CGU	**108,687,803**	**108,478,106**

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 2026 and 30 June 2031.	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 2031 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 $98.7 million for the GGM, and $106.4 million 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 7.16 per cent (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.

8. Property, plant and equipment (continued)

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 2026 to 30 June 2031. 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 per cent to 3 per cent.

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 per cent to 3 per cent, and has adopted a WACC that has been prepared by an independent third party that reflects the funding profile and risks pertaining to MIWB.

A.2 Non-CGU – fair value hierarchy level

Leasehold improvement on land

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

Infrastructure: Other – fair value hierarchy level 3

Other infrastructure assets have been valued using a cost approach in accordance with AASB 116 *Property Plant and Equipment* and AASB 13 *Fair Value Measurement*. 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 non-CGU assets. In doing this, the valuer adopted the written down current replacement cost approach.

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.

Level 3 Significant valuation inputs and relationship to fair value

Non-CGU 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.

8. Property, plant and 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. 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:

	2026 $	2025 $
Land	32,500	32,500
Buildings	1,020,827	795,903
Infrastructure – Pipelines	38,903,090	38,850,607
Infrastructure – Other	107,058,735	102,051,251
Other plant and equipment	3,600,583	2,664,344
Total	**150,615,735**	**144,394,605**

9. Leases

MIWB has a perpetual lease over a parcel of land from the Department of Local Government, Water and Volunteers 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; and
- 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.

9. 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; and
- 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 2024	116,170
Additions	95,690
Depreciation expense	(29,497)
Re-assessments	2,871
Closing balance – 30 June 2025	**185,234**
Opening balance – 1 July 2025	185,234
Additions	1,258
Depreciation expense	(50,493)
Re-assessments	4,807
Closing balance – 30 June 2026	**140,806**

10. Payables

	2026 $	2025 $
Current liabilities		
Trade creditors	810,058	394,195
Other creditors	19,609	93,098
Accruals	2,095,742	2,322,497
Dividends payable*	5,436,648	4,679,151
Total	**8,362,057**	**7,488,941**

* On 25 May 2026, MIWB submitted a recommendation to the Minister for Local Government and Water and Minister for Fire, Disaster Recovery and Volunteers for the payment of a dividend to the Queensland Government for the 2025–26 financial year, based on 80 per cent of estimated year-end net profit. On 29 June 2026, the Minister approved MIWB's recommendation pursuant to section 660(3) of the *Water Act 2000* (Qld), noting that the dividend payment was subject to finalisation of MIWB's audited financial statements.

11. Current and deferred tax

	2026 $	2025 $
ASSETS		
Non-current		
Deferred tax asset comprises:		
• Employee benefits	96,653	85,507
• Accrued expenses	11,137	16,475
• Legal fees	2,081	2,081
• Lease liability	42,771	50,101
• Deferred income	25,765	27,281
Deferred tax asset	**178,407**	**181,445**
LIABILITIES		
Non-current		
Deferred tax liability comprises:		
• Prepayment	3,051	–
• Accrued income	51,755	50,135
• Business expenditure	(24,211)	(30,366)
• Property, plant and equipment	8,412,456	8,727,104
Deferred tax liability	**8,443,051**	**8,746,873**
Net deferred tax liability	**8,264,644**	**8,565,428**

12. Other liabilities

	2026 $	2025 $
Current		
Lease liability	44,205	36,529
Non-current		
Grants received in advance	103,061	109,124
Lease liability	126,879	163,875
Total non-current liability	**229,940**	**272,999**
Total	**274,145**	**309,528**

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.

30 June 2026	Balance at beginning of year $	Revaluation increments $	Revaluation decrements $	Impairment losses through equity $	Impairment reversals through equity $	Balance at end of year $
Land	37,873	5,328	–	–	–	43,201
Infrastructure	49,046,137	142,723	–		–	49,188,860
Total	**49,084,010**	**148,051**	**–**	**–**	**–**	**49,232,061**

30 June 2025	Balance at beginning of year $	Revaluation Increments $	Revaluation Decrements $	Impairment Losses through equity $	Impairment reversals through equity $	Balance at end of year $
Land	33,645	4,228	–	–	–	37,873
Infrastructure	66,101,082	75,232	–	(17,130,177)	–	49,046,137
Total	**66,134,727**	**79,460**	**–**	**(17,130,177)**	**–**	**49,084,010**

Revaluation increments and decrements above are disclosed net of tax.

14. Cashflow information

Reconciliation of profit to net cash from operating activities	2026 $	2025 $
Profit after income tax	6,795,815	5,848,935
Non-cash items		
Depreciation	6,299,602	6,708,469
Depreciation – Right-of-use asset	50,493	29,497
Loss on write off	491,322	254,466
Revaluation decrement	–	488,986
Profit on sale of asset	(260,642)	(16,364)
Movement in operating assets and liabilities	**13,376,590**	**13,313,989**
Receivables	383,465	(771,572)
Interest receivable	(6,481)	(27,693)
GST receivables	(8,315)	80,641
Prepayments	(300,018)	(21,533)
Payables	115,619	(895,608)
Annual leave	32,368	(50,394)
Long Service leave	12,214	(19,599)
Deferred income	(6,063)	(6,062)
Deferred tax including tax effect of revaluations	(300,784)	(706,479)
Provision for taxes	(112,945)	698,486
Net cash from operating activities	**13,185,650**	**11,594,176**

Changes in liabilities arising from financing activities

		Non-cash charges			Cash flows		
2026	Closing balance 2025 $	Transfers to/ (from) other Queensland Government entities $	New leases acquired $	Other $	Cash received $	Cash repayments $	Closing balance 2026 $
Lease liability	200,404		4,807	(5,700)	–	(28,427)	171,084
Dividends payable	4,679,151	–	–	–	–	(4,679,151)	–
Total	**4,879,555**	–	**4,807**	**(5,700)**	–	**(4,707,578)**	**171,084**

		Non-Cash Charges			Cash Flows		
2025	Closing balance 2024 $	Transfers to/ (from) other Queensland Government entities $	New leases acquired $	Other $	Cash received $	Cash repayments $	Closing balance 2025 $
Lease liability	121,188	–	95,690	2,871	–	(19,345)	200,404
Dividends payable	3,093,458	–	–	–	–	(3,093,458)	–
Total	**3,214,646**	–	**95,690**	**2,871**	–	**(3,112,803)**	**200,404**

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, term deposits, accounts receivable and payable. 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 2026.

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

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 2026 is $2.45 million which represents 64 per cent of the total trade receivables at reporting date (2025: $2.45 million and 60 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 2025 and 30 June 2026.

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.

As of the reporting date, the market value of debt is zero, and MIWB is not exposed to any liquidity risk.

15. Financial instruments (continued)

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.

		2026 Payable in			
	Note	< 1 year	1–5 years	> 5 years	Total
Financial liabilities		$	$	$	$
Payables	**10**	8,362,057	–	–	8,362,057
Lease liabilities	**12**	44,205	2,905	123,974	171,084
Total		**8,406,262**	**2,905**	**123,974**	**8,533,141**

		2025 Payable in			
	Note	< 1 year	1–5 years	> 5 years	Total
Financial liabilities		$	$	$	$
Payables	**10**	7,488,941	–	–	7,488,941
Lease liabilities	**12**	36,529	43,825	120,050	200,404
Total		**7,525,470**	**43,825**	**120,050**	**7,689,345**

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 2026. 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

Whole-of-Government climate-related reporting

The State of Queensland, as the ultimate parent of MIWB, provides information and resources on climate-related strategies and actions accessible at https://www.treasury.qld.gov.au/policies-and-programs/climate/.

The Queensland Sustainability Report (QSR) outlines the Queensland Government's approach to managing key environmental, social and governance (ESG) risks and opportunities, including governance structures, major commitments and policies, and how these risks and opportunities are measured, monitored and managed across government. The QSR is supported by comprehensive datasets and data dictionaries. The QSR is available via Queensland Treasury's website at https://www.treasury.qld.gov.au/research-and-publications/reports/queensland-sustainability-report/.

17. Climate risk (continued)

MIWB accounting estimates and judgements – climate-related risks

MIWB considers climate-related risks when assessing material accounting judgements and estimates used in preparing its financial report. Key estimates and judgements identified include the potential for changes in asset useful lives, changes in the fair value of assets, impairment of assets, the recognition of provisions or the possibility of contingent liabilities.

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 the MIWB.

MIWB continues to monitor the emergence of material climate-related risks that may impact its financial statements, including directives from the Queensland Government or Queensland Treasury.

18. Events after the reporting date

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

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;

1. 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 2025 to 30 June 2026, and of the financial position of the Mount Isa Water Board as at the end of that period.

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.

Leonie Davey	**Bill Esteves** **GCLP, GC.Bus, LLB, MA, MBA**
Chair	Chief Executive Officer

Dated 25th day of August 2026

Queensland Audit Office
Better public services

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 2026, 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 accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2026:

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.

c) In my opinion, the financial report:

   i. gives a true and fair view of the entity's financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended

   ii. 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.

Responsibilities of the Board 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 such internal control as they determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error

- the establishment and keeping of accounts in accordance with prescribed requirements
- assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

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

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

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

A further description of my responsibilities under the *Auditor-General Act 2009* and *Auditor-General Auditing Standards* is located at the Queensland Audit Office website at:

www.qao.qld.gov.au/audit-program/audit-standards

These descriptions form part of my auditor's report.

M Manuel

31 August 2026

Megan Manuel
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Glossary

ADWG	Australian Drinking Water Guidelines (2011)
ANZECC	Australian and New Zealand Environment and Conservation Council
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.
Board	The Board of Directors of Mount Isa Water Board
DWQMP	Drinking Water Quality Management Plan
EBIT	Earnings before Interest and Tax
FTE	Full Time Equivalent (employee)
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
Lake Julius	Owned and operated by SunWater, a government-owned corporation
Lake Moondarra	Owned by Mount Isa Mines Limited as resource operations licence holder
MIWB	Mount Isa Water Board, as the Statutory Corporate entity
MICC	Mount Isa City Council
ML	Megalitre (one million litres)
R48 Reserve	R48 Water and Recreation Reserve
RTI	Right to Information relating to the *Right to Information Act 2009*
SunWater	The government-owned corporation operating under that name.
Water Act	*Water Act 2000 (Qld)* as amended.

Government body summary

Mount Isa Water Board

Act or instrument	*Water Act 2000* (Qld)
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 $6.8 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(4)	Board: 11 Audit, Risk and Finance Committee: 4 Strategy, Asset and Technical Committee: 5 R48 Reserve Committee: 4	$35,000	$6,000	$36,427
Director / Chair	Leonie Davey(4)	Board: 12 R48 Reserve Committee: 4 Audit, Risk and Finance Committee: 0 Strategy, Asset and Technical Committee: 0	$17,500 / $35,000	$2,500 / $4,000	$22,723
Director	Karen Read(4)	Board: 10 Audit, Risk and Finance Committee: 4 Strategy, Asset and Technical Committee: 5	$17,500	$4,500	$18,615
Director	Janice Wilson(4)	Board: 8 Audit, Risk and Finance Committee: 4 Strategy, Asset and Technical Committee: 4	$17,500	$4,500	$19,546
Director	Cr John Tully(3)	Board: 10 R48 Reserve Committee: 1	$17,500	$2,000	$0
Director	Eryan Haddon(4)	Board: 2 Audit, Risk and Finance Committee: 1 Strategy, Asset and Technical Committee: 1	$17,500	$4,500	$3,342
Director	Brett Peterson(4)	Board: 2 Strategy, Asset and Technical Committee: 1 R48 Reserve Committee: 0	$17,500	$4,500	$0

Director	Cr Jane McMillan[(4)]	Board: 2 Audit, Risk and Finance Committee: 1 R48 Reserve Committee: 0	$17,500	$4,500	$3,342
No. scheduled meetings/ sessions		Board: 13 Audit, Risk and Finance Committee: 5 Strategy, Asset and Technical Committee: 6 R48 Reserve Committee: 4			
Total out of pocket expenses		$36,546.86 (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 represent approved fees paid during the financial year and exclude superannuation.

(3) Cr John Tully did not receive any remuneration for FY2025-26

(4) Steven de Kruijff, Karen Read and Janice Wilson ceased as directors on 23 April 2026. Leonie Davey was appointed Chair and Eryan Haddon, Brett Peterson and Jane McMillan were appointed directors on 23 April 2026. Brett Peterson's FY2025-26 director remuneration was paid in the first payroll run of FY2026-27. Accordingly, no fees were actually received by Brett Peterson during FY2025-26.

Annual report compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	• A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	(ii)
Accessibility	• Table of contents • Glossary	ARRs – section 9.1	(iii) 59
	• Public availability	ARRs – section 9.2	(i)
	• Interpreter service statement	*Queensland Government Language Services Policy* ARRs – section 9.3	(i)
	• Copyright notice	*Copyright Act 1968* ARRs – section 9.4	(i)
	• Information licensing	*QGEA – Information Licensing* ARRs – section 9.5	(i)
General information	• Introductory information	ARRs – section 10	1 - 4
Non-financial performance	• Government's objectives for the community and whole-of-government plans/specific initiatives	ARRs – section 11.1	8
	• Agency objectives and performance indicators	ARRs – section 11.2	5 - 7
	• Agency service areas and service standards	ARRs – section 11.3	5
Financial performance	• Summary of financial performance	ARRs – section 12.1	24
Governance – management and structure	• Organisational structure	ARRs – section 13.1	15
	• Executive management	ARRs – section 13.2	16- 18
	• Government bodies (statutory bodies and other entities)	ARRs – section 13.3	60
	• Public sector ethics	*Public Sector Ethics Act 1994* ARRs – section 13.4	10
	• Human rights	*Human Rights Act 2019* ARRs – section 13.5	10
	• Queensland public service values	ARRs – section 13.6	2
Governance – risk management and accountability	• Risk management	ARRs – section 14.1	22
	• Audit committee	ARRs – section 14.2	19
	• Internal audit	ARRs – section 14.3	22
	• External scrutiny	ARRs – section 14.4	22
	• Information systems and recordkeeping	ARRs – section 14.5	21
	• Information security attestation	ARRs – section 14.6	21
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	9

Summary of requirement		Basis for requirement	Annual report reference
	• Early retirement, redundancy and retrenchment	Directive No.04/18 *Early Retirement, Redundancy and Retrenchment* ARRs – section 15.2	10
Open Data	• Statement advising publication of information	ARRs – section 16	22
	• 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
	• Charter of Victims' Rights	VCSVRB Act 2024 ARRs – section 31.4	data.qld.gov.au
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	56
	• Independent auditor's report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	57

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