



Annual Report

2023 - 2024

Acknowledgement of Country

Unitywater acknowledges the Traditional Owners of the lands on which we operate – the Jinibara, Kabi Kabi and Turrbal people. We recognise their significant contributions to the conservation of our environment and their deep connection to the land and waters.

We pay our respects to their Elders, past and present, and acknowledge the important role all Aboriginal and Torres Strait Islander peoples continue to play within our communities.



Welcome

Unitywater is pleased to present the 2023-24 Annual Report.

This report is published on our website at www.unitywater.com/annualreport

A limited number of copies of this report have also been printed. If you wish to access a printed copy, please call or email **Unitywater** to arrange delivery or collection.

Please use these contacts if you need further information or assistance with this Annual Report:

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Interpreter service



We are committed to providing accessible services to Queensland residents from all cultural and linguistic backgrounds. If you have difficulty understanding this Annual Report and require an interpreter, please contact the Translating and Interpreting Service (TIS National) by phoning 131 450.

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Unitywater Annual Report 2023-24

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2023-24 Results



Value every drop

Percentage carbon emissions reduction	2%
Renewable energy generation	2,100 MWh
Drinking water quality compliance	100%
Drinking water supplied	61,149 ML
Wastewater treated	67,454 ML
Meter readings performed	1,268,242
Water main breaks and leaks per 100km of mains	4
Sewer main breaks and chokes per 100km of mains	6.1



Customer of the future

Value for money score	6.2/10
100% biosolids recycled	74,508 tonnes
Total Nitrogen diverted away from natural waterways	10,000 kg
Total Phosphorous diverted away from natural waterways	2,100 kg
Recycled water supplied	742 ML



Keep it simple

Self serve by customers	88%
Customers received bills electronically	70%



One Unitywater

Safety culture maturity level	Public compliance
Women in water	41% in leadership roles 36% total workforce
High Potential Incident Frequency Rate	5.0 68% improvement on 2022-23
Total team members	833
Diversity of hire in trade and technical roles	54.91%

Message from the Chair

Welcome to Unitywater's 2023-24 Annual Report.

In addition to our compliance reporting, this report is an opportunity for Unitywater's customers to read about the many stories of innovation, progress, leadership and care that have come from our organisation, while shining a light on the many people who live and work in our service area who have delivered these results.

From our frontline field crews to our teams behind the scenes, **Unitywater** people fulfil a dual purpose: to keep our customers connected to safe and reliable water services and to create healthy and thriving communities.

Since it was established in 2010, **Unitywater** has matured to be recognised as more than just a water utility. In 2024, we are proud to be a contemporary and evolved essential service provider; a custodian of sustainable water services that safeguards the environment, protects public health and contributes to the region's long-term liveability.

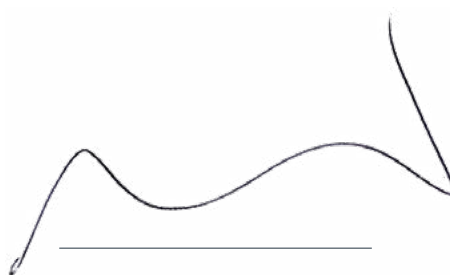
Unitywater has continued to manage affordability for customers through efficient use of resources and by prioritising advanced and predictive technologies that improve customer experience, increase productivity, improve network performance and smooth operating costs.

This year we delivered a profit of \$165.8 million, before dividend payments, which was up 20.6% on last year, due to significant network growth and therefore more developer contributions, a proportion of which was then reinvested towards offsetting debt to pay for growth infrastructure in the region.

Stable returns continue to our participating councils in Moreton Bay, Sunshine Coast and Noosa and we extend our thanks to each council for their ongoing support.

We serve one of the fastest growing regions in the country. This year we delivered some significant projects to enhance water and wastewater services for our growing communities and we announced \$1.8 billion of capital works investment in critical infrastructure over the next five years to ensure we meet the needs of residents and businesses, now and in the future. That work will be delivered by our new long-term delivery partnership, streamlining the capital delivery process to achieve better cost, time and quality outcomes. Keeping our workforce and communities safe is fundamental to enabling this growth as we continued to improve our maturity in safety.

Thank you to the **Unitywater** Board members and Executive Leadership Team for their strategic guidance and strong commitment.



Michael Arnett
Unitywater Board Chair

Message from the CEO

In July 2023 we launched our 2030 Strategic Ambition – setting the direction and tone for the organisation we want to be in the future.

The Strategic Ambition is based on an intention to support the creation of healthy and thriving communities for the people in the regions that we serve. It guides us to value every drop, serve our customers of today and of the future, simplify our business and keep our people safe, skilled and supported.

Our workforce are part of our community and the delivery of our core services each day is made possible by their efforts and contributions and the depth of their technical expertise and capability. We are a significant regional employer, directly employing 833 people, with 88% living within our service region. We also directly employ 45 full-time equivalent contractors, bringing our total workforce to 878.

We value a diverse and inclusive workforce, reflective of our broader community. We continue to improve our gender balance, with women now comprising 36% of our total team, and occupying 41% of leadership roles. With 24% of our workforce under the age of 35, we are also developing the next generation of sector leaders.

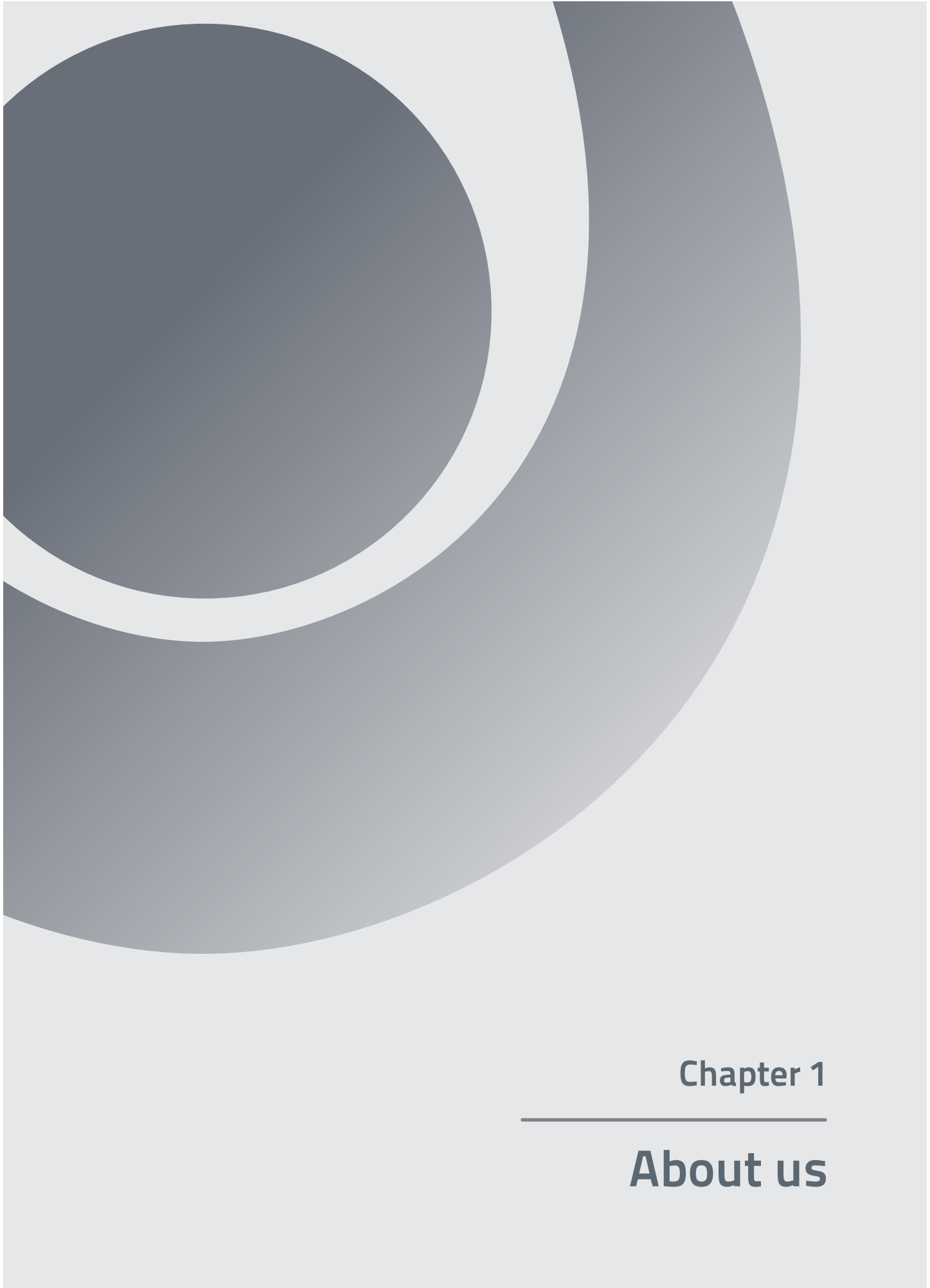
Unitywater serves customers in one of Australia's most exceptional environments in terms of natural beauty, geographical and demographic breadth, and in October 2023 we built on the Strategic Ambition with the launch of our Environmental Sustainability Plan.

The plan complements our net zero targets and supports the United Nations Sustainable Development Goals, going beyond our compliance targets to deliver environmental leadership by creating greener spaces, cleaner waterways and a circular economy in this diverse and magnificent part of the world.

I am proud to have led **Unitywater** through the 2023-24 year and extend my thanks to all the Unitywater team for another memorable year of dedication and commitment.



Anna Jackson
Chief Executive Officer



Chapter 1

About us

About us

Unitywater operates in one of Australia's most exceptional environments in terms of natural beauty, geographical and demographic breadth. Unitywater is a statutory authority, formed under the South East Queensland Water (Distribution and Retail Restructuring) Act 2009. Governed by an independent, skills-based Board, we have a Participation Agreement with our shareholders – City of Moreton Bay, Noosa Council and Sunshine Coast Council.

We exist for our customers - to provide safe water services to more than 800,000 customers across the Moreton Bay, Sunshine Coast and Noosa regions of South East Queensland. Our purpose, healthy and thriving communities, is about the people and the regions we serve.

Our services are essential to life and growth, and contribute beyond public health to demonstrate environmental leadership through more liveable communities, green spaces, cleaner waterways and a circular economy. Our intention is to be defined as an organisation which adds economic, social and environmental value through our actions with customers, communities and partners.

While serving our customers of today, we are considering and investing now for our customers of the future. We foster a great internal community for our people, our South East Queensland locals who work in the field or behind the scenes.

Our purpose

Supporting healthy and thriving communities.

Our strategy

Our 2030 Strategic Ambition sets the direction and tone for the organisation we want to be. It keeps us focused as we navigate our external environment.

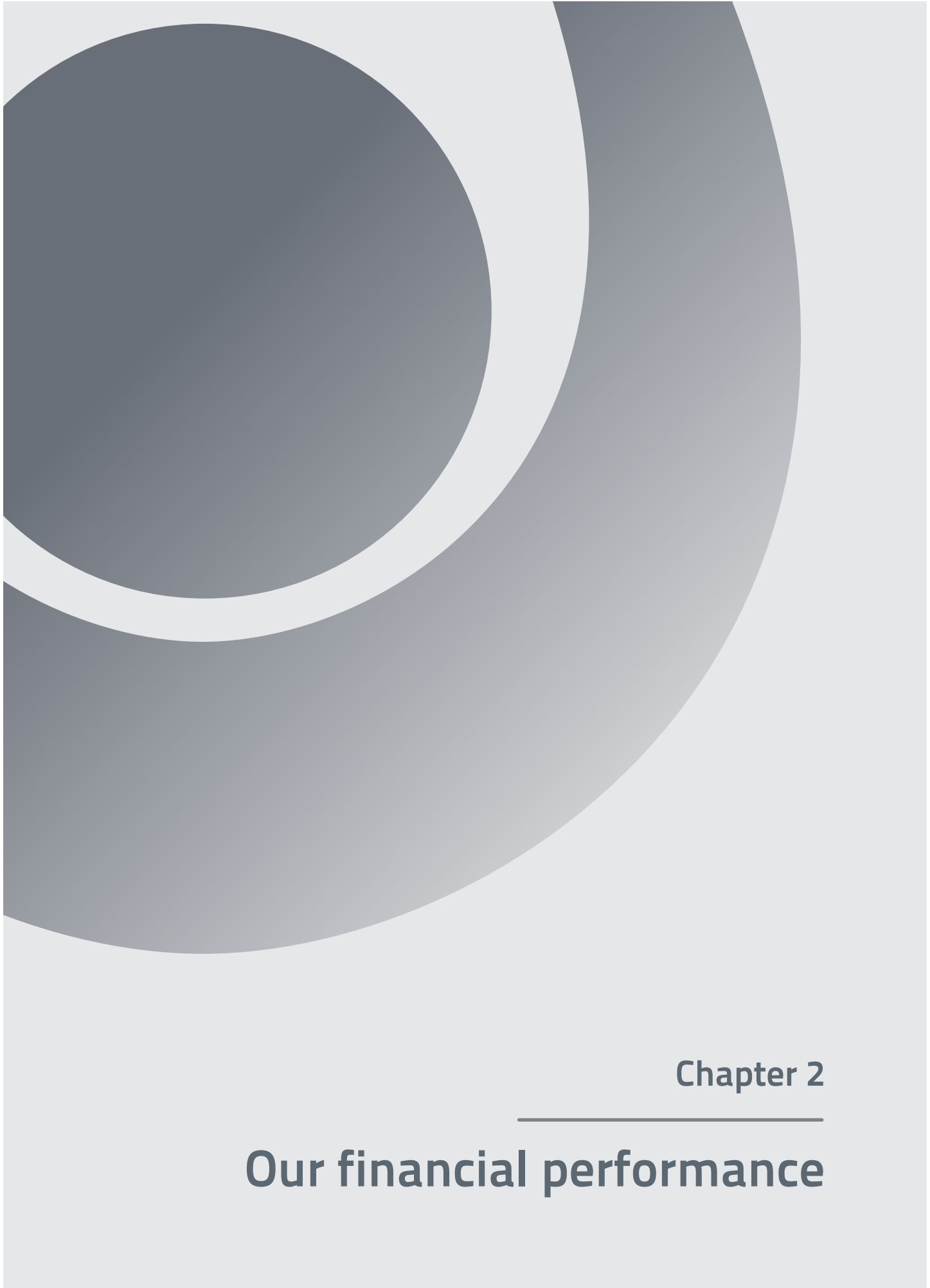
To position effectively we have created an overarching narrative that sets out our priorities and guides our organisation towards the next decade. Our 2030 Strategic Ambition has been built around four themes which are linked to who we are now and who we intend to be:

- **Value every drop**
- **Customer of the future**
- **Keep it simple**
- **One Unitywater**

These themes will provide clarity as we set our priorities, remain focused on achieving our goals, and help our stakeholders understand where **Unitywater** is heading.

In delivering these themes, we will achieve outcomes for our customers, our community, our people and our stakeholders.

Introduced to our business in July 2023, the development of our Ambition was informed by our people, our customers, and the expectations of our owners.



Chapter 2

Our financial performance

Our financial performance

Strong financial management practices and governance ensure the long-term sustainability of our business as we manage a period of regional growth, while continuing to meet obligations to our Participant Councils, customers and community.

In the 2023-24 financial year, **Unitywater's** profit was \$165.8 million after tax, which was a \$28.3 million or 20.6% increase from the previous year.

Revenue from water and sewerage services grew by \$52.4 million or 8.7% and was driven by customer growth and demand, as well as increases to **Unitywater's** prices in 2023-24 to better recover the costs of providing services to our customers and increases to the State Government's bulk water charges.

Developer contributions were a significant revenue source this year and increased from \$129.9 million in 2022-23 to \$200.5 million in 2023-24. This is reflective of the volume of new developments being completed and connected within our region. Developer contributions are an essential source of funding required to develop the network of assets to service new customers.

As a result of sustained higher inflation and an increase in the workforce required to build and maintain the expanding network of assets necessary to support high growth in the region, expenses increased by \$81.4 million or 14.3%. Borrowing costs increased due to higher interest rates and increased debt funding for capital investment.

The total return provided to Participant Councils in 2023-24 was \$140 million, comprised of \$33 million tax equivalents, \$52 million in interest on loans and \$55 million in dividends. Returns to Councils provide a reliable revenue stream that contributes to the delivery of services within their communities.

Earnings retained by **Unitywater** are invested within the business or held to reduce future borrowings required to fund network growth.

Consolidated Statement of Profit or Loss

	2019-20 \$M	2020-21 \$M	2021-22 \$M	2022-23 \$M	2023-24 \$M
Utility charges	578.8	581.2	582.2	598.8	651.1
Developer contributions	123.3	113.4	148.7	129.9	200.5
Other revenue	28.0	29.1	27.5	31.2	35.8
Total revenue	730.1	723.7	758.3	759.8	887.4
Total expenses	(525.4)	(537.0)	(539.6)	(570.4)	(651.8)
Profit before income tax expense	204.7	186.7	218.7	189.4	235.6
Income tax expense	(61.3)	(56.0)	(65.6)	(51.9)	(69.8)
Profit for the year	143.4	130.7	153.1	137.5	165.8



Chapter 3

Value every drop

Value every drop

To ensure that we value every drop of our most precious resource, we continually explore ways to be more efficient and sustainable. It is our responsibility to keep our communities healthy by providing stable, secure and safe water.

Our strategic intent is to ensure:

- We are efficient in the delivery of our services
- Our communities view water as a precious and finite resource
- We maximise reuse of treated wastewater and change our biosolids into different products
- We commit to growing our smart network, installing more smart sensors and moving to predictive maintenance
- We have reliable and diversified sources of revenue to offset costs.

Progressing our intent in this area supports the following United Nations Sustainable Development Goals:

- Clean water and sanitation
- Sustainable cities and communities
- Responsible consumption and production
- Life below water, and life on land.

Waraba benefits from Unitywater first

Caboolture West is the City of Moreton Bay's single biggest growth area and is estimated to become a regional city of 70,000 people over the next 40 years.

This newly planned development area was fast tracked by the Queensland Government, via the Growth Area Compact Grants Program and Building Acceleration and Growth Acceleration funds, to support the development of South East Queensland's largest greenfield housing site.

Waraba is the first neighbourhood development being planned to support growth within Caboolture West.

Endorsed by Traditional Custodians, the Kabi Kabi word Waraba means 'burn' and refers to the traditional land management practices that brought new life and maintained the health of the land and its people.

Unitywater started construction in May 2024 on the new wastewater network in Lilywood, which is a suburb of Waraba, that will provide essential services to this growing region. The project will service more than half of Waraba's planned population of 70,000 in the next 40 years and is a significant upfront investment for the City of Moreton Bay.

The first stage of this network will see wastewater infrastructure delivered by a collaborative approach: a partnership between **Unitywater** and six private development companies.

Killard Infrastructure Pty Ltd and Tallai Project Group were chosen as our construction partners and will deliver:

- A new wastewater pumping station with a flow capacity of approximately 195L/s at a pressure of 3,500 kPa
- Approximately 4.5 kilometres of new wastewater pipeline
- Seven odour control units.

The chosen alignment minimises environmental and residential disruption, and was informed by detailed infrastructure planning and collaboration between **Unitywater**, the Department of Transport and Main Roads, the State Government, City of Moreton Bay and local residents.

Construction is expected to be completed by 2025-26, weather and site conditions permitting.

Investing in infrastructure

Planning for growth across the region

The 2023-24 **Unitywater** program focused on investments to ensure compliance with regulatory obligations, asset renewal, infrastructure development, adherence to infrastructure agreements, sustainability goals, and network digitisation. These significant upgrades to sewage treatment plants, pump stations and pipelines will support regional growth, with specific projects in areas like Aura, Harmony and Caboolture West. Additionally, **Unitywater** aims to achieve its sustainability objectives and enhance customer value through network digitisation.

The growth program aligns with the South East Queensland Regional Plan, focusing on providing necessary infrastructure for regional development. Investments in sewage treatment plants at Brendale, Burpengary East, Coolum, Landsborough and South Caboolture will collectively increase capacity by approximately 120,000 equivalent persons (EP) for 10-20 years of growth. Network growth investments will expand capacities in areas like Aura, Harmony, Caboolture West, Narangba and Pine Valley by around 80,000 EP accommodating 10-15 years of growth. The renewals program targets existing assets that have breached risk or performance triggers, with a focus on key sewage treatment plants and water and sewerage infrastructure to ensure reliable and efficient services, including budget allocations for emergency renewals.

Summary of works complete in FY 2023-24

Despite the ongoing challenges with weather events and general supply chain disruptions the fiscal year capital plan spend (\$390,160,690) was the largest spend in **Unitywater's** history.

Financial Year	2023-24	Water and Sewerage Capital Budget	2023-24
Projects	236	Water Infrastructure	155,800,228
Hours worked	55,008	Sewerage Infrastructure	209,242,047
		Support Infrastructure	25,118,415
		Total	390,160,690

Major infrastructure boost for Aura and Harmony

One of **Unitywater's** largest ever capital works programs, the Aura and Harmony Trunk Infrastructure Program, is playing a vital role in meeting the current and future service demands of these thriving Sunshine Coast communities, ensuring their long-term sustainability, liveability and growth.

The Aura development, south of Caloundra, has a projected population of 50,000 residents by 2050; while Harmony, in Palmview, is expected to be home to 21,000 residents by 2036. **Unitywater's** Aura and Harmony Program connects these fast-growing communities to essential water and wastewater services and significantly improves the overall reliability and operability of the network.

Works began in July 2023 with completion planned for 2026, weather and site conditions permitting.

Works involve laying more than 27 kilometres of new pipework – the equivalent of 160 semi-trailer deliveries of pipes of mixed sizes ranging from 450mm to 900mm in diameter – along three alignments:

- Aura Water Project: 12 kilometres of new pipe between the Ewen Maddock Water Treatment Plant and Aura in Caloundra South.
- Harmony Water Project: 2.6 kilometres of new pipe between Tanawha and Harmony in Palmview.
- Aura Wastewater Project: 12.5 kilometres of new pipe between Aura in Caloundra South and the Kawana Wastewater Treatment Plant.

Works also involve constructing:

- A new wastewater pumping station at Aura which will be capable of treating 671 litres of wastewater a second and be situated nearly 15-metres underground.
- A new water reservoir at Aura capable of holding 12 megalitres, measuring 35 metres wide and 12 metres tall.
- A new water reservoir at Tanawha capable of holding 12 megalitres, measuring 39 metres wide and 10 metres tall.

A program of this scale and complexity has required significant communications and engagement efforts to keep impacted residents, businesses and stakeholders informed, consulted and involved.

Unitywater is collaborating with our contract partner McConnell Dowell to deliver this program with the highest standards of safety, environmental responsibility and community engagement.

As of June 2024, the program is tracking ahead of schedule and has so far achieved outstanding results for safety performance.

Upgrades start at Burpengary East

In April 2024, Ventia was contracted as our partner to deliver the wastewater treatment plant upgrade which includes new inlet works with enhanced odour control, a new bioreactor, a new clarifier, upgraded effluent disinfection and electrical and control system upgrades.

The upgraded infrastructure will significantly increase the capacity of the plant to meet the demands of the growing population and support economic growth in the surrounding areas of Narangba, Burpengary, Beachmere, Burpengary East, Deception Bay and Morayfield.

As with all of **Unitywater's** future-focused asset upgrades, we aim to deliver positive environmental and social outcomes by reducing nutrients released to the Caboolture River and minimising the odour produced during the treatment process.

The project started construction in May 2024 and is expected to be completed by late 2026, subject to weather and site conditions.

Future approach with Build Better Together program

In May, **Unitywater** signed long-term partnership agreements to support the delivery of our \$1.8 billion capital program over the next five years.

Contracts were signed with Downer for construction of wastewater treatment plants and southern distribution networks, Dormway for construction of northern distribution networks, and Elevate – a joint venture of Aurecon and AECOM – for professional services and design.

The framework agreements, signed for initial five-year terms, will progressively award work to partners based on performance standards and will streamline the capital delivery process, improving cost, time, and quality outcomes. This increases visibility of the work pipeline, especially given the high demand in the Australian and Queensland construction markets.

Delivery partners will integrate with our own teams through a trusted partnership model, to openly exchange knowledge and move projects through to delivery faster. The chosen partners bring both local experience with **Unitywater's** assets and expertise from major water infrastructure projects globally.

Initial projects with the new partners include upgrades at Coolumb and Noosa Wastewater Treatment Plants, new wastewater pipe networks around Narangba, upgrades to northern catchment wastewater pump stations, and a new water storage reservoir in Pine Valley.

The new capital delivery partnerships were selected through a multistage procurement process starting in December 2022. Organisations were evaluated based on cultural alignment, their capability to deliver work safely, efficiently and cost-effectively, and their ability to contribute positively to **Unitywater's** environmental and community engagement goals.

Valuing precious water resources

Preparing for drought

In Spring 2023, the Bureau of Meteorology forecast the return of El Niño conditions and a hot and dry summer that would put pressure on drinking water storages.

Drinking water storages across the South East Queensland water grid dropped to 65.3% of capacity, triggering 'Drought Readiness' under the region's water security plans.

In response, **Unitywater** joined water service providers from across the region in planning for potential drought and the implementation of response measures within our business and among our customers and community.

As early public communications began encouraging our customers to resume water wise measures, above average rainfall events began replenishing storages, which rose to a high of 83.9% after more than 1225mm of summer rain across the region.

We continue to promote the efficient use of water and collaborate with bulk water provider Seqwater to ensure planning that diversifies supply for our region's future water security. In keeping with their 2023 South East Queensland Water Security Program update, Seqwater began exploring options for a potential new desalination plant to be located north of Brisbane to contribute to the future water security mix.

Digital neighbourhood program

In November 2023, the Smart Meter Network Project was recognised with the Innovation Award at the 2023 Urban Development Institute of Australia (UDIA) Queensland Innovation Awards.

Following the successful implementation of our Digital Neighbourhood Project in 2022-23, which saw more than 10,000 digital meters installed and monitored to save more than 130 million litres and \$600,000 for customers, the network of sensors again delivered outcomes, identifying another 3,467 leaks, to save 3,568 litres per day, and over \$1million since implemented.

Work continued to refine operation of the Digital Neighbourhood Program to maximise the benefits it can provide over the long-term:

- Improve the safety and security of our network operations, through avoidance of manual meter readings and identification of network leaks prior to breakage
- Conserve valuable water resources in an era of growing water scarcity and an opportunity for efficiency in water pumping consistent with our commitment to address climate change
- Support our customers amid escalating cost of living pressures, including through earlier identification of customer side water leaks
- Further improve the service and ease of interaction we provide to our customers, through provision of timely information and communications
- Build on our prudent asset management and operational decision making, through effective analysis of water network and usage information.

Sharing leak detection smarts with Stanthorpe

Unitywater and Southern Downs Regional Council's network of smart sensors in Stanthorpe has prevented more than 32 million litres being lost from the drought-prone community's drinking water supplies and saved local residents and Council more than \$90,000 since being installed in June 2023.

Initiated in response to the town's water supply running out in 2020 – triggering the largest water carting project by a local government in Australian history – the new smart water network aims to improve water security and reduce the economic impact of water leaks.

Stanthorpe's smart water network brings together Council's 2,700 smart water meters with **Unitywater's** five flow meters, two at the water treatment plant and three across the network, and a central event management system.

Unitywater and Detection Services Group guided Council through the software installation and established a smart network in Stanthorpe. A new District Metered Area of 90 kilometres of water network was connected to **Unitywater's** control room, to proactively identify water loss and improve water security for the drought-prone town.

Unitywater operators notify Council of potential problems such as leaks, which are then investigated and repaired before they cause major water loss or become larger issues that impact the community.

Growing new business

Detection Services acquisition

Unitywater announced our acquisition of a minority stake in Detection Services in September 2023, continuing the growth of our commercial investment portfolio and reinforcing the importance of technology in effectively managing essential infrastructure.

The acquisition is strengthening the availability and adoption of advanced technology in managing **Unitywater's** pipeline networks, while further diversifying revenue streams for the long-term benefit of customers in **Unitywater's** service area.

Detection Services was established in 1991 and provides technology-oriented leak detection and pipe condition assessment services to water and wastewater infrastructure businesses across Australia and New Zealand.

A minority stake was also acquired in Pipeline Inspection and Assessment Pty Ltd (PIA), a sister company of Detection Group Pty Ltd. PIA holds the exclusive licence to a patented pipeline transient technology (P-Cat) developed by the University of Adelaide, currently being used across Australia and internationally to help water utilities accurately understand the condition and performance of long-distance pipelines.

Ensuring reliable services during extreme weather

Volunteers support cyclone recovery

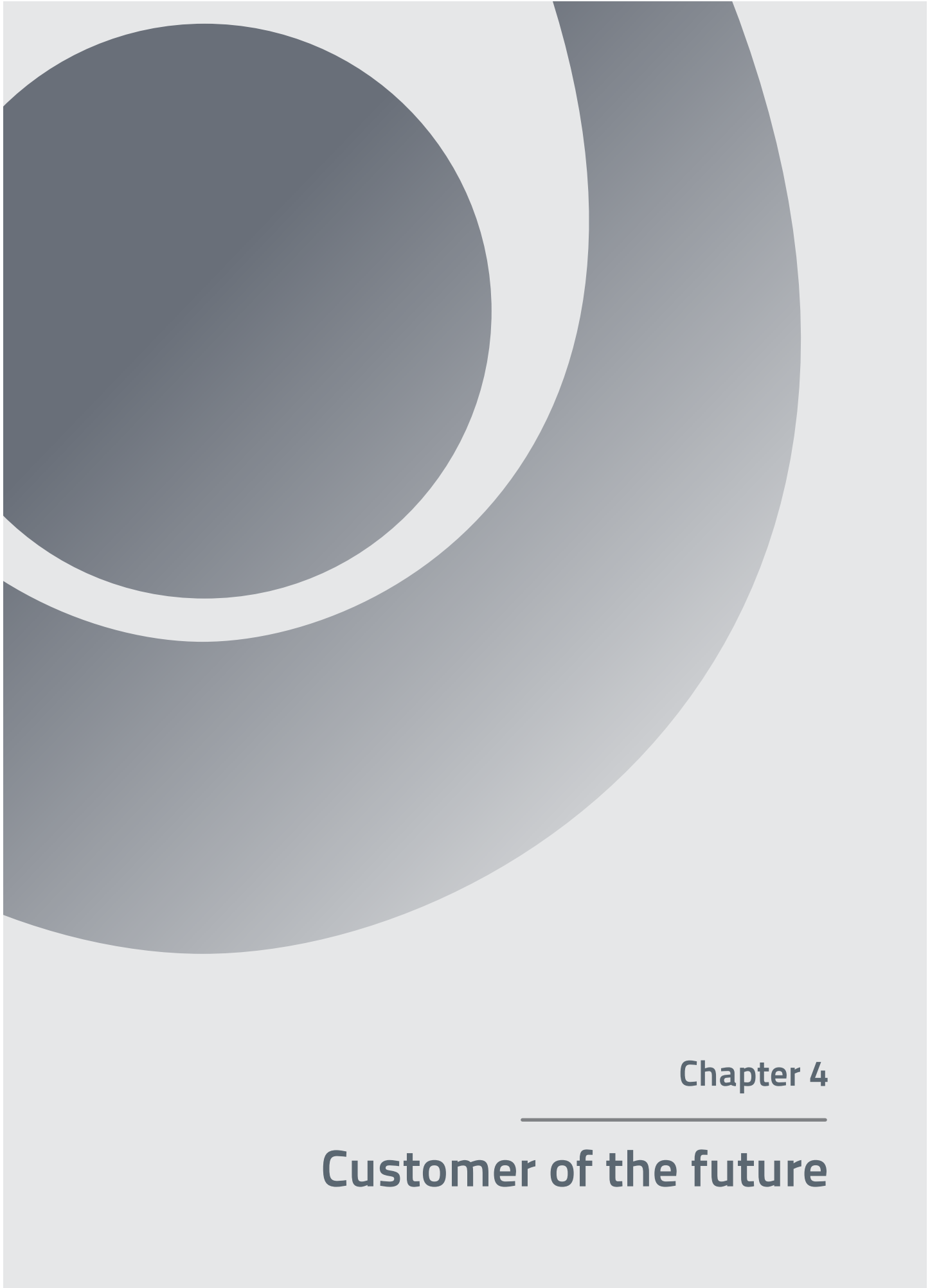
25 **Unitywater** team members responded to a request for volunteers to go to Port Douglas to support recovery efforts following Tropical Cyclone Jasper in December 2023.

At a time when most people were enjoying their Christmas holidays, **Unitywater** deployed two teams of five between 26 December 2023 and 10 January 2024, along with a **Unitywater** multipurpose truck.

Team members supported Port Douglas Shire Council by completing major repairs to damaged water network assets and supporting further leak identification and repairs to return potable water supplies to the town. Teams worked in temperatures in the high 30s along with high humidity and were welcomed by the community.

The remote community of Wujal Wujal was evacuated during the cyclone, with both the water and sewerage networks severely damaged by flood waters reportedly five metres higher than the largest prior recorded flood event.

After learning that two replacement electrical switchboards would not be delivered for up to 20 weeks, **Unitywater** provided two on short-term loan, allowing the water treatment plant and sewage network to be returned to service within days. Getting these essential services back up and running allowed emergency service workers to access the community to begin the extensive clean up.



Chapter 4

Customer of the future

Customer of the future

Well-established in the communities we serve, we know our customers and are an integral part of their lives. We are rising to meet our growing population's needs with significant capital infrastructure investment. As we go about our daily operations of today, we will also consider and plan for our customers of tomorrow.

Our strategic intent is to:

- Ensure our customers value us and we are easy to do business with
- Find ways to predict customer experiences, while keeping prices affordable into the future
- Contribute to greener, healthier communities, cleaner waterways, coastal waters and green corridors
- Work hand in hand with planning authorities to build resilient and smart communities of the future
- Commit to engaging community and First Nations peoples when making big decisions

Progressing our intent in this area supports the following United Nations Sustainable Development Goals:

- Clean water and sanitation
- Sustainable cities and communities
- Life on land

Memorable milestone for Wamuran

In November 2023, **Unitywater** celebrated the completion of construction on the Wamuran Irrigation Scheme's distribution network with key stakeholders at the property of foundation customer, Twin View Turf.

The project constructed a network of more than 20 kilometres of pipes, pump stations and balancing storage at the repurposed Moodlu Quarry to deliver up to 2.6 ggalitres of Class A recycled water per year to Wamuran farmers for their turf and food crops.

This climate-independent water source enables farmers to plan their growth with confidence, while diverting 11 tonnes of nitrogen and 1.8 tonnes of phosphorus away from the Caboolture River to contribute to **Unitywater's** goal of having net zero nutrients to waterways from 2040.

While final components of the scheme's new treatment plant were commissioned and the Recycled Water Management Plan reviewed by regulators, water produced by the new water recycling facility was used to irrigate turf, ahead of full supply to the Wamuran Irrigation Scheme's foundation customers for minimally processed food crops in late 2024.

Planning for meaningful outcomes

Another step on the path to reconciliation

To mark National Reconciliation Week in May 2024, **Unitywater** released our second Innovate Reconciliation Action Plan.

The plan outlines 58 deliverables for achieving **Unitywater's** vision for reconciliation, which is to honour and support Aboriginal and Torres Strait Islander peoples as Australia's First Nations with meaningful partnerships leading to improved environmental, community and economic outcomes, and integrating wisdom and knowledge into future planning and operations.

Among the actions is the establishment and maintenance of a mutually beneficial relationship with First Nations stakeholders and organisations, and a commitment to increasing understanding, value and recognition of First Nations cultures, histories, knowledge and rights through cultural learning.

Unitywater has a First Nations workforce representation of 2.7% and dedicated tertiary scholarships and industry trainee programs. Team members were offered the choice of swapping the 26 January public holiday for another date, as a respectful way to acknowledge different perspectives on the date.

Environmental Sustainability Plan

In October 2023, **Unitywater** announced a major milestone in our journey towards a sustainable future with the release of our Environmental Sustainability Plan. This plan goes above and beyond our compliance standards, accelerating our previous targets from 2050 to 2040.

We've made a pledge to environmental leadership by creating thriving communities, greener spaces, cleaner waterways, and a circular economy. By embracing innovation and fostering collaboration, we're steering towards a greener and more sustainable world and putting community and nature first.

Our commitment to environmental sustainability aligns with the United Nations' Sustainable Development Goals (SDGs), focusing on five critical areas of impact:

- Ensuring waterway health
- Resource recovery from waste
- Climate action
- Value every drop
- Nature positive

Reducing nutrients to waterways

Yandina Creek Wetland wins award

Unitywater received the Research and Development Excellence Award in the 2023 Queensland Australian Water Association (AWA) Awards, for the Yandina Creek Wetland in the Blue Heart Sunshine Coast.

Acting as a living laboratory, this project utilises nature's own mechanisms to help us achieve our goals of net zero nutrients to waterways and strengthening biodiversity in the region with more than 100 species of wildlife and abundant flora.

Yandina Creek Wetland removes nutrients and sediments from the river, which improves water quality and overall river health. **Unitywater** follows the Queensland Water Offset Policy to measure the amount of nutrients removed by this wetland against the nutrients discharged to the Maroochy River following treatment of the local community's sewage.

The wetland is also a thriving research hub, an eco-tourism hotspot, and holds significant cultural importance for First Nations peoples.

Caboolture River rehabilitation

The Caboolture River Rehabilitation Project reached a major milestone in October 2023 with the completion of the first stage of what will be one of Australia's largest nutrient offsetting river rehabilitation projects in an estuarine environment.

The project will result in more than 30,000 seedlings planted, 1.6 tonnes of nutrients and 34 tonnes of carbon offset per year from **Unitywater's** Burpengary East Wastewater Treatment Plant.

Five of the total nine sites were completed this year. The largest site with the most significant contribution to nutrient offset is scheduled to commence in late 2024.

This project addresses erosion, helps mitigate excess nutrient impacts and improves flood resilience while at the same time improving water quality, biodiversity, supporting aquatic ecosystem health and rejuvenating terrestrial habitat for wildlife.

Unitywater is the first water utility in Australia to commit to net zero nutrients in waterways. The Caboolture River Project is a key contributor to our goal of achieving this by 2040.

Innovative project 'kidneys of the waterways'

In October 2023, 40 Robust Oyster Baskets were installed in the upper estuarine reaches of the Pine River downstream of **Unitywater's** Murrumba Downs Wastewater Treatment Plant.

The Oyster Reef Restoration Project aims to determine the effectiveness and value of oysters to filter nutrients in waterways, and could reshape the future of shellfish reef restoration and wastewater treatment practices.

Delivered with OzFish, the University of the Sunshine Coast and Healthy Land and Water, the Australian-first initiative is a recognised nutrient offset method under the QLD Water Quality Offset Policy.

Each triangular basket is filled with 18 kg of recycled oyster shells sourced from Brisbane restaurants and commercial shucking operations and will host many different species such as oysters, mussels and other molluscs.

The pre-seeded baskets are soaked in Moreton Bay for about a year before being placed in the Pine River. As they grow, the collective waterway-cleansing effects of the oyster reef increase.

Noosa catchment management plan

In March this year **Unitywater** provided Noosa Council with funding for the development of a framework for an Integrated Catchment Management Plan (ICMP) for Burgess Creek and the installation of four groundwater monitoring bores.

This builds on the collaborative development of the Water Matters Plan, aimed at improving understanding and data collection for catchments across the region, including Burgess Creek.

Planning for net zero carbon

Increasing our energy efficiency

Incorporated into our way of doing things, is a focus on continually improving our energy efficiency through reducing energy needs and helping avoid emission creation.

Examples implemented this year within wastewater treatment plants include: replacing energy-intensive blowers with non-contact, air-bearing blowers at their end of life; increasing the frequency of acid dosing

of diffusers to reduce clogging and back pressure, and replacing ageing ultraviolet treatment with more efficient systems capable of dimming from 100% to 30%.

Across operational teams, petrol powered small plant such as chainsaws and blowers that reach end of life, are being replaced with battery powered devices.

Solar installations

In November 2023, a 20kW rooftop system was installed at Dayboro Wastewater Treatment Plant. This complements our existing solar generation capacity of 170 kW, positioned at the Northern Service Centre, Southern Service Centre and Kenilworth Wastewater Treatment Plant. The solar at Kenilworth Wastewater Treatment Plant and Dayboro Wastewater Treatment Plant produce approximately one third of the plants' total energy requirements, which could see a potential 40% at Dayboro Wastewater Treatment Plant in the future.

Supporting thriving communities

Water on Tap vans at community events

As part of our commitment to keeping the community healthy, our Water on Tap vans attended 35 community and sporting events across our region. Our vans encourage our community to drink fresh (and free) healthy tap water and stop purchasing and using single-use plastics.

Sunshine Coast Lightning Partnership

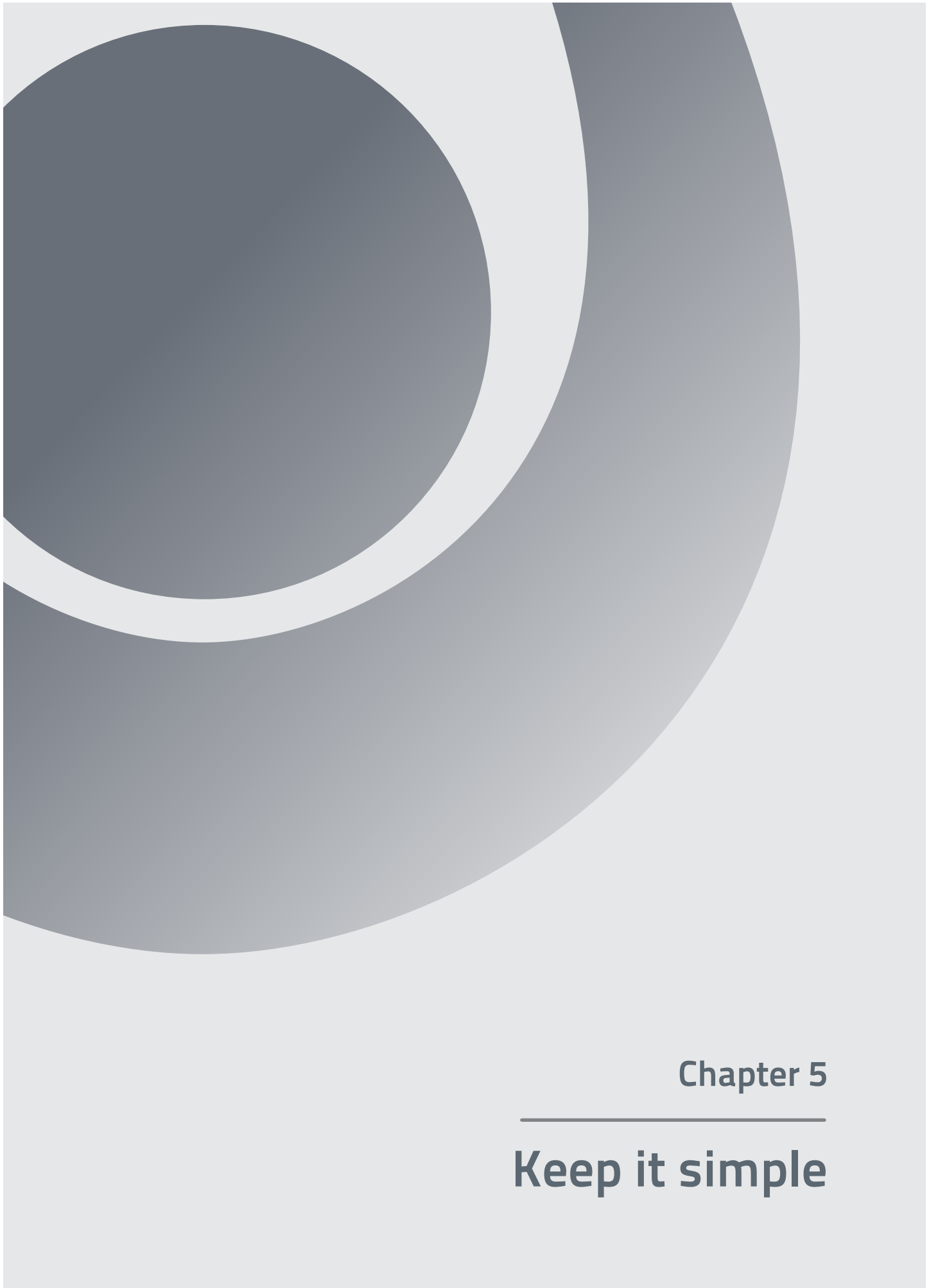
We once again teamed up with the Sunshine Coast Lightning netball team, with our partnership focused on choosing tap water rather than bottled water. The Lightning team are excellent role models in our local community and help us champion the health of our region and its waterways. Across the seven Lightning home games, we were able to provide thousands of litres of fresh tap water and reusable water bottles to the community. Unitywater was proud to be the main sponsor of the Unitywater Lightning Cup, a major primary school netball competition that lit up the Sunny Coast on Friday, August 18 2023. Held in Maroochydore at the Sunshine Coast Netball Association by Sunshine Coast Lightning, this event gathered more than 700 players from 41 schools across Moreton Bay, Noosa and the Sunshine Coast.

Walter Smart Education Program

In 2024, we inspired and educated our local primary school-aged students with live in-school theatre performances. The water education program 'Walter Smart and Friends' was delivered to 18 schools in June across our three regions, in partnership with The Water Conservancy Home and Gibber Educational. The high-energy pantomime-style performances and workshops encourage students to think about the importance of water by looking at their water-saving behaviours and learning about the water cycle.

Clean Up for the Hatchlings

The Clean up for the Hatchlings event on the Sunshine Coast in February 2024 saw many of our team members lend a hand to keep our waterways clean and healthy for turtle hatchlings and the wider community. Almost 650 people pulled on their gloves and worked together to remove 226 kilograms of rubbish and debris from beach locations between Noosa and Caloundra. We launched our 2024 partnership with Sunshine Coast Lightning at this event, with several Lightning players talking to members of the community about choosing tap water and reducing single-use plastics, while handing out reusable water bottles.



Chapter 5

Keep it simple

Keep it simple

There is power in simplicity.

We aim to create better experiences for our customers, simpler ways of working for our people and easier interactions between the two. Together, we are shaping a collaborative and solutions-focused workplace that encourages honest and open communication where people are listened to, involved and trusted to do great work.

Our strategic intent is to ensure:

- We commit to invest in digital solutions in the office, the field and our network
- Engagement and communication are clear and simple
- We create partnerships and adopt innovation, particularly around technologies, with a flexible, open mindset
- We reduce unnecessary paperwork while retaining good governance.

Progressing our intent in this area supports the following United Nations Sustainable Development Goals:

- Clean water and sanitation
- Industry innovation and infrastructure
- Responsible consumption and production

Development Services further streamlined

Unitywater continued to simplify and improve the Development Services customer experience, advancing the design and implementation of digital solutions and celebrating a key milestone.

In April 2024, the Accreditation and Certification (A&C) Tiering Scheme went live with the tier levels of accredited entities published online. By collaborating with industry and making our processes clearer and simpler, application quality increased, with audit pass rates lifting from between 60 and 70% in 2018 to 95% at the end of March 2024

We continued to engage with the development industry, including the Urban Development Institute of Australia (UDIA), to seek feedback and to share updates on the development of a dedicated online self-service portal to make it easier to lodge and track applications and speed up approvals.

Making it simpler for our people

Enterprise Agreement negotiations and outcomes

Over the course of 2023-24, **Unitywater's** four Enterprise Agreements reached the end of their terms. Negotiation with union and staff bargaining representatives for each new agreement commenced well in advance.

After expiring in November 2023, a new Indoor Agreement was supported by 65% of applicable team members and upon approval by the Fair Work Commission (FWC) in April 2024 delivered a total 14% wage increase and a range of other benefits, including commitment to employment security over the life of the four-year Agreement.

A new agreement for Outdoor team members was supported by 79% of eligible team members and approved by FWC at the end of May 2024, with a total 14.8% wage increase for the four-year Agreement and other benefits back dated to March 2024. As at 30 June 2024, we are continuing to negotiate the Mechanical and Electrical and Private Works Agreements.

Making it easier to do business with us

Payment times to suppliers

The Payment Times Report Act 2020 requires large businesses and some large government enterprises, with a total annual income of more than \$100 million, to report their payment practices to small business suppliers (those suppliers with an annual turnover of less than \$10 million). Under the Payment Times Reporting Scheme (PTRS), **Unitywater** must report the following to the Payment Times Reporting Regulator twice yearly:

- Payments to small business for the period July 2023-December 2023 were \$60.2 million representing 46% of the total number of payments made and 17% of the value of total payments made for the reporting period. Payment times achieved during the period were consistent with the previous reporting period
- Payments for the period January 2024-June 2024 were \$62.1 million representing 46% of the total number of payments made and 16% of the value of total payments made for the reporting period. Payment times achieved during the period were consistent with the previous reporting period.

Unitywater continues to perform well when compared to similar entities reported in the register published by the PTRS. **Unitywater** supports small business by making supplier payments within 20 days where possible.

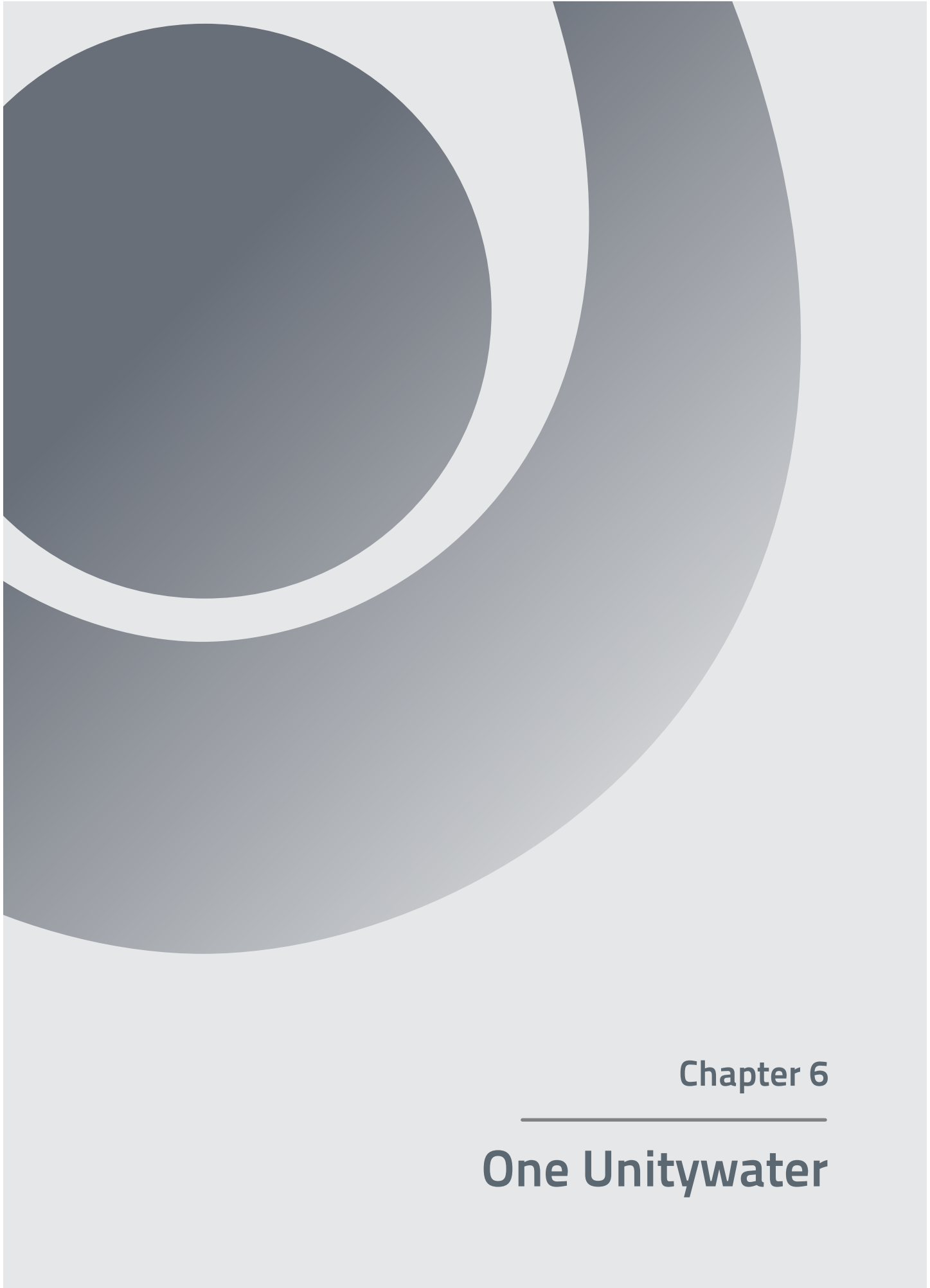
Upgrade for My Account

We continued our upgrade program for the My Account portal throughout the year, making it faster and simpler for customers to login and manage their accounts online while keeping the portal secure.

In June 2024 we released new security features, including the ability for customers to login from a trusted device or set up their own unique passkey.

We have also streamlined the portal for customers who own more than one property. If a person is the registered owner of multiple property titles, they can all be viewed within one My Account profile for easier online access.

The My Account upgrade underscores our commitment to maximising customer ease and security, while ensuring efficiency through simplicity.



Chapter 6

One Unitywater

One Unitywater

We commit to empowering our people to be the best version of themselves.

Regardless of whether they are behind the scenes or visible working to ensure safe and reliable water and wastewater services, our people are here for the community they serve. And, they are here for each other, day in and day out. It's how we ensure our people go home safe every day.

It is our strategic intent that:

- Our people feel safe, included and valued in a positive workplace
- Our people act as one team across the organisation
- We attract diverse talent with the right skills to optimally meet our customers' needs.

Progressing our intent in this area supports the following United Nations Sustainable Development Goals:

- Decent work and economic growth
- Peace, justice and strong institutions

Going home safe, every day

Summary of key safety results

Unitywater delivers its core services and achieves its goals each day through the efforts and contributions of our people. We want our people to go home safely, every day, and stay safe for the things that matter most to them.

We aim to stay safe as a team and show active care for each other’s safety and wellbeing. It is our goal to care for all our people, in everything we do. We aim to ensure everyone has the right environment, opportunities and skills to be their best. We will also show care for our people by building a constructive culture and a more diverse and inclusive business where everyone has a shared sense of belonging and purpose.

Our people lead with a focus on personal accountability and keeping ourselves and each other safe, including psychologically safe. The success of this program has helped us achieve ‘Public compliance’ under our safety culture maturity model.

Strategic Goal	Measure	2023-24 performance
Public compliance	Safety maturity (Maturity status)	Target: Public compliance Result: Public compliance
	Recordable injuries (High Potential Incident Frequency Rate HPIFR)	Target: 13.8 Result: 5

Physical and psychological safety leads future focused people strategy

Our 2024 People Strategy identifies six key elements: safety, capability, inclusivity, performance, transformational change, and leadership. The first of these, safety, includes both physical and psychological safety, with a focus on designing our ways of working with safety at the forefront; and ensuring our leaders model and drive safe behaviours.

The four key initiatives we are delivering under the strategy include:

1. Integrating psychosocial risk into our safety management system.
2. Utilising data driven insights for future ways of working safely.
3. Supporting frontline leaders to achieve a safety culture of Collaboration (formerly Mateship).
4. Encouraging mainstream critical risk thinking and control verification.

We will evaluate our results based on five key performance measures: high potential incident rates, wellbeing scores, safety maturity levels, control of critical risks and key workforce indicators.

Safety in action: roller doors

In FY2023-24, **Unitywater** eliminated the risk of lift-up panel doors on **Unitywater** vehicles impacting other objects including poles, trees, and other vehicles. All 58 trucks that had existing lift-up panel doors were converted to roller doors and there have subsequently been no reported vehicle panel door incidents.

Safety in action: ARC flash

An arc flash is a release of electrical energy that causes an explosion which can reach temperatures of up to 20,000 degrees Celsius. It usually occurs in large switchboards but can also occur in smaller switchboards, electricity supply pillars or large electrical equipment.

The identification and reduction of arc flash risk across **Unitywater** assets involved assessing, categorising, and labelling 852 electrical switchboards with an arc flash category label and PPE safety information. 64 switchboards were identified as high-risk sites. Phase two of the project involves rectification works on those high-risk sites to lower the risk. To date, 44 of those sites (69%) have had the arc flash risk reduced. The remaining sites will be completed in early FY2024-25. In the interim, effective controls are in place and continuously monitored for all arc flash risks.

Shaping a constructive culture

Working Better Together

In April, we introduced our new Working Better Together principles to help provide our people with guidance on how we can effectively balance contemporary flexibility arrangements with operational business needs.

We recognise the ability to work remotely has improved over recent years and it can help team members balance their work and home lives. We also know that time spent working alongside colleagues facilitates collaboration, innovation, learning and social connection. As a 24/7 operational business, there are also some roles and functions across office, facility and field teams that simply can't be performed remotely or flexibly.

Our Working Better Together principles have helped each team construct a charter with their leader that helps ensure people are working in the right place, at the right time and with the right people.

While each team's charter is different, they start from core principles that include:

- Valuing regular time together
- Recognising some activities are expected in person, some are better in person and some can work remotely
- Understanding that no one works remotely all the time, but there is no mandated minimum office time for those in roles that can accommodate a hybrid approach
- Documenting approved individual flexible working arrangements to ensure the safety of our people and the security of our critical systems and assets

These principles were developed in line with the needs of our business, and our people. Balancing the practical demands of working in a utility with some of the expectations currently seen in the external market will help us attract and retain talent, as well as demonstrating trust and accountability as we continue to grow our constructive culture.

Moving to Mango Hill

At the end of May, our Southern Corporate Centre moved to a new location in the City of Moreton Bay at Mango Hill. The new facility brings us closer to more of our Moreton Bay customers and improves the day-to-day experience for our people, with an activity-based fit out facilitating more collaborative work styles. Positioned closer to Brisbane, the new office location will also help us attract talent from a wider pool as we continue to support the growth of South East Queensland.

Building a talented team

We were proud to provide scholarship opportunities to some of our brightest young minds through our continued partnership with the University of the Sunshine Coast.

The **Unitywater** First Nations scholarship was awarded to Business student Mel Farmer, a proud First Nations woman from the Yuin nation in New South Wales.

The Fiona Waterhouse Women in STEM scholarship was presented to Caitlyn Turner, an Environmental Science student who shared that her future career goals consist of being able to make a difference in creating a cleaner and safer environment for both animals and humans.

Jake Paskins, who received the Bright Future in Engineering Scholarship, joined **Unitywater** as a Vacation Student in November 2022 and is completing a dual degree in Civil Engineering and Environmental Science.

Reflecting our diverse community

At **Unitywater**, we are focused on creating a more constructive and inclusive culture. To achieve this, we prioritise inclusivity, diversity and belonging, to create engaging experiences for our people and drive the right behaviours to grow our constructive culture.

In line with our 2024 People Strategy, we are delivering four key initiatives to ensure we continue to improve, these are:

- Developing a people experience strategy that includes a diversity, equity and inclusion focused program of work
- Continuing to plan and deploy activities to progress the 'SHIFT' two-year culture strengthening program and grow our constructive culture. Over six months an internal team representing all areas of the organisation worked to co-design the SHIFT Culture Action Plan, which outlines the refined SHIFT Culture Priorities, the key behaviours and initiatives which will drive the desired culture change across the organisation to achieve our Strategic Ambition. The final SHIFT Culture Plan will support the delivery of the Strategic Ambition and Corporate Plan through strengthening and shifting the required mindsets & behaviours of our people and the systems and symbols within our workplace
- Developing specific programs focussed on inclusivity, unconscious bias and cultural awareness
- Continuing the development of our mental health framework that aligns with Better and Safer Together, promoting a healthy and inclusive workplace.

Gender pay equity

Unitywater is committed to equal pay for like jobs and addressing the organisation-wide gender pay gap.

Calculated on a calendar year basis, our 2023 gender pay gap was 0.55%, down from 1.67 per cent in 2022. The change is attributed to a reduced number of females leaving senior positions (executive, branch and section managers) and an increased number of females commencing employment at all levels.

Lead to Shape: BOOST to gender inclusivity

The Lead to Shape: BOOST program advances our commitment to empowering our people to be the best version of themselves, to know that they are trusted to make decisions and take responsibility, and that they work in an environment where they feel supported and valued.

Launched in March 2024, BOOST aims to enhance gender inclusivity by supporting women, their leaders and sponsors to foster the mindsets, behaviours and skills which enable people to reach their full potential, regardless of gender.

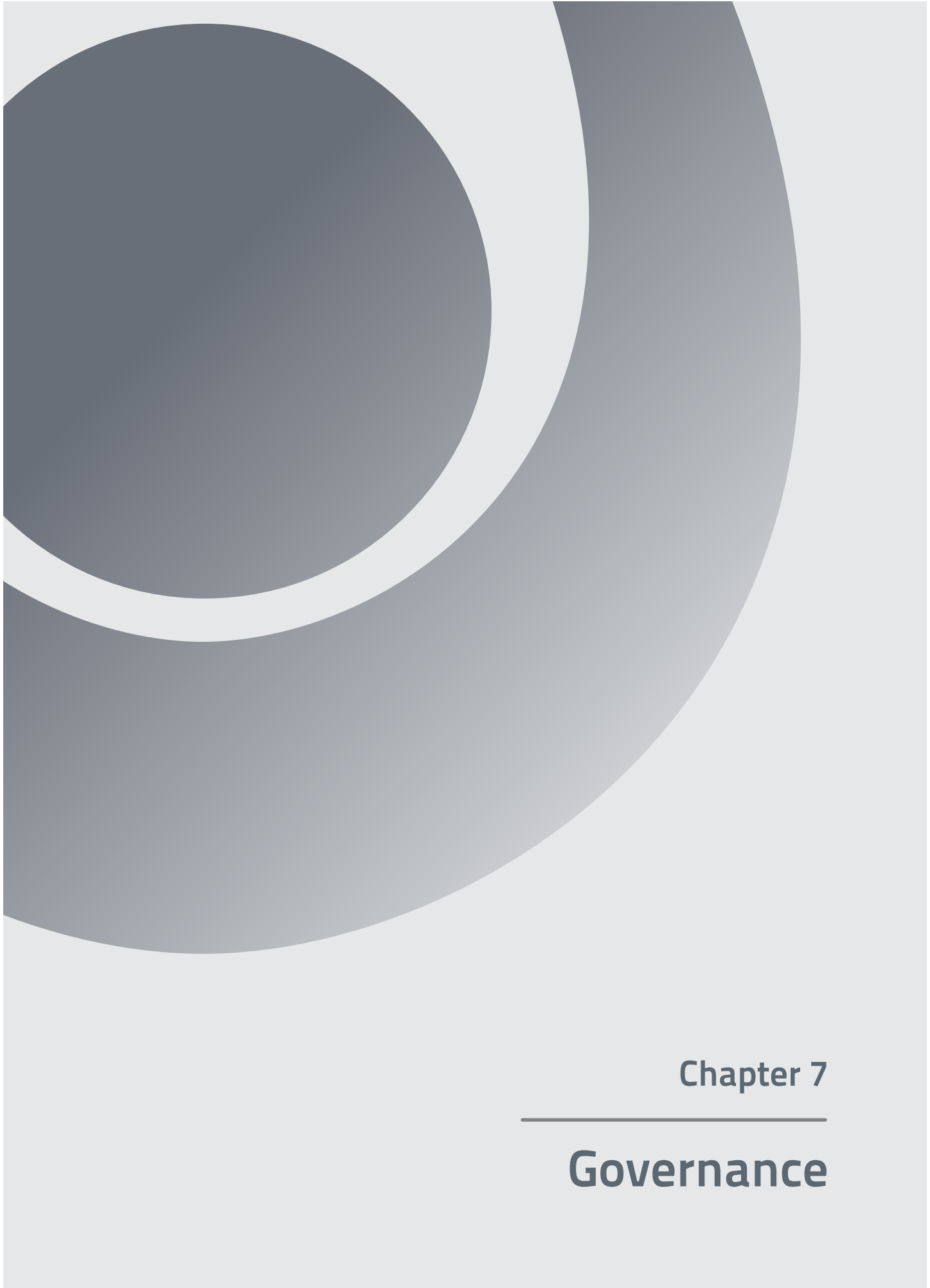
Thirty executives and team leaders are participating in the leader stream alongside 17 female participants.

It is hoped the program will build on the significant progress our organisation has made in promoting an inclusive and supportive workplace by increasing female representation across our business and creating more opportunities to even the playing field for all our people.

Unitywater launches new Gender Equity Network

By championing gender equity and driving positive change, we cultivate a workplace culture that celebrates diversity, respects differences and promotes equal opportunity for all.

In March 2024 **Unitywater** launched our Gender Equity Network to promote open dialogue, collaboration, and awareness to address gender related challenges with a focus on fostering an inclusive workplace where people of all genders thrive. The Gender Equity Network is developing tools to promote diversity and equal opportunity and raise awareness around workplace biases.



Chapter 7

Governance

Governance

Risk management and accountability

Our business-wide approach to identifying, prioritising and managing risks underpins **Unitywater's** commitment to good management and corporate governance.

Unitywater's approach to risk management aligns with AS/NZS ISO 31000: 2018 Risk Management – Principles and Guidelines.

Climate variability risk

Unitywater's CEO and Board are responsible for effectively managing risk, including those related to climate variability. The Audit and Risk Committee, which meets quarterly, supports the CEO and Board in this function through review and monitoring of the appropriateness of **Unitywater's** risk management practices and ensuring that the approved risk management practices are followed. Committee proceedings are reported to the Board. At an operational level, **Unitywater's** Executive Leadership Team leads climate variability risk management by ensuring that risks and opportunities are identified, assessed and monitored and that appropriate risk mitigation strategies are implemented in accordance with the risk appetite agreed by the Board. **Unitywater's** planning for a future with further climate variability which may be affected by flood and rising sea levels also includes the development of adaptive infrastructure planning and other critical plans including the Drought Management Plan, the Water Matters Plan and the Leakage Management Plan.

Cyber security risk

Unitywater maintains a constant vigilance towards the prevailing cybersecurity risks in today's world. This year we have prioritised and invested in uplifting the security of information and operational technology assets. This program also has a dedicated Security Operations Team for continuous monitoring and a Cybersecurity Delivery Team for ongoing enhancement of our tools and protections. Currently, we are updating our Cyber Security Strategy to align with regulatory requirements, our business strategy, and external risks. This strategy includes a well-defined roadmap for future investments focused on identity protection, data security and loss prevention, technology resilience, training and awareness, and cyber intelligence, ensuring enhancements across the cyber security lifecycle.

This year we continued upgrading our My Account customer portal with stronger privacy and protection measures to safeguard our customers' personal information. We continue to focus on updating infrastructure and business systems with recommended security patches, optimising network security and technology firewalls, and consistently maintaining backup recovery environments that serve as a final line of defence in the face of threats. Our cyber security program continues to enhance our capabilities to stay ahead of both existing and emerging threats.

This program aligns with industry standards and frameworks, including the Australian Cyber Security Centre's Strategies to Mitigate Cyber Security Incidents and the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF) to protect against cyber-related threats.

Internal audit

Unitywater has an internal audit function to provide assurance to the Board that our financial and operational controls manage our risks, achieve our objectives and that we operate in an efficient, effective and ethical manner and in accordance with the Financial Accountability Act 2009.

Internal audit is undertaken by independent auditors who work to an annual strategic plan that has been approved by the Audit and Risk Committee and which aligns with the Internal Audit Charter and the Treasury's Audit Committee Guidelines. The annual strategic plan has regard for **Unitywater's** strategic risk profile, previous audits, industry insights and the key focus areas of the Queensland Audit Office. In 2023-24 the internal auditors successfully completed audits identified in the annual plan. The internal audit function was conducted independently of management, and by authorised auditors and the deployment of the program had due regard for Queensland Treasury's Audit Committee Guidelines.

External scrutiny

The Queensland Audit Office is **Unitywater's** external auditor under the terms of the Financial Accountability Act 2009. It is responsible for auditing **Unitywater's** financial statements.

Code of Conduct

Unitywater's Code of Conduct aligns to the ethics principles and ethics values in the Public Sector Ethics Act 1994. Our Code of Conduct describes these principles in terms of the values that guide our behaviours and the way we treat each other.

Unitywater is committed to creating and maintaining an environment which is professional, responsive, safe and free from any form of unlawful or inappropriate behaviour. **Unitywater's** Board Code of Conduct applies to the Board, Executives, team members and labour hire. A separate Code of Conduct applies to contractors and suppliers and is available to them when procuring goods and services. All **Unitywater** team members have undertaken Code of Conduct training and are responsible for implementing the Code and ensuring that their behaviour reflects **Unitywater's** values and the standards of conduct described in the Code of Conduct. This includes in the use of **Unitywater** systems, tools and property.

Consultancies and overseas travel

Details of spending on consultants and overseas travel undertaken by **Unitywater** representatives can be accessed at the Queensland Government Open Data website www.data.qld.gov.au.

Information systems and record keeping

Unitywater continues its commitment to quality information and records management by embedding, communicating, and maintaining information management policies, standards and procedures. **Unitywater's** information and records are managed by appropriately skilled staff supported by organisational structure improvements to align people and capabilities with emerging business needs.

We remain focused on mitigating risks and meeting the challenges of evolving technologies, increasingly in large, complex data sets and our obligations under the Public Records Act 2002, and other applicable whole-of-government records governance policies and guidelines. **Unitywater** creates and keeps full and accurate records of its activities as prescribed by the Corporate Records Management Policy, and in accordance with the standards and policies issued by the Queensland State Archives.

In line with an evolving information landscape, **Unitywater** undertook a range of strategic positioning activities to ensure, as the capture and use of information grows, that we provide the technologies and processes to ensure information and knowledge is secure, accessible and available to team members, our customers and the public.

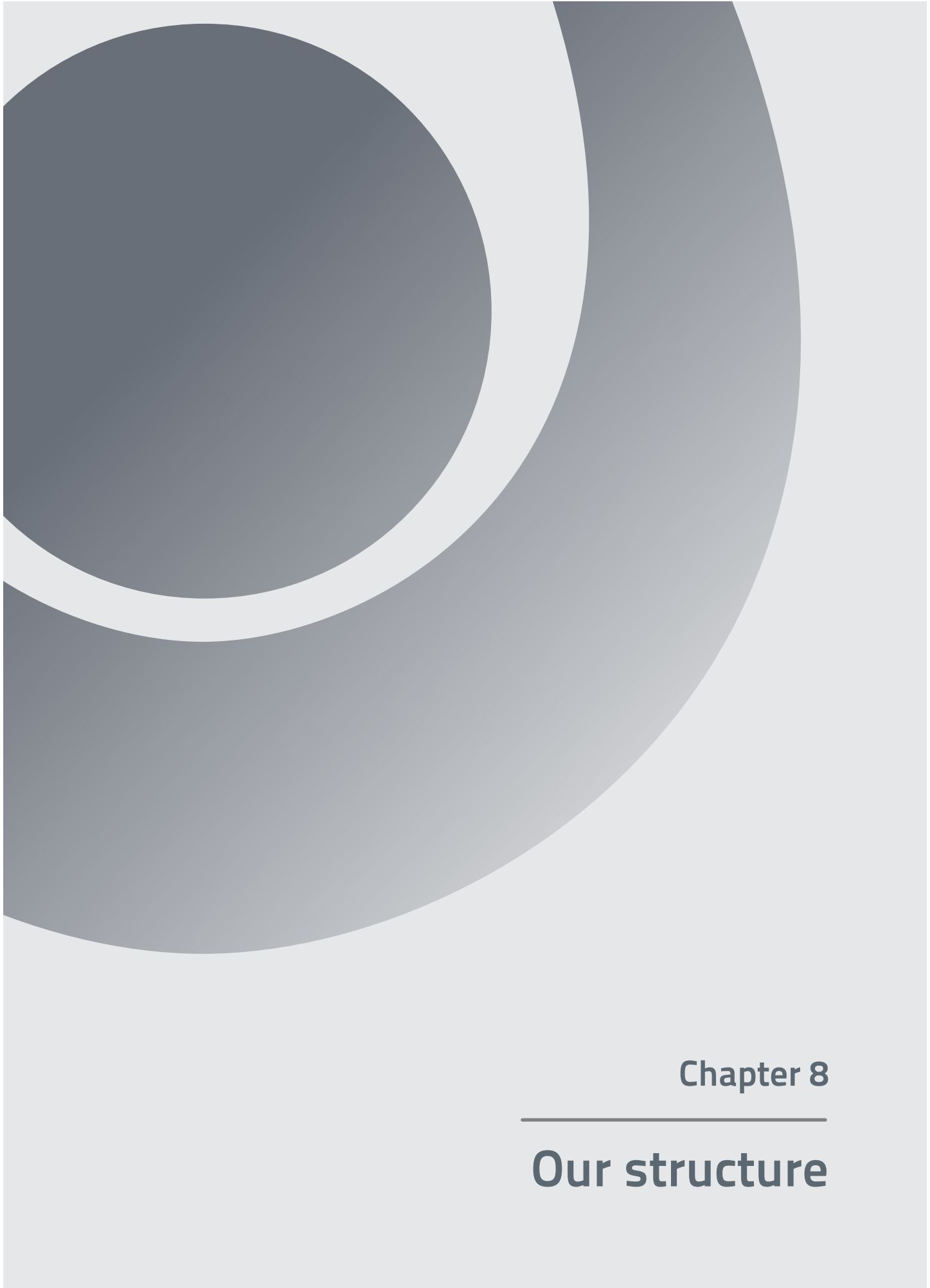
Unitywater undertakes regular health checks across all information systems to ensure they continue to provide business value, are strategically aligned and are secure, supported and monitored. Plans are produced for key systems to ensure they are enhanced, replaced, retired or otherwise improved to retain continual alignment to business drivers.

Human rights

We have a continuous focus on mitigating breaches of human rights under the Human Rights Act 2019. As at 30 June 2024 **Unitywater** has received zero human rights complaints for the financial year.

Modern slavery

Unitywater was proud to submit our fourth Modern Slavery Statement which is publicly available on the Australian Government's online Modern Slavery Register and on our website. The Modern Slavery Act 2018 (Cth) requires entities based or operating in Australia, which have an annual consolidated revenue of more than \$100 million, to annually report on the risks of modern slavery in their operations and supply chains. 'Modern Slavery' is an overarching term used to cover a range of exploitative practices including human trafficking, slavery, forced labour, child labour, removal of organs and slavery-like practices. Generally, it pertains to a situation of servitude or forced labour activities in which an individual's freedom and liberty are unable to be exercised. Buying goods and services from ethical suppliers is one of the ways **Unitywater** ensures we are addressing modern slavery. Across **Unitywater** we continue to take a proactive approach to identify modern slavery risks across our operations and supply chain. We have taken a lead collaborating with the Water Services Association of Australia (WSAA) and other water utilities to develop an industry approach to address Modern Slavery.



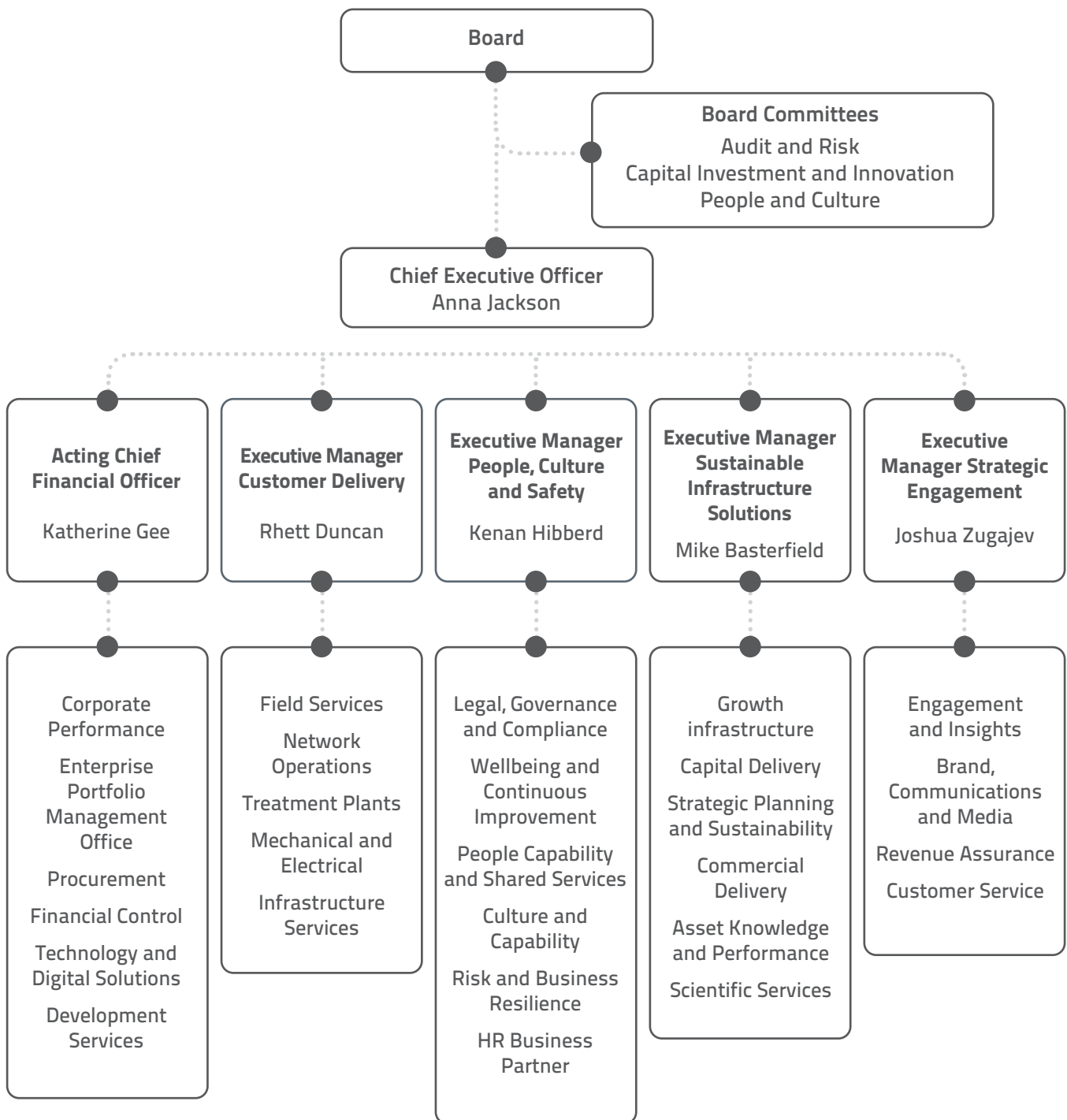
Chapter 8

Our structure

Our structure

Our organisational structure

As at 30 August 2024



Note: With Katherine Gee acting as Chief Financial Officer for part of the year, her substantive duties as Executive Manager Customer Experience were backfilled for part of the year and then distributed among other members of the executive team.

Our Board

Unitywater operates under a Participation Agreement made on 25 June 2010, between the Moreton Bay, Sunshine Coast and Noosa Councils.

Our organisation is governed by an independent skills-based board, to ensure achievement of our Strategic Ambition and return value for shareholders. The combination of Board members' qualifications, skills and experience ensures a strong commercial focus, with emphasis on identifying efficiencies across the organisation and passing on cost savings to customers.

Under the Participation Agreement, Board members are approved by the Mayors of our Participant Councils, and the performance of the Board is evaluated annually. Board members cannot have been a Mayor, Councillor or officer of any of the participating councils in the prior two years in order to be eligible.

Michael Arnett - BComm, LLB, Chair

Michael has significant experience in the corporate, commercial, mining and natural resources (including water), banking, finance and securities sectors. He was a previously a Board member of **Unitywater** (from 2009 to 2012) and of Seqwater (from 2012 to 2019). Michael is a Board member of, amongst others, NRW Holdings Limited and Queensland Energy Resources Limited.

Megan Corfield - BComm, BA (Econ), GAICD

Megan is a strategic businesswoman and professional non-executive director with more than 25 years of experience in leadership and governance roles across government and the utility, professional services and major event sectors. In addition to being a director of Unitywater, Megan holds directorships with Altogether Group and the Northern Territory's Power and Water Corporation and is Chair of International Parking Group and Queensland Chair of Chief Executive Women. Megan's past board roles include Chair of Connell Griffin and Non-Executive Director of Brisbane Grammar School, the Gold Coast Commonwealth Games Organising Committee, Tourism and Events Queensland, and advisory firms Infrasol and Urbis. Megan has a proven record of delivering new business value from strategy development to operational execution, negotiating and integrating mergers and acquisitions and building high performing teams. Megan is a previous Queensland Telstra Businesswoman of the Year and has been recognised as one the Australian Financial Review's 100 Women of Influence.

Chris Hertle MPhil - Bio & Env Sci, BE (Chem)

Chris has over 40 years' international experience in municipal and industrial water, wastewater and solid waste management. His roles have spanned from concept design through to commissioning and operation, with the last decade focused on developing and implementing robust strategies for the growth of water businesses. A Fellow of the International Water Association and Engineers Australia, Chris has actively contributed to global water industry improvement through a range of technical and advisory committees. He recently retired from GHD where he was Market Leader for Water (Advisory) and continues as Adjunct Professor at the University of Queensland's Australian Centre for Water and Environmental Biotechnology.

Graham Quirk - GAICD

Graham Quirk has dedicated 34 years to public life, including his tenure as Lord Mayor of Brisbane from 2011 to 2019. As Chair of the Council of Mayors of South East Queensland, he led the Prefeasibility and Full Feasibility studies for the 2032 Olympic and Paralympic Games. He also contributed to the early development of the Wivenhoe Dam and its facilities as a member of the Brisbane and Area Water Board.

Since leaving public office, Graham has provided advisory and review services to government and private enterprises, and served as a director of Infrastructure Australia from 2019 to 2022. In addition to his role on the Unitywater Board, Graham is a director of Racing Queensland and Racing Australia and among other roles, serves on the Board of Governors for the International Institute of Business and Technology.

Sarah Zeljko - LLB, GAICD, GAIST

Sarah is an accomplished business leader with over 25 years of executive, operational, governance, and advisory experience across public, private, and government-owned corporations. In addition to being a director of **Unitywater**, Sarah is Chair of the Board of Energy Queensland – Australia’s largest government-owned energy business – and a director of IntelliDesign, Stockyard Beef, Queensland Rugby Union and the International River Foundation.

An admitted legal practitioner in the NSW and QLD Supreme Courts, she has led various boards, committees, and executive teams through strategic and operational challenges. Sarah has a proven track record of delivering revenue growth by developing and executing corporate strategies, negotiating commercial agreements, capital raising, mergers and acquisitions, and navigating complex multi-million-dollar transactions.

Board and Committee meetings

Committee	Chairperson	Members	Frequency of meeting
Audit and Risk	Megan Corfield	Sarah Zeljko Michael Arnett	Quarterly

This committee helps the Board to fulfil its corporate governance responsibilities by reviewing **Unitywater's** safety reports, risk management reports and annual financial reports. In addition, it provides oversight and direction with respect to internal control systems, insurance, and audit and regulatory compliance processes.

Capital Investment and Innovation	Chris Hertle	Michael Arnett Graham Quirk	Aug, Nov, Dec, Feb, Apr, Jun
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This committee reviews and oversees **Unitywater's** annual program of capital works while also providing direction on sustainable investment strategies and innovation that informs long-term sustainability goals.

People and Culture	Michael Arnett	Sarah Zeljko Megan Corfield	Sept, Feb (2x), Mar (2x), May, June
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This committee supports the Board by conducting detailed examination of **Unitywater's** annual corporate objectives and the remuneration framework for all our team members. It assists the Board to meet its decision-making obligations under the incentive framework for senior team members. The committee also provides oversight and direction on **Unitywater's** strategic workforce and culture transformation programs.

Board meeting attendance

Member	Board		ARC		PCC		CIIC	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Michael Arnett (Chair)	10	9*	4	4	7	7	6	6
Megan Corfield	10	10	4	4	7	6	-	-
Sarah Zeljko	10	10	4	4	7	7	-	-
Chris Hertle	10	10	-	-	-	-	6	6
Graham Quirk	10	10	-	-	-	-	6	6

*Absent due to illness

Our Executive Leadership Team

Our Chief Executive Officer is appointed by and reports to the Board, with our Executive Leadership Team leading day-to-day operations.

Anna Jackson - BA (Journalism), GAICD Chief Executive Officer

Anna Jackson has been Chief Executive Officer since July 2022. Her focus since joining the Australian water industry in 2017 has been on delivering safe, good quality water and wastewater services for customers, with a particular interest in reuse and securing broader community, environmental and economic benefits.

She is active in national industry leadership through the Australian Water Partnership Advisory Committee as well as the Water Services Association of Australia's Liveable Communities Committee.

Anna's professional background is diverse and includes roles in Australia and internationally for Coffey Tetra Tech International Development, and for aerospace and technology company Raytheon.

Mike Basterfield - BEng (Civil) Executive Manager – Sustainable Infrastructure Solutions

Mike is a water industry professional with in excess of 35 years experience working across Australia, New Zealand and Asia.

He has expertise and executive management experience in all facets of water infrastructure delivery including design, construction, commissioning, operation and maintenance of complex water systems.

Mike is an experienced business manager and has a particular interest in carbon zero initiatives which achieve commercial return.

Rhett Duncan - BEng (Civil), MBA, GAICD Executive Manager - Customer Delivery

Rhett has more than 15 years' leadership experience at executive and general management levels. He is responsible for **Unitywater's** safe and efficient operation of the water supply and wastewater treatment systems to provide reliable services to customers. Rhett has previously worked in waste management, transport infrastructure and construction materials and led teams in challenging and changing business environments.

Katherine Gee - BBus (Acc), LLB, CA, GAICD Executive Manager - Customer Experience (30 July 2018 – 14 February 2024), Acting Chief Financial Officer (14 February 2024 - present)

Throughout her extensive experience in both the private and public sector, Katherine has gained deep insight into the needs of customers and the community. Her roles in telecommunications, local government and the water industry have included implementing major customer management systems, transforming customer experience and delivering organisational change.

Kenan Hibberd - BCom, FAHRI, MAICD **Executive Manager - People, Culture and Safety**

Kenan has 30 years of experience in human resources, quality systems and safety leadership in both the public and private sectors. He has held senior management positions in national and international organisations in the industrial services, engineering, logistics and health sectors. Kenan is an important contributor to industry skills and capability strategy through his role as a member of the Water Services Association Australia People and Culture Committee.

Joshua Zugajev - BCOMM (Public Relations) **Executive Manager – Strategic Engagement**

Joshua joined **Unitywater** in 2023 and leads the teams that connect **Unitywater** people and external stakeholders with the utility's strategic business objectives. He has almost 20 years of experience in corporate reputation management and has previously led the media, communications and stakeholder engagement functions for SA Water as well as public affairs activities for ElectraNet and Australia Post.



Chapter 9

Annual Financial Report

For the year ended 30 June 2024

Northern SEQ Distributor-Retailer Authority trading as Unitywater (ABN 89 791 717 472)

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Key

 <p>Judgements and estimates</p>	 <p>Risks</p>	 <p>Climate change impacts</p>
-------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------

Board Members' Report

The Board of the Northern SEQ Distributor-Retailer Authority trading as Unitywater (Unitywater) is pleased to submit this Annual Financial Report of the Unitywater Group (the Group) for the financial year ended 30 June 2024. The Board Members' Report is as follows:

Board

The names of the Board members in office at any time during, or since the end of, the year are:

- i. Michael Arnett – Chairman
- ii. Megan Corfield
- iii. Sarah Zeljko
- iv. Chris Hertle
- v. Graham Quirk (commenced 1 July 2023)

These Board members have been in office since the start of the financial year to the date of this report, unless otherwise stated. Please refer to the "Our Board" section of the Unitywater Annual Report 2023-24 for details of Board members' qualifications, experience, and special responsibilities.

Principal activities

The principal activities of Unitywater during the financial year were water supply and wastewater collection, transport and treatment services to the Moreton Bay, Sunshine Coast and Noosa communities.

Operating results

The profit of the Group after providing for income tax expense, amounted to \$165,809,500 (2023: \$137,532,500).

Review of operations

A review of the Group's operations during the financial year and the results of those operations are contained in the Unitywater Annual Report 2023-24.

Climate change

Unitywater has developed a number of plans and is in the process of developing a climate change policy in response to the impact of climate change. Potential impacts on the Group are outlined in Note 1.2.10. Further information can be found in the body of the Annual Report under "Climate variability risk" within the "Risk management and accountability" section.

Events after the reporting period

In the opinion of the Board members, there has not been any item, transaction or event of a material or an unusual nature that has arisen between the end of the financial year and the date of this report that is likely to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years other than as outlined in Notes 6.3 and 6.4.

Future developments

Unitywater will continue to pursue its objective of delivering high quality, safe and reliable water supply and wastewater services for customers in the Moreton Bay, Sunshine Coast and Noosa communities.

Environmental regulations

The Group's operations are subject to environmental regulations primarily under State legislation. Unitywater's Board maintains oversight of the controls and management for key environmental risks and obligations and is committed to achieving a high standard of environmental performance. The Board has established appropriate governance arrangements through the Audit and Risk Committee in relation to the oversight of compliance with environmental obligations. The Board is responsible for the regular monitoring of environmental exposures, review of incident trends, environmental initiatives, endorsement of recommendations for environmental programs and investments, as well as compliance with environmental regulations.

Safety compliance

Unitywater's operations are subject to Workplace Health and Safety legislation and associated regulations. The Board maintains oversight of key safety risks and obligations and is committed to keeping our people free from harm. Unitywater undertakes key programs of work to address key and emerging risks, and to continuously improve the organisation's safety management system. These programs include improving our safety culture through personal and collaborative responsibility for safety. This extends to our service delivery partners (contractors). Unitywater is accredited to ISO standard 45001 for management systems of occupational health and safety, with the goal of reducing injuries, illnesses and protecting physical and mental health. The organisation does this through the provision of risk assessments and the implementation of controls, safe systems of work such as permit to work and operational procedures, comprehensive health monitoring, health support and employee assistance programs that are delivered in conjunction with external partners. The Board monitors the organisation's health and safety performance including progress on initiatives, emerging risks, and incident trends.

Participation returns

Participation returns paid or declared by Unitywater during the 2024 financial year were:

	Jun 2024 \$'000	Jun 2023 \$'000
Participation return	54,737	65,419

Refer to Note 5.2 of the consolidated financial statements for details of participation returns paid or payable.

Remuneration and other interests of Board members and executives

Note 3.3 of the consolidated financial statements provides details of Board members' and executives' remuneration. Between 1 July 2023 and 30 June 2024, no Board member has received or become entitled to receive a benefit, other than as disclosed in that note. Any other interests Board members or executives have in Group transactions are outlined in Note 8.3 of the consolidated financial statements.

Indemnification of Board members and officers

Indemnification of Board members of Unitywater

Unitywater has agreed to indemnify the current Board members of Unitywater, and other former Board members of Unitywater, against all liabilities to another person (other than Unitywater or a related body corporate) that may arise from their position as a Board member of Unitywater, except where the liability arises out of conduct involving a lack of good faith or liability against which Unitywater is not permitted by law to exempt or indemnify the Board member in accordance with the South-East Queensland Water (*Distribution and Retail Restructuring*) Act 2009 and regulations.

Indemnification of Board members of Unitywater Group and officers appointed to boards and committees

Unitywater has agreed to indemnify any Board members or officers who are nominated by Unitywater's Board to represent Unitywater on boards, directorships and committees to the extent as follows:

- i. Indemnities provided to former Board members continue for seven years following their resignation from that position, in accordance with the terms of the deed of indemnity.
- ii. Other officers appointed to boards, directorships and committees are indemnified in accordance with the terms of Unitywater's directors' and officers' liability insurance policy.

Insurance premiums

Premiums have been paid on policies of insurance for former and current Board members and officers. Disclosure of the nature of the liability covered by, and premiums paid under, these contracts of insurance is prohibited by the terms of the insurance contracts.

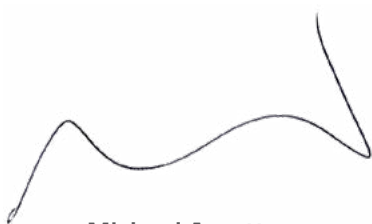
Board members' meetings

The number of meetings of Unitywater's Board members and each Board committee held and attended by each Board member during the year ended 30 June 2024 were:

Board Member	Committee meetings							
	Board meetings		Audit and Risk		People and Culture		Capital Investment and Innovation	
(A)ttended / (E)ligible	A	E	A	E	A	E	A	E
Michael Arnett – Chairman	9	10	4	4	7	7	6	6
Megan Corfield	10	10	4	4	6	7	-	-
Sarah Zeljko	10	10	4	4	7	7	-	-
Chris Hertle	10	10	-	-	-	-	6	6
Graham Quirk	10	10	-	-	-	-	6	6

Rounding of amounts

Amounts in the consolidated financial statements and Board members' report have been rounded to the nearest thousand dollars, unless otherwise stated.



Michael Arnett

Chairman
 Unitywater
 15 August 2024
 Maroochydore, Queensland

Consolidated Statement of Profit or Loss

for the year ended 30 June 2024

	Notes	Jun 2024 \$'000	Jun 2023 \$'000
Revenue			
Utility charges	2.1	651,127	598,770
Developer contributions	2.2	200,528	129,881
Other revenue	2.3	35,792	31,158
Total revenue		887,447	759,809
Expenses			
Bulk water purchases	2.4	(234,557)	(217,528)
Supplies and services	2.5	(136,047)	(101,204)
Employee expenses	3.1	(92,338)	(81,051)
Depreciation and amortisation	4.1, 4.2, 4.3, 4.5	(105,168)	(101,305)
Borrowing costs	5.8	(66,750)	(58,260)
Other expenses	2.6	(16,945)	(11,011)
Total expenses		(651,805)	(570,359)
Profit before income tax expense		235,642	189,450
Income tax expense	7.1	(69,832)	(51,917)
Profit for the year		165,810	137,533

The Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

as at 30 June 2024

	Notes	Jun 2024 \$'000	Jun 2023 \$'000
Current assets			
Cash and cash equivalents	5.3	65,684	28,772
Trade and other receivables	5.4	145,302	139,416
Other assets	8.1	11,884	13,548
Total current assets		222,870	181,736
Non-current assets			
Trade and other receivables	5.4	1,395	1,691
Property, plant and equipment	4.1	4,648,719	4,255,627
Intangible assets	4.2	16,872	16,572
Right of use assets	4.3	11,249	5,386
Investment properties	4.5	8,868	6,761
Investment in associates	4.6	18,856	5,887
Other assets	8.1	1,455	442
Total non-current assets		4,707,414	4,292,366
Total assets		4,930,284	4,474,102
Current liabilities			
Trade and other payables	5.6	168,441	127,330
Contract liabilities	5.5	52,480	52,841
Employee benefits provision	3.4	27,358	23,357
Lease liabilities	5.7	1,465	2,365
Other liabilities	8.2	9,811	946
Total current liabilities		259,555	206,839
Non-current liabilities			
Contract liabilities	5.5	2,748	-
Employee benefits provision	3.4	3,107	2,244
Lease liabilities	5.7	8,971	2,771
Borrowings	5.8	1,835,652	1,592,652
Deferred tax liabilities	7.1	293,113	253,176
Other liabilities	8.2	824	1,179
Total non-current liabilities		2,144,415	1,852,022
Total liabilities		2,403,970	2,058,861
Net assets		2,526,314	2,415,241
Equity			
Contributed equity	5.2	1,434,782	1,434,782
Retained earnings		1,091,532	980,459
Total equity		2,526,314	2,415,241

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

Consolidated Statement of Changes of Equity

for the year ended 30 June 2024

	Notes	Retained earnings \$'000	Contributed equity \$'000	Total \$'000
Restated balance at 1 July 2022		908,345	1,434,782	2,343,127
Total distribution to participants	5.2	(65,419)	-	(65,419)
Profit for the year		137,533	-	137,533
Balance at 30 June 2023		980,459	1,434,782	2,415,241
Total distribution to participants	5.2	(54,737)	-	(54,737)
Profit for the year		165,810	-	165,810
Balance at 30 June 2024		1,091,532	1,434,782	2,526,314

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

Consolidated Statement of Cash Flows

for the year ended 30 June 2024

	Notes	Jun 2024 Inflow / (Outflow) \$'000	Jun 2023 Inflow / (Outflow) \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		675,551	620,427
Developer contributions		75,584	53,685
Government grants and subsidies		3,283	3,629
Interest received		2,326	2,476
Goods and services tax refunded (net)		42,370	32,637
Payments to suppliers (inclusive of GST)		(419,762)	(351,333)
Payments to employees		(87,294)	(79,698)
Borrowing costs		(63,684)	(58,436)
Income tax payments		(18,965)	(42,925)
Net cash inflow from operating activities	5.3	209,409	180,462
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		4,576	363
Payments for property, plant and equipment and intangibles		(339,972)	(267,747)
Payments for investment in associate		(12,815)	-
Payments for investment properties		(2,178)	(2,813)
Net cash (outflow) from investing activities		(350,389)	(270,197)
Cash flows from financing activities			
Proceeds from borrowings		434,710	113,763
Repayments of lease liabilities		(3,471)	(2,660)
Repayments of borrowings		(191,710)	(78,763)
Participation return payments		(61,637)	(47,572)
Net cash inflow / (outflow) from financing activities		177,892	(15,232)
Net increase / (decrease) in cash and cash equivalents		36,912	(104,967)
Cash and cash equivalents at the beginning of the year		28,772	133,739
Cash and cash equivalents at the end of the year	5.3	65,684	28,772

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

1 About this financial report

1.1 Reporting authority

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

Unitywater is governed by an independent Board under the *Northern SEQ Distributor-Retailer Authority Participation Agreement* (the Participation Agreement) and the Restructuring Act on behalf of its three participating Councils: City of Moreton Bay, Sunshine Coast Council and Noosa Council (the participants).

In accordance with the Restructuring Act, Unitywater expires at the end of 99 years from when it was established on 3 November 2009 and the participants become the successor in law of the assets and liabilities in accordance with their participation rights at the expiry date of the Northern SEQ Distributor-Retailer Authority.

Unitywater is a for-profit entity for the purpose of reporting and is required to provide commercial returns to its participants per the Participation Agreement based on each participant's share of the Regulated Asset Base, comprising debt and participation rights as agreed by the Participating Councils and Unitywater. Refer to Note 5.2 for participation rights allocation.

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

1.2 Basis of preparation

1.2.1 Basis of consolidation

The Group financial statements comprise the audited general purpose financial statements of Unitywater and the subsidiaries it controls (see Note 8.4), for the year ended 30 June 2024. Each member of the Group uses the same reporting period and accounting policies. All material intra-group transactions and balances are eliminated on consolidation. Subsidiaries are consolidated from the date control commences, to the date it ceases.

1.2.2 Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with:

Applicable Australian Accounting Standards (AAS) and Interpretations, issued by the Australian Accounting Standards Board (AASB)

The *Financial Accountability Act 2009*

The *Financial and Performance Management Standard 2019*

Queensland Treasury's *Financial Reporting Requirements for Queensland Government Agencies* (as applicable to statutory bodies)

The *Statutory Bodies Financial Arrangements Act 1982*

The exemptions under the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009*

Other authoritative pronouncements

The consolidated financial statements were authorised for issue by the Board on 15 August 2024. Board members have the power to amend and reissue the financial statements.

1 About this financial report

1.2 Basis of preparation

1.2.3 Measurement basis

These consolidated financial statements have been prepared on an historical cost basis.



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

Further information about the assumptions made in measuring fair value is included in Notes 2.2, 4.1, 4.4, 4.5 and 6.1.

1.2.4 Classification as Current or Non-current

An asset or liability is current if the Group expects to realise or settle it within twelve months of the reporting period.

In addition, cash or cash equivalents, and liabilities which the Group does not have the unconditional right to defer settlement for at least twelve months after the reporting period, are considered current.

All other assets and liabilities are classified as non-current.

1.2.5 Presentation currency

These consolidated financial statements are presented in Australian dollars, which is the functional and presentation currency of the Group. Amounts included in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated.

1.2.6 Goods and services tax

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

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position.

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

1.2.7 Going concern

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

1.2.8 Comparatives

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

1 About this financial report

1.2 Basis of preparation

1.2.9 Use of estimates and judgements



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

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

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

- Note 1.2 Basis of preparation – Estimation of fair value
- Note 2.1 Utility charges – Estimation of unbilled water consumption
- Note 2.2 Developer contributions – Fair value estimation of developer contributions (donated assets)
- Note 2.4 Bulk water purchases – Estimation of consumption
- Note 3.4 Employee benefits provision – Leave provision estimations
- Note 4.1 Property, plant and equipment – Fair value estimation of donated property, plant and equipment
- Note 4.1 Property, plant and equipment – Estimated useful lives of property, plant and equipment
- Note 4.2 Intangible assets – Estimated useful lives of intangible assets
- Note 4.3 Right of use assets – Estimation of cost of right of use assets
- Note 4.4 Impairment – Estimation of fair value of non-current assets
- Note 4.5 Investment properties – Estimation of fair value
- Note 4.6 Investment in associates – Judgement regarding significant influence
- Note 5.4 Trade and other receivables – Receivables expected credit loss estimation
- Note 5.7 Lease liabilities – Judgement and estimation regarding lease liabilities
- Note 6.3 Contingencies – Judgement regarding legal claims and environmental matters
- Note 7.1 Income tax – Deferred tax estimate

1 About this financial report

1.2 Basis of preparation

1.2.10 Climate change



Unitywater continues to develop its assessment of the emerging climate-related risks and opportunities that impact the business. Risks include climate extremes such as floods, droughts, heatwaves, bushfires and tidal inundation.

Unitywater assesses the potential impact of the physical risks of climate change in line with Unitywater's Risk Management Framework, through the development of critical plans, including the Drought Management Plan, Emergency Response Plan, Business Continuity Plan, Leakage Management Plan and Water Matters Plan. In limited circumstances, where proposed responses to risks identified in the critical plans are sufficiently mature, they have been incorporated into the forecast cash flows of Unitywater's assets.

Unitywater has established a Sustainability Pathway which focuses on the development of overarching sustainability goals and strategies to reduce our energy consumption and carbon footprint, and to improve the health of our waterways. Unitywater has completed development of a detailed Environmental Sustainability Plan and supporting five-year Environmental Sustainability Action Plans to achieve the goals outlined in the Sustainability Pathway.

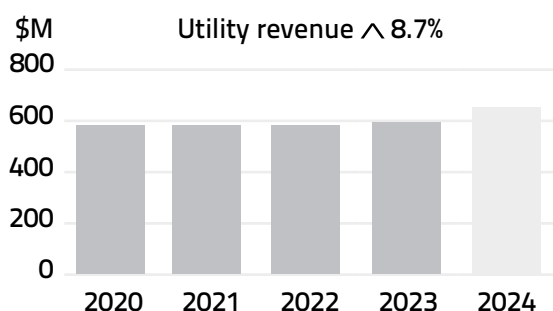
Where new risks are identified as part of ongoing climate-related assessment, Unitywater will continue to monitor and assess the impacts as they relate to financial results and the carrying values of assets and liabilities.

2 Our performance

This section gives further insight into the financial performance of Unitywater by providing details of Unitywater’s earnings and costs.

2.1 Utility charges

	Jun 2024 \$'000	Jun 2023 \$'000
Revenue from contracts with customers		
Water access charges	122,503	112,462
Water volumetric charges	263,271	240,625
Sewerage access charges	223,834	205,497
Sewerage volumetric charges	41,519	40,186
Total utility charges	651,127	598,770



Utility revenue comprises variable usage (volumetric) and fixed access charges for the provision of water and sewerage services. It is recognised at the time of supply and customer consumption. Unitywater’s performance obligations are met over time as the customer simultaneously receives and consumes the services provided (access to the network and provision of water and sewerage services). Revenue is measured at the price allocated to each service, whether it be access or usage.

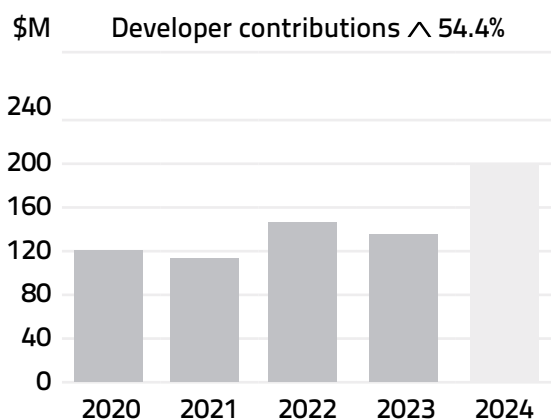


Estimation of unbilled water consumption – Unitywater estimates customer consumption where customer water meters are unread at reporting date. Volumetric estimates are based on historical usage patterns. Access charge accruals are based upon each customers’ access fees for the number of days from the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

2 Our performance

2.2 Developer contributions

	Jun 2024 \$'000	Jun 2023 \$'000
Revenue from contracts with customers		
Developer contributions – donated assets	121,436	79,232
Developer contributions – cash	79,092	50,649
Total developer contributions	200,528	129,881



Unitywater finances part of its capital works infrastructure program through non-refundable cash contributions from developers. Contributions are also received in the form of donated assets. Cash contributions and donated assets are recognised at a point in time when network capacity is made available to the developer. This is evidenced by the developer receiving the right to connect to the infrastructure network. Approval to connect constitutes fulfilment of Unitywater’s performance obligation in relation to revenue being recognised. Where approval to connect is yet to be given, contributions are shown as a contract liability (refer to Note 5.5 Contract liabilities).



Fair value estimation of developer contributions (donated assets) – The fair value of donated assets is estimated as: the amount that it would cost Unitywater to have the asset constructed (by applying standard market rates by unit), or the total market value of similar assets. This represents the amount recognised as developer contributions – donated assets.

2 Our performance

2.3 Other revenue

	Jun 2024 \$'000	Jun 2023 \$'000
Revenue from contracts with customers		
Fees and charges	10,118	7,523
Private works	16,052	13,656
Other	408	603
	26,578	21,782
Other revenue		
Grants and subsidies	3,653	3,629
Lease revenue	2,006	2,641
Interest	2,377	2,533
Other	1,178	573
	9,214	9,376
Total other revenue	35,792	31,158

2.4 Bulk water purchases

	Jun 2024 \$'000	Jun 2023 \$'000
Bulk water purchases	234,557	217,528
Total bulk water purchases	234,557	217,528

Bulk water purchases from Seqwater (the sole supplier of bulk water to Unitywater) are recognised as an expense in the period that the water is provided. The price Unitywater pays for bulk water is recommended by the Queensland Competition Authority and determined by the Minister for Regional Development and Manufacturing and the Minister for Water.

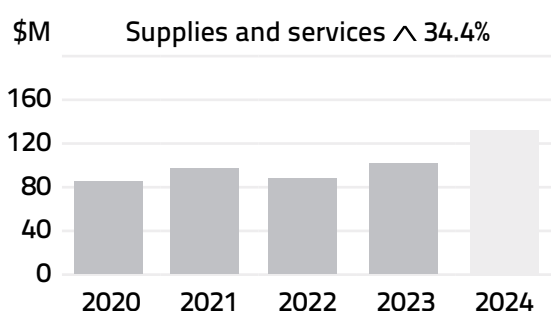


Estimation of consumption – Unitywater estimates bulk water consumption where meters are unread at reporting date. Year-end estimates are provided by region, are typically for a short period of between 3 and 14 days and are based on recent usage patterns for the region. The expense is measured at the estimated volume multiplied by the bulk water price.

2 Our performance

2.5 Supplies and services

	Jun 2024 \$'000	Jun 2023 \$'000
Materials and services	133,383	99,663
Consultants and legal fees	2,664	1,541
Total supplies and services	136,047	101,204



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

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

2.6 Other expenses

	Jun 2024 \$'000	Jun 2023 \$'000
Insurance	2,500	2,306
Audit fees (internal and external) ¹	855	909
Adjustment of expected credit losses	375	(18)
Indirect tax expenses	3,083	2,412
Loss on disposal of property, plant and equipment	9,877	5,215
Other	255	187
Total other expenses	16,945	11,011

¹Total external audit fees quoted by the Queensland Audit Office (QAO) relating to the 2024 consolidated financial statements are estimated to be \$305,000 (2023: \$309,000). There are no non-audit services included in this amount.

2 Our performance

2.7 Financial sustainability

2.7.1 Financial sustainability ratios

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

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

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

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

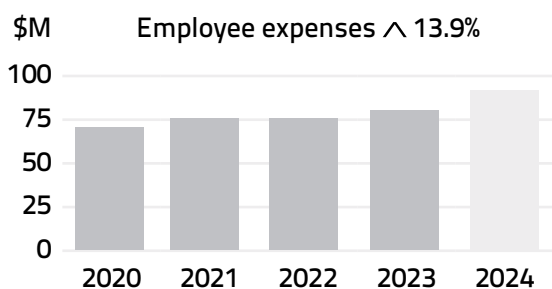
	Jun 2024	Jun 2023
Financial sustainability metrics		
Operating ratio	27%	25%
Capital replenishment ratio	5.0 x	3.5 x
Debt to revenue ratio	2.1 x	2.1 x

3 Our team

This section provides details of the costs of our employees, including key management personnel, and outlines our related obligations for employee benefits.

3.1 Employee expenses

	Notes	Jun 2024 \$'000	Jun 2023 \$'000
Employee benefits			
Salaries and wages		103,463	85,767
Employer superannuation contribution	3.2	10,398	8,997
Other employee benefits		519	1,204
		114,380	95,968
Employee related expenses			
Payroll tax		5,653	4,695
Workers compensation premium		1,131	926
Training		1,452	1,828
Recruitment		818	1,022
Other employee expenses		945	951
		9,999	9,422
Less allocations to capital expenditure		(32,041)	(24,339)
Total employee expenses		92,338	81,051



Employee expenses include costs related to employment. Other employee benefits include directors’ fees and redundancy payments. Other employee expenses include fringe benefits tax, conferences and seminars and employee health expenses. They are expensed in the period in which they are incurred unless they are directly attributable to capital projects in which case they are capitalised and depreciated over the life of the asset.

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

	Jun 2024	Jun 2023
Number of employees	807	725

3 Our team

3.2 Superannuation

Unitywater contributes to the Local Government Investment Australia Superannuation Scheme (LGIAsuper – trading as Brighter Super from 1 July 2022) for employees under both a defined benefits scheme and an accumulation superannuation scheme. Unitywater has no liability to, or interest in, Brighter Super other than the payment of the statutory contribution. Contributions are expensed when incurred.

Regional Defined Benefits Fund – Brighter Super

Unitywater contributes to the Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the trust deed and may be varied on the advice of an actuary. The scheme is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the *Local Government Act 2009* and is managed by Brighter Super.

The scheme is a pooled defined benefit plan, and it is not in accordance with the deed to allocate obligations, plan assets and costs at the entity level.

Any amount by which the scheme is over or under funded may affect future contribution rate obligations but has not been recognised as an asset or liability of Unitywater.

Unitywater may be liable to the scheme for a portion of another entities' obligations should that entity be unable to meet them. However, the risk of this occurring is extremely low and in accordance with the trust deed, changes to Unitywater's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2021. The actuary indicated that "At the valuation date of 1 July 2021, the net assets of the scheme exceeded the vested benefits, and the scheme was in a satisfactory financial position as at the valuation date." The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. Unitywater is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee salary or wages, and there are no known requirements to change the rate of contributions.

The next triennial actuarial review is due on 1 July 2024.



Superannuation risks – The most significant risks that may result in Brighter Super increasing the contribution rate, on the advice of the actuary, are:

Investment risk – The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.

Salary growth risk – The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

Legislative risk – The risk that the cost of providing the benefits will increase as a result of changes to legislation.

3 Our team

3.2 Superannuation

The amount of superannuation contributions by superannuation plan type and fund incurred by Unitywater is as follows:

	Notes	Jun 2024 \$'000	Jun 2023 \$'000
Superannuation plan			
Regional Defined Benefits Fund - Brighter Super		278	331
Accumulation Benefit Fund – Brighter Super		4,732	4,555
Other defined contribution funds		5,388	4,111
Total superannuation contributions	3.1	10,398	8,997

3.3 Key management personnel

3.3.1 Board members

Board members' remuneration is established under the Participation Agreement and is with the unanimous agreement of the participants. Board members' fees include fees paid for membership of Unitywater's Board and relevant Board committees. The Board members who were paid, or were due to be paid from Unitywater were:

	Jun 2024	Jun 2023
Remuneration		
Michael Arnett	147,740	142,003
Megan Corfield	72,857	70,028
Sarah Zeljko	72,857	70,028
Chris Hertle	70,985	68,227
Graham Quirk ¹	70,985	-
Total board members' remuneration	435,424	350,286

¹Board member commenced 1 July 2023

3 Our team

3.3 Key management personnel

3.3.2 Key executive management personnel

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

Position	Responsibilities
Chief Executive Officer	Accountable to the Board for the overall management and operation of the Group as well as ensuring the successful delivery of the Group's strategic direction.
Chief Financial Officer	Drives customer, community and shareholder value through ensuring financial sustainability, corporate performance reporting and analysis, financial management and reporting, procurement, enterprise program management and technology and digital solutions.
Executive Manager Sustainable Infrastructure Solutions	Responsible for leading all aspects of Unitywater's long-term strategic asset planning, asset management, asset performance, efficient capital works design and delivery, laboratory services, business development and water quality management.
Executive Manager Customer Delivery	Responsible for managing all aspects of the day-to-day operation and maintenance of the water reticulation network, water reservoirs, recycled water network including the Wamuran Irrigation Scheme, sewage collection network, pumping stations and sewage treatment plants of Unitywater as well as fleet operation, stores, facilities and non-regulated private works revenue.
Executive Manager Customer Experience	Responsible for ensuring Unitywater's commercial and regulatory obligations to customers, community and government are met through the effective management and leadership of customer service, revenue assurance and development services.
Executive Manager People Culture and Safety	Responsible for workforce strategy, safety, environmental compliance, quality systems, workplace relations, human resources practices, policies and procedures of Unitywater, business resilience, risk management and legal and governance.
Executive Manager Strategic Engagement	Responsible for ensuring Unitywater's strategic direction and operational activities anticipate and respond to customer, community and stakeholder priorities and expectations, and are implemented in ways that create positive experiences for them and our people.

3 Our team

3.3 Key management personnel

3.3.3 Remuneration for key executive management personnel

Remuneration and other terms of employment for Unitywater's key executive management personnel are determined by the Board and specified in individual employment contracts. The contracts provide for the provision of fixed term and performance-related cash payments, including:

- i. Short-term employee benefits:
 - Monetary benefits which include salaries and allowances paid and provided for during the year, performance payments paid during the year, and annual leave entitlements paid and provided for.
 - Non-monetary benefits which relate to allocated parking spaces provided for the executive team.
- ii. Post-employment benefits which consist of superannuation contributions.
- iii. Long term employee benefits which represent long service leave entitlements paid and provided for.
- iv. Termination benefits include payments in lieu of notice and other lump sum separation entitlements. Contracts of employment provide for notice periods regardless of the reason for separation.

Performance payments of key executive management are capped at 20% of Fixed Annual Remuneration (FAR). Amounts payable are tied to the achievement of pre-determined and documented organisational, business unit and individual performance targets as agreed by the Board and the Chief Executive Officer. Performance payments require endorsement by the People and Culture Committee and approval by the Board. No other non-cash benefits are provided to executives as the FAR concept captures various benefits structured within a total reward rather than a base salary plus benefits approach.

All remuneration component amounts are reviewed annually and annual increases in remuneration are in accordance with recommendations endorsed by the People and Culture Committee and approved by the Board.

Where employment is terminated for any reason, a severance payment is payable in accordance with the *Fair Work Act 2009*, employment contract and commercial arrangements. The payment is calculated based on the individual's period of service and FAR and is paid in compliance with the relevant legislation.

All executives were employed for the entire financial year unless otherwise disclosed.

3 Our team

3.3 Key management personnel

3.3.3 Remuneration for key executive management personnel

Remuneration for key executive management personnel comprises the following components:

1 July 2023 - 30 June 2024

Position	Short term benefits		Post-employment benefits ¹	Long term employment benefits	Termination benefits	Total remuneration
	Monetary	Non-monetary				
	\$	\$				
Chief Executive Officer	744,106	5,500	26,203	8,877	-	784,686
Chief Financial Officer (1 July 2023 - 12 March 2024)	335,794	3,847	19,689	(11,140)	264,370	612,560
Acting Chief Financial Officer (13 March 2024 - 30 June 2024) ²	107,781	1,653	5,580	2,740	-	117,754
Executive Manager Sustainable Infrastructure Solutions (1 July 2023 - 11 August 2023) ²	23,933	617	13,282	(5,199)	165,466	198,099
Acting Executive Manager Sustainable Infrastructure Solutions (4 August 2023 - 24 March 2024) ²	212,348	3,530	18,619	7,328	-	241,825
Executive Manager Sustainable Infrastructure Solutions (25 March 2024 - 30 June 2024) ²	113,715	1,476	6,850	873	-	122,914
Executive Manager Customer Delivery	381,607	5,500	26,718	11,997	-	425,822
Executive Manager Customer Experience (1 July 2023 - 1 April 2024)	285,605	3,997	21,233	11,557	-	322,392
Acting Executive Manager Customer Experience (2 April 2024 - 30 June 2024) ²	71,229	-	6,346	1,364	-	78,939
Executive Manager People, Culture and Safety	395,481	5,500	26,727	13,885	-	441,593
Executive Manager Strategic Engagement ²	310,904	5,500	27,399	3,277	-	347,080
Total remuneration	2,982,503	37,120	198,646	45,559	429,836	3,693,664

¹Post employment benefits includes year end accruals.

²Ineligible for performance payment.

3 Our team

3.3 Key management personnel

3.3.3 Remuneration for key executive management personnel

1 July 2022 - 30 June 2023

Position	Short term benefits		Post-employment benefits ¹	Long term employment benefits	Termination benefits	Total remuneration
	Monetary	Non-monetary				
	\$	\$				
Chief Executive Officer ²	549,921	5,349	26,488	4,613	-	586,371
Chief Financial Officer	495,549	5,500	25,756	21,340	-	548,145
Executive Manager Sustainable Infrastructure Solutions	370,715	5,500	25,437	4,091	-	405,743
Executive Manager Customer Delivery	348,367	5,500	25,466	7,977	-	387,310
Executive Manager Customer Experience	341,416	5,500	27,651	12,417	-	386,984
Executive Manager People, Culture and Safety	357,104	5,500	25,477	15,789	-	403,870
Total remuneration	2,463,072	32,849	156,275	66,227	-	2,718,423

¹Post employment benefits includes year end accruals.

²Ineligible for performance payment

3.3.4 Performance payments

Individual performance payments are based upon achievement of corporate, business unit and individual targets. The performance assessment process occurs after the end of the financial year when performance reviews are completed and endorsed by the People and Culture Committee and approved by the Board. Payment of performance bonuses occurs in the year following actual performance. Performance bonuses were paid this financial year by 27 October 2023.

The aggregate performance bonuses paid to key executive management personnel are as follows:

	Jun 2024	Jun 2023
	\$	\$
Performance payments paid	374,586	212,229

3 Our team

3.4 Employee benefits provision

	Jun 2024 \$'000	Jun 2023 \$'000
Current		
Accrued salaries and wages	7,939	4,202
Annual leave liability	7,923	7,348
Long service leave liability	11,291	11,639
Leave in lieu liability	205	168
Total current employee benefits provision	27,358	23,357
Non-current		
Long service leave liability	3,107	2,244
Total non-current employee benefits provision	3,107	2,244

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

i. Salaries and wages

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

ii. Annual leave and long service leave

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



Leave provision estimations – Expected future payments relating to such leave are compiled using average oncost rates, uplifted using the Consumer Price Index (CPI), then discounted using the corporate bond market yield at the reporting date and adjusted for historical retention rates where appropriate.

iii. Leave in lieu

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

iv. Sick leave

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

4 Our assets

This section outlines the key assets we use to support delivery of our water and sewerage services.

4.1 Property, plant and equipment

4.1.1 Movement in carrying amounts

	Land \$'000	Buildings \$'000	Infrastructure \$'000	Plant and equipment \$'000	Work in progress \$'000	Total \$'000
Cost	55,642	17,290	4,573,961	71,835	166,736	4,885,464
Less accumulated depreciation ¹	-	(3,037)	(849,746)	(33,388)	-	(886,171)
Net book value at 30 June 2022	55,642	14,253	3,724,215	38,447	166,736	3,999,293
Developer contributions - donated assets adjustment ²	-	-	12,354	-	-	12,354
Adjusted net book value at 1 July 2022	55,642	14,253	3,736,569	38,447	166,736	4,011,647
Additions	-	-	-	-	262,870	262,870
Transfer from assets held for sale	128	-	-	-	-	128
Transfers between classes	(22)	15	7	-	-	-
Transfers from work in progress	-	42	117,367	8,951	(126,360)	-
Donated assets	-	-	84,076	18	-	84,094
Disposals	-	(11)	(5,161)	(336)	-	(5,508)
Depreciation						
Depreciation expensed	-	(293)	(91,158)	(5,424)	-	(96,875)
Depreciation capitalised	-	(52)	(61)	(616)	-	(729)
Net book value at 30 June 2023	55,748	13,954	3,841,639	41,040	303,246	4,255,627
Cost	55,748	17,323	4,781,945	78,882	303,246	5,237,144
Less accumulated depreciation ¹	-	(3,369)	(940,306)	(37,842)	-	(981,517)
Net book value at 30 June 2023	55,748	13,954	3,841,639	41,040	303,246	4,255,627
Additions	-	-	-	-	384,567	384,567
Transfers between classes	22	-	(218)	196	-	-
Transfers from work in progress	1,269	556	96,027	11,961	(109,813)	-
Donated assets	-	-	124,925	-	-	124,925
Disposals	-	-	(8,380)	(1,608)	(4,465)	(14,453)
Depreciation						
Depreciation expensed	-	(326)	(97,475)	(6,033)	-	(103,834)
Depreciation capitalised	-	(134)	(65)	(601)	-	(800)
Reversal of impairment loss	-	-	2,687	-	-	2,687
Net book value at 30 June 2024	57,039	14,050	3,959,140	44,955	573,535	4,648,719
Cost	57,039	17,879	4,989,963	85,227	573,535	5,723,643
Less accumulated depreciation ¹	-	(3,829)	(1,030,823)	(40,272)	-	(1,074,924)
Net book value at 30 June 2024	57,039	14,050	3,959,140	44,955	573,535	4,648,719

¹ Including accumulated impairment losses/reversals.

² During the 2023 financial year it was identified that assets donated to the Group with a written down value of \$12,353,734 had not been recognised within property, plant and equipment nor as developer contributions revenue in prior periods when accepted on maintenance. An adjustment to reflect this balance net of tax of \$3,706,120 was booked against retained earnings on 1 July 2022. The tax impact is shown in Note 7.1.3. This amount has been adjusted on 1 July 2022 as this is the earliest point in the period in which the matters were identified. The amounts accumulated over a few financial years prior to 1 July 2022 and hence the amounts have been applied against retained earnings. No amount in any individual financial year was material nor was the amount in accumulation.

4 Our assets

4.1 Property, plant and equipment

4.1.1 Movement in carrying amounts

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

<u>Asset type</u>	<u>Threshold</u>
Land	\$1
Buildings	\$5,000
Plant and equipment – fleet	\$5,000
Plant and equipment – other	\$1,000
Infrastructure	\$1

Infrastructure assets are defined as a group of separately identifiable assets which, when considered together, are operating to achieve the objectives of the provision of a particular service. For example, individual components of a pumping station.

All infrastructure assets deemed to form part of a major network (for example water supply and sewerage services) will be recorded as an asset regardless of the cost of the individual asset.

i. Initial recognition of property, plant and equipment

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

Constructed assets include the cost of purchased services, materials, direct labour, borrowing costs and an appropriate proportion of overheads attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets under construction not commissioned at the reporting date are reported as work in progress.

Assets donated by developers are initially recorded at fair value when Unitywater obtains control of the assets and then AASB 116 *Property, Plant and Equipment* rules apply after that as if that value had been their cost.

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for Unitywater. Costs incurred subsequent to initial recognition are capitalised when the expenditure improves the condition of the asset beyond its originally assessed standard of performance or capacity.

Complex assets comprise separately identifiable components (or groups of components) of significant value, that require replacement at regular intervals and at different times to other components comprising the complex asset. Components are separately recorded and valued on the same basis as the asset class to which they relate.

Unitywater's complex assets are its infrastructure distribution networks.



Fair value estimation of donated property, plant and equipment – The initial value of donated assets is estimated as: the amount that it would cost Unitywater to have the asset constructed (by applying standard market rates by unit), or the total market value of similar assets.

4 Our assets

4.1 Property, plant and equipment

4.1.1 Movement in carrying amounts

ii. Asset valuation

Property, plant and equipment is measured at historical cost less accumulated depreciation and accumulated impairment losses.

iii. Depreciation

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use. Land is not depreciated as it has an indefinite life.

Property, plant and equipment is depreciated on a straight-line basis over the estimated useful life of each item of 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.

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

Depreciation methods, estimated useful lives and residual values of property, plant and equipment are reviewed annually and adjusted if appropriate.



The **estimated useful lives** for each class of depreciable assets are:

Buildings	40 – 80 years
Infrastructure assets	
- Water infrastructure assets	2 – 120 years
- Sewer infrastructure assets	5 – 180 years
Plant and equipment	2 – 25 years

iv. Gains and losses on disposals

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the asset at the time of disposal. These gains and losses are included in the Consolidated Statement of Profit or Loss.

4 Our assets

4.2 Intangible assets

4.2.1 Movement in carrying amounts

	Software \$'000	Work in progress \$'000	Total \$'000
Cost	57,452	4,226	61,678
Accumulated amortisation	(43,585)	-	(43,585)
Net book value at 1 July 2022	13,867	4,226	18,093
Additions	-	1,897	1,897
Transfers from work in progress	259	(259)	-
Disposals	(69)	-	(69)
Amortisation	(3,349)	-	(3,349)
Net book value at 30 June 2023	10,708	5,864	16,572
Cost	57,188	5,864	63,052
Accumulated amortisation	(46,480)	-	(46,480)
Net book value at 30 June 2023	10,708	5,864	16,572
Additions	-	3,417	3,417
Transfers from work in progress	3,799	(3,799)	-
Amortisation	(3,117)	-	(3,117)
Net book value at 30 June 2024	11,390	5,482	16,872
Cost	60,937	5,482	66,419
Accumulated amortisation	(49,547)	-	(49,547)
Net book value at 30 June 2024	11,390	5,482	16,872

Intangible assets with a cost greater than \$1,000 are capitalised. Subsequent expenditure is capitalised when it increases the future economic benefits embodied in the specific asset to which it relates.

Intangible assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

i. Software

Costs associated with the development, implementation or enhancement of on-premise systems and software are capitalised where they meet the definition of, and recognition criteria for, an intangible asset. The cost of software includes the cost of all materials, direct labour, other directly attributable costs, borrowing costs (if applicable) and an appropriate proportion of overheads attributable during the configuration of the software. These costs are then amortised over the useful life of the software on a straight-line basis.

ii. Amortisation

Amortisation is recognised on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The useful lives of intangible assets are reviewed annually and adjusted if appropriate.



The **estimated useful lives** for intangible assets are:

Software

3 – 20 years

4 Our assets

4.3 Right of use assets

4.3.1 Movement in carrying amounts

	Land \$'000	Buildings \$'000	Total \$'000
Cost	201	24,796	24,997
Less accumulated depreciation	(40)	(17,919)	(17,959)
Net book value at 1 July 2022	161	6,877	7,038
Reassessments ¹	-	714	714
Depreciation			
Depreciation expensed	(4)	(1,060)	(1,064)
Depreciation capitalised	-	(1,302)	(1,302)
Net book value at 30 June 2023	157	5,229	5,386
Cost	201	25,510	25,711
Less accumulated depreciation	(44)	(20,281)	(20,325)
Net book value at 30 June 2023	157	5,229	5,386
Additions	-	8,416	8,416
Reassessments ²	-	(120)	(120)
Depreciation			
Depreciation expensed	(4)	(829)	(833)
Depreciation capitalised	-	(1,600)	(1,600)
Net book value at 30 June 2024	153	11,096	11,249
Cost	201	33,926	34,127
Less accumulated depreciation	(48)	(22,830)	(22,878)
Net book value at 30 June 2024	153	11,096	11,249

¹ CPI adjustments and increase to the make good provision.

² CPI adjustments and a decrease to the make good provision for office leases at King St, Caboolture.

Unitywater leases office premises in the Sunshine Coast and Moreton Bay regions, and wetlands in the Sunshine Coast. A right of use asset is recognised when control of the use of a specific asset for a length of time is conveyed by a lease contract in exchange for consideration. Except in the case of short-term leases or leases of low-value assets (which are expensed through the Consolidated Statement of Profit or Loss), such right of use assets are capitalised at cost on the commencement date of the lease.

Refer to Note 5.7 Lease liabilities for details of the financing of these assets.



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

4 Our assets

4.4 Impairment

4.4.1 Impairment testing

The carrying amounts of Unitywater's non-current assets (including intangible assets, right of use assets and investment properties) are reviewed annually to determine whether there is any indication of impairment. If there is an indication of impairment, an impairment test is performed to determine whether the assets' carrying value exceeds their recoverable amount. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised as an expense. An impairment loss is reversed when there is an indication the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



Estimation of fair value of non-current assets – The recoverable amount of an asset is the higher of its net selling price (fair value less costs to sell) and the value to be realised through using the assets (value in use). In assessing value in use, the estimated future cash flows are discounted to their present value using a Weighted Average Cost of Capital (WACC) as the discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The fair value of Unitywater's assets has been estimated using an income-based approach and assessed against carrying amount.

Unitywater undertook an impairment review during the financial year. Internal indicators of impairment including obsolescence and physical damage, significant changes with an adverse effect, and internal reporting concerning economic performance of an asset were considered, together with external sources of information such as changes in technological, market, economic or legal environment, changes in regulated environment, policy and/or legislative changes and market interest rate changes.

Impacts of growth in Unitywater's service region (which drives developer contributions - cash and donated assets) were assessed against long-term inflation expectations in the impairment review.

Unitywater's review of asset valuation in 2024 concluded that the fair value range remains supportive of the assets' carrying value and hence no impairment is indicated. There are no material indicators of impairment at the time the financial statements were authorised for issue.

Based on this review, no impairment expense (2023: \$Nil) was recognised in relation to property, plant and equipment, intangibles, right of use assets and investment properties in the Consolidated Statement of Profit or Loss.

4 Our assets

4.5 Investment properties

4.5.1 Movement in carrying amounts

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Work in Progress \$'000	Total \$'000
Cost	3,965	-	-	-	3,965
Net book value at 1 July 2022	3,965	-	-	-	3,965
Additions	-	-	-	2,813	2,813
Transfers from WIP	-	2,732	81	(2,813)	-
Depreciation	-	(11)	(6)	-	(17)
Net book value at 30 June 2023	3,965	2,721	75	-	6,761
Cost	3,965	2,732	81	-	6,778
Less accumulated depreciation	-	(11)	(6)	-	(17)
Net book value at 30 June 2023	3,965	2,721	75	-	6,761
Additions	-	-	-	2,178	2,178
Transfers from WIP	-	2,099	79	(2,178)	-
Depreciation	-	(66)	(5)	-	(71)
Net book value at 30 June 2024	3,965	4,754	149	-	8,868
Cost	3,965	4,831	160	-	8,956
Less accumulated depreciation	-	(77)	(11)	-	(88)
Net book value at 30 June 2024	3,965	4,754	149	-	8,868

The Groups investment properties consist of land and two commercial buildings. Investment property also includes property that is being constructed or developed for future use as investment property.

The commercial properties are leased to tenants under operating leases with rentals payable monthly, lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term. Minimum lease payments receivable on leases are disclosed in note 6.2.

Rental income from investment property recognised in profit or loss is \$296,874 (2023: \$201,471). Direct operating expenses on property that did generate rental income for the period were \$27,216 (2023: \$4,596).

i. Asset valuation

Investment property, which is property held to earn rentals and/or for capital appreciation, is recognised at cost (including transaction costs), less accumulated depreciation and impairment.

ii. Depreciation

Land is not depreciated as it has an indefinite life. Buildings are depreciated on a straight-line basis over their estimated useful life.



The **estimated useful lives** for each class of depreciable assets are:

Buildings 45 – 50 years

Plant and equipment 5 – 25 years

4 Our assets

4.5 Investment properties

4.5.2 Fair value



Estimation of fair value - Investment properties are valued periodically by an independent valuer with appropriate experience in the location and category of investment property being valued.

	Carrying amount \$'000	Fair value ¹ \$'000
Jun 2024		
Investment property	8,868	15,000
Total	8,868	15,000
Jun 2023		
Investment property	6,761	-
Total	6,761	-

¹New note disclosure in 2024. Comparative value not available for 2023.

4.6 Investment in associates

4.6.1 Net carrying amounts – Unitywater Group's share

	Jun 2024 \$'000	Jun 2023 \$'000
Utility Management Group Pty Ltd	5,356	5,650
Pipe AI Ltd	-	237
Detection Group Pty Ltd ¹	11,116	-
Pipeline Inspection and Assessment Pty Ltd ¹	2,384	-
Total investment in associates	18,856	5,887

¹On 31 August 2023, the Group acquired a non-controlling interest in Detection Group Pty Ltd and Pipeline Inspection and Assessment Pty Ltd (collectively DSG).

Associates are those entities in which the group has significant influence but not control or joint control over the financial and operating policies. Refer to note 8.4 for further information regarding shareholding and voting rights.

Investment in associates are accounted for using the equity method whereby the investment is initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share of the associates net assets.

The Group's consolidated statement of profit or loss includes its share in associates profit or loss for the year ended 30 June 2024 \$153,873.55 profit (2023: \$411,125.98 profit).



Judgement regarding significant influence - Unitywater has significant influence over an associate when it has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

5 Our funding

This section provides information on funding our daily operations and the related costs.

5.1 Capital management

Unitywater Group manages its finances to maintain a stable and appropriate capital structure given the financial risk profile and regulated nature of its business, whilst delivering returns to its Participating Councils (City of Moreton Bay, Sunshine Coast Council and Noosa Council) and to ensure it can fund its ongoing operations.

Unitywater's capital comprises contributed equity, retained earnings and net debt.

	Notes	Parent Jun 2024 \$'000	Parent Jun 2023 \$'000
Contributed equity	5.2	1,434,782	1,434,782
Retained earnings		1,092,603	981,483
Total equity		2,527,385	2,416,265
Borrowings	5.8	1,835,652	1,592,652
Less: cash and cash equivalents	5.3	(65,684)	(28,772)
Net debt		1,769,968	1,563,880
Net capital		4,297,353	3,980,145
Gearing ratio		41%	39%

The gearing ratio represents the degree to which an entity's activities are funded through debt versus equity. This is calculated by dividing the net debt by the net capital as shown above.

Unitywater's capital usage is monitored using key credit metrics and ratios which also form part of our funding arrangements with Queensland Treasury Corporation (QTC).

	Parent Jun 2024	Parent Jun 2023
Key credit metrics		
EBITDA ¹ interest coverage \geq 2.5	13.4	22.7
EBIT ² interest coverage \geq 1.75	6.4	12.1
Funds from operations interest coverage \geq 2.25	12.2	18.2
Net debt to fixed assets \leq 60%	13%	9%

¹ Earnings before interest, tax, depreciation and amortisation.

² Earnings before interest and tax.

Unitywater is in compliance with the facility covenants. Its implied credit rating, as determined by QTC, is BBB+. The definition of interest expense and net debt under the Participating Local Government (PLG) Loan Agreements and QTC Master Facility Agreements excludes any debt or interest payable under the PLG Loan Agreements. These metrics also exclude developer contributions (cash and donated assets).

5 Our funding

5.2 Equity

5.2.1 Contributed equity

On 1 July 2010, the City of Moreton Bay and the Sunshine Coast Council transferred their water businesses to Unitywater. The transfer comprised assets, liabilities and employees of the participant Councils' water distribution and sewerage operations.

On 19 December 2013, the Minister for Energy and Water Supply approved the amendments to the Participation Agreement required to accommodate Noosa Council as a participant from 1 January 2014.

The resulting participation rights of each council are as follows:

		Jun 2024 \$'000	Jun 2023 \$'000
City of Moreton Bay	58.24%	835,591	835,591
Sunshine Coast Council	37.51%	538,213	538,213
Noosa Council	4.25%	60,978	60,978
Total contributed equity	100.00%	1,434,782	1,434,782

5.2.2 Participation returns

In accordance with the Restructuring Act, the participating Councils have entered into an agreement (the Participation Agreement) to determine each entity's participation rights in Unitywater Group. The Participation Agreement specifies the participants' rights to participate in a distribution of profits of Unitywater Group in proportion to the percentage set out next to the participant's name in the Register of Participation Rights. During the period from 15 March to 15 April in each financial year, Unitywater Group must give to the participants an estimate of Unitywater Group's net profit for the financial year; and the amount of the participation return to be paid for the financial year, including the amount payable for different participation rights.

A liability for participation return payable is made for the amount of any participation return declared by the Board on or before the end of the financial year but not distributed at the end of the reporting period. A participation return may only be paid out of current year net profit after tax (NOPAT) of Unitywater Group where NOPAT is adjusted for developer contributions received net of tax and depreciation on assets contributed and assets funded by infrastructure charges, because developer contributions are a form of funding for Unitywater's capital expansion. If insufficient adjusted profits are available to meet agreed returns, there is provision for a special dividend to be made.

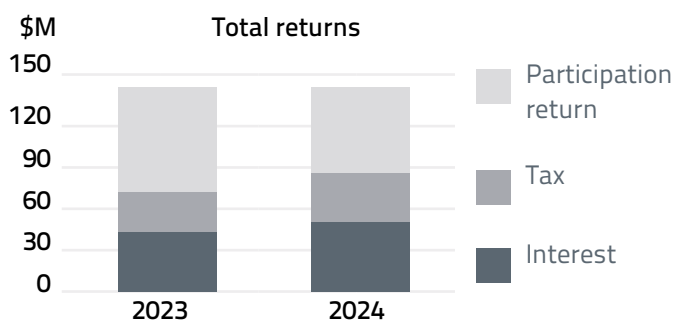
The following participation returns have been paid or are payable at 30 June 2024:

	Jun 2024 \$'000	Jun 2023 \$'000
In accordance with the Participation Agreement, an interim participation return was declared on 29 January 2024 and paid on 15 February 2024	23,321	27,103
The Board declared the full year participation return on 24 June 2024	31,416	38,316
Total participation return paid/payable	54,737	65,419
City of Moreton Bay	31,879	38,100
Sunshine Coast Council	20,532	24,539
Noosa Council	2,326	2,780
Total	54,737	65,419

5 Our funding

5.2 Equity

5.2.2 Participation returns



Total returns to participating Councils comprise interest on debt (refer Note 5.8), tax equivalents (refer Note 7.1) and participation return.

5.3 Cash and cash equivalents

	Jun 2024 \$'000	Jun 2023 \$'000
Cash at bank and on hand	65,684	28,772
Total cash and cash equivalents in the Consolidated Statement of Cash Flows	65,684	28,772

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

5.3.1 Reconciliation of cash flows from operating activities

	Jun 2024 \$'000	Jun 2023 \$'000
Cash flows from operating activities		
Profit for the year	165,810	137,533
Non-cash items included in operating result:		
Depreciation and amortisation	105,168	101,305
Loss on disposal of property, plant and equipment	9,877	5,215
Donated assets	(124,925)	(84,094)
Share of profit from investments in associates	(154)	(411)
Credit losses on trade and other receivables	375	(18)
Changes in assets and liabilities:		
Increase in trade and other receivables	(5,965)	(19,395)
Increase in inventories held for use	(191)	(972)
(Increase) / decrease in prepayments	842	(3,311)
Increase in trade and other payables	2,519	6,774
Increase in contract liabilities	2,387	10,098
Increase in employee benefits provision	4,864	1,562
Increase / (decrease) in other liabilities	8,865	(49)
Increase in deferred tax liabilities	39,937	26,225
Net cash inflow from operating activities	209,409	180,462

5 Our funding

5.4 Trade and other receivables

	Jun 2024 \$'000	Jun 2023 \$'000
Current		
Trade debtors and accrued receivables ¹	137,013	120,679
Less: expected credit losses	(504)	(438)
	136,509	120,241
Income tax receivable	3,311	14,241
GST receivables	4,798	4,717
Other receivables	684	217
Total current	145,302	139,416
Non-current		
Other receivables	1,395	1,691
Total non-current	1,395	1,691
Total trade and other receivables	146,697	141,107

¹ During the 2023 financial year it was determined that accrued utility charges were overstated by \$22,281,747. An adjustment of \$22,281,747 to reflect this balance was booked against retained earnings on 1 July 2022. The tax impact is shown in Note 7.1.1. This amount has been adjusted on 1 July 2022 as this is the earliest point in the period in which the matters were identified. The amounts accumulated over a number of financial years prior to 1 July 2022 and hence the amounts have been applied against retained earnings. No amount in any individual financial year was material nor was the amount in accumulation.

Trade debtors are amounts due from customers for the provision of water, sewerage, trade waste and other services performed in the ordinary course of business. Accrued receivables are recognised for water and sewerage charges and other works and services where performance obligations have been satisfied but not yet invoiced.

Trade and other receivables are initially measured at fair value and are subsequently carried at amortised cost. Trade debtors (from contracts with customers) are generally due for settlement 30 days from invoice date and are therefore classified as current. Overpayments are reclassified to Contract liabilities (see Note 5.5). Other receivables are due in accordance with their contractual terms.

Trade debtors are generally interest-bearing once they become due.



Receivables expected credit loss estimation – Collectability of trade receivables is reviewed on an ongoing basis with provision being made for impairment based on expected credit losses. This estimate considers future cash flows with regard to historical credit loss experience as well as forecast market outlook based on a provision matrix methodology. Individual debts that are uncollectible are written off when identified after obtaining the appropriate level of authorisation. Generally, trade receivables are written off where an amount is considered to be unrecoverable (i.e. bad debt, not economical to pursue, unable to locate customer or negotiated settlement). Movements in expected credit losses are recognised as an expense.

	Jun 2024 \$'000	Jun 2023 \$'000
Movement in expected credit losses		
Opening balance	438	488
Increase in provision	66	(50)
Closing balance	504	438

5 Our funding

5.4 Trade and other receivables

Ageing of impaired, as well as unimpaired financial assets is disclosed in the following table:

Trade and other receivables	Expected Credit Loss Rate	Gross	Expected Credit Losses	Total
	%	\$'000	\$'000	\$'000
Jun 2024				
Accrued receivables	0.02%	83,153	16	83,137
Current billed	0.02%	52,457	8	52,449
Past due 0-30 days	0.08%	4,972	4	4,968
Past due 31-60 days	0.60%	1,335	8	1,327
Past due 61-90 days	0.82%	1,097	9	1,088
More than 91 days	10.94%	4,187	459	3,728
Total trade and other receivables		147,201	504	146,697
Jun 2023				
Accrued receivables	0.01%	88,543	12	88,531
Current billed	0.01%	42,173	6	42,167
Past due 0-30 days	0.10%	5,173	5	5,168
Past due 31-60 days	0.42%	952	4	948
Past due 61-90 days	0.67%	901	6	895
More than 91 days	10.65%	3,803	405	3,398
Total trade and other receivables		141,545	438	141,107

5 Our funding

5.5 Contract liabilities

	Cash contributions \$'000	Refundable deposits \$'000	Debtor over payments \$'000	Other \$'000	Total \$'000
Balance at June 2022	26,913	7,563	5,795	3,003	43,274
Developer contributions - cash adjustment ¹	(531)	-	-	-	(531)
Previously deferred revenue recognised during the period	(23,284)	(1)	(2,012)	(2,532)	(27,829)
Additional revenue deferred during the period	25,447	2,809	4,577	7,894	40,727
Refunds of balances previously deferred	-	(2,276)	(524)	-	(2,800)
Closing balance June 2023	28,545	8,095	7,836	8,365	52,841
Current	28,545	8,095	7,836	8,365	52,841
Total contract liabilities	28,545	8,095	7,836	8,365	52,841
Previously deferred revenue recognised during the period	(25,178)	-	(3,488)	(3,812)	(32,478)
Additional revenue deferred during the period	24,845	3,358	3,303	8,471	39,977
Refunds of balances previously deferred	-	(3,031)	(481)	(1,600)	(5,112)
Closing balance June 2024	28,212	8,422	7,170	11,424	55,228
Current	28,212	8,422	7,170	8,676	52,480
Non-current	-	-	-	2,748	2,748
Total contract liabilities	28,212	8,422	7,170	11,424	55,228

¹ During the 2023 financial year developer cash contributions with a value of \$530,856 were identified as revenue that should have been recognised in prior periods. An adjustment to reflect this balance was booked against retained earnings on 1 July 2022. This amount has been adjusted on 1 July 2022 as this is the earliest point in the period in which the matters were identified. The amounts accumulated over a number of financial years prior to 1 July 2022 and hence the amounts have been applied against retained earnings. No amount in any individual financial year was material nor was the amount in accumulation.

Contract liabilities represent customer receipts for which performance obligations have yet to be met. The majority of this balance reflects developer contributions/deposits where the right to connect has yet to be given (see Note 2.2 for details). Obligations are generally met within 12 months of receipt of the funds.

In addition, refundable infrastructure offsets are also recognised as a contract liability where construction of the asset has been lawfully completed or in accordance with the agreement with the developer.

5 Our funding

5.6 Trade and other payables

	Jun 2024 \$'000	Jun 2023 \$'000
Current		
Trade creditors	28,481	27,252
Participation return payable	31,416	38,316
Interest payable	17,619	14,552
Accrued expenses	87,325	44,429
Other	3,600	2,781
Total trade and other payables	168,441	127,330

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

5.7 Lease liabilities

	Jun 2024 \$'000	Jun 2023 \$'000
Lease liabilities		
Current	1,465	2,365
Non-current	8,971	2,771
Total lease liabilities	10,436	5,136

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

The total cash outflow for leases in 2024 was \$2,827,699 (2023: \$2,897,748).



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

Refer to Note 4.3 Right of use assets for details of the assets covered by these leases.

5 Our funding

5.8 Borrowings

5.8.1 Borrowing costs

	Jun 2024 \$'000	Jun 2023 \$'000
Interest on loans	69,776	58,164
Interest on lease liabilities	60	111
Other interest	-	6
	69,836	58,281
Less capitalised borrowing costs	(3,086)	(21)
Total borrowing costs	66,750	58,260

Borrowing costs comprise interest expense and related fees on bank overdrafts, short-term and long-term borrowings. They are recognised as an expense using the effective interest method in the period in which they are incurred. Borrowing costs that are not settled in the period in which they arise are accrued as interest payable. Where material, borrowing costs directly attributable to a specific capital project that takes more than 12 months to prepare for its intended use, are added to the cost of those assets.

In 2024, borrowing costs of \$3,086,209 (2023: \$20,748) were capitalised. The rate used to determine the amount of borrowing costs eligible for capitalisation was 3.04% (2023: 2.72%), which is the effective interest rate of the borrowings.

5.8.2 Composition of borrowings

	Jun 2024 \$'000	Jun 2023 \$'000
Non-current		
Participating Councils		
Subordinated debt	1,160,652	1,160,652
Queensland Treasury Corporation		
Portfolio linked loan	675,000	432,000
Total borrowings	1,835,652	1,592,652

Borrowings are initially recognised at fair value, net of any transaction costs directly attributable to the borrowings, and then subsequently held at amortised cost using the effective interest method. Borrowing costs that are not settled in the period in which they arise are accrued as interest payable.

No assets have been pledged as security for any liabilities. All borrowings are in Australian dollar denominated amounts and carried at amortised cost. The fair value of the loans and borrowings subsequently measured at amortised cost is set out in Note 6.1. There have been no defaults or breaches of the loan agreements during the 2024 financial year (2023: None).

5 Our funding

5.8 Borrowings

5.8.2 Composition of borrowings

Principal repayments for debt funding with Queensland Treasury Corporation and the Participating Councils are due at the end of the life of the loans as per their terms and conditions. Participating Councils' loans have a 20-year term, terminating on 30 June 2033 with an extension clause of 10 years. Debt is subordinated to Queensland Treasury Corporation with variable interest rates set annually on a portfolio-based approach. The maturity profile is disclosed in Note 6.1 along with Unitywater's other financial liabilities.

The weighted average interest rate on borrowings for the year is 4.11% (2023: 3.70%). Interest payments are made quarterly in arrears at rates ranging from 3.04% to 4.51% (2023: 2.86% to 4.01%).

Sensitivity analysis for variable rate instruments

The following sensitivity analysis depicts the outcome to profit and loss if interest rates would change by +/- 1% from the year end rates applicable to Unitywater's financial assets and liabilities. The calculations assume that the rate would be held constant over the next financial year, with the change occurring at the beginning of that year, except for the current year financial liabilities which assume periodic refinancing.

	Net carrying amounts \$'000	Interest rate risk			
		-1%		+1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Jun 2024					
Financial assets	65,662	(657)	(657)	657	657
Financial liabilities	(1,835,652)	1,041	1,041	(1,007)	(1,007)
Sensitivity (net)	(1,769,990)	384	384	(350)	(350)
Jun 2023					
Financial assets	28,767	(288)	(288)	288	288
Financial liabilities	(1,592,652)	871	871	(848)	(848)
Sensitivity (net)	(1,563,885)	583	583	(560)	(560)

5 Our funding

5.8 Borrowings

5.8.3 Financing arrangements at balance date

	Jun 2024 \$'000	Jun 2023 \$'000
Unitywater has access available at balance date to the following facilities:		
Bank overdraft	50	50
Credit card	750	750
Working capital	250,000	50,000
Loans	1,881,202	1,603,202
Total facilities	2,132,002	1,654,002
Facilities not utilised at balance date:		
Bank overdraft	50	50
Credit card	743	721
Working capital	250,000	50,000
Loans ¹	45,550	10,550
Total facilities not used	296,343	61,321

¹ The Group has a Building Acceleration Fund loan facility of \$25,550,000 that remained fully undrawn at 30 June 2024. The facility is available for use in the next reporting period once conditions precedent within the loan agreement are satisfied. \$20,000,000 of State Borrowing approved funding for this financial year remained undrawn from the QTC Portfolio Linked Loan at 30 June 2024.

6 Our financial risks

This section outlines the valuation methodologies for our financial instruments, the framework used to manage the financial risks to our business, as well as our commitments and potential commitments.

6.1 Financial risk framework

6.1.1 Financial instruments

Financial instruments are classified and measured as follows:

Financial instrument	Initial measurement	Subsequent measurement
Cash and cash equivalents	Fair value	Amortised cost
Trade receivables and lease receivables	Fair value	Amortised cost
Investments in associates	Cost	Cost plus/minus profits/losses
Payables	Fair value	Amortised cost
Borrowings	Fair value net of directly attributable transaction costs	Amortised cost (using the effective interest method)
Lease liabilities	Present value of unpaid lease payments at commencement date	Adjusted for lease payments, interest and lease modifications

Unitywater classifies its financial assets at amortised cost because they are held to collect contractual cash flows and those cash flows are solely principal and interest.

Financial assets are derecognised if the contractual rights to the cash flows from the financial assets expire, if the financial asset is transferred to another party without retaining control, or substantially all risks and rewards of the asset are transferred. Financial liabilities are derecognised if the obligations specified in the contract expire or are discharged or cancelled.

Borrowing costs that are not settled in the period in which they arise are accrued as interest payable.

Derivatives

Unitywater does not enter into transactions for speculative purposes, or for hedging.

6 Our financial risks

6.1 Financial risk framework

6.1.2 Categorisation of financial instruments

Unitywater has the following categories of financial assets and financial liabilities:

	Notes	Jun 2024 \$'000	Jun 2023 \$'000
Financial assets			
Cash and cash equivalents	5.3	65,684	28,772
Trade and other receivables	5.4	138,588	122,149
Investments in associates	4.6	18,856	5,887
Total financial assets		223,128	156,808
Financial liabilities			
Trade and other payables	5.6	168,441	127,330
Lease liabilities	5.7	10,436	5,136
Borrowings	5.8	1,835,652	1,592,652
Total financial liabilities		2,014,529	1,725,118

GST and income tax payable/receivable do not qualify as financial instruments and are excluded from the table above.

Risk management framework

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board established the Audit and Risk Committee, which is responsible for developing and monitoring risk management policies. The committee reports regularly to the Board on its activities.

Exposure to financial risks is managed in accordance with the Group's approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of the Group.

6 Our financial risks

6.1 Financial risk framework

6.1.2 Categorisation of financial instruments

Risk exposure

The activities of the Group expose it to a variety of financial risks as set out below.



Credit risk is the risk of financial loss to the Group if a customer or another party fails to meet its obligations.

The Group is exposed to credit risk through its customers, investments with the Queensland Treasury Corporation (QTC) and deposits held with banks. It uses ageing analysis to measure this risk (see Note 5.4).

Unitywater has a concentration of credit risk from receivables due from its customers. The QTC Cash Fund is an asset management portfolio with investments in a wide variety of high credit rating counterparties. Deposits are capital guaranteed.

In respect of trade and other receivables, Unitywater is obliged to service all customers in its service area without regard to customer credit quality. Unitywater manages credit risk in accordance with its Credit Management Policy, which outlines credit collection processes, continuing service provision whilst minimising risks associated with fulfilling payment requirements, customer awareness regarding the use of appropriate payment options and plans to reduce likelihood of non-payment and provisions for those customers suffering genuine financial hardship. Exposure to credit risk is monitored on an ongoing basis.

With regard to cash and cash equivalents, Unitywater only deals with creditworthy counterparties and recognised financial intermediaries as a means of mitigating the risk of financial losses from default. Unitywater's Investment and Cash Management Policy provides a high-level framework which prescribes the credit rating of counterparties.

6 Our financial risks

6.1 Financial risk framework

6.1.3 Financial risk management

The maximum exposure to credit risk at 30 June 2024 in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any provision for impairment (see Notes 5.3 and 5.4).

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

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



Liquidity risk is the risk that the Group may encounter difficulty in meeting obligations associated with financial liabilities which are settled by delivering cash or another financial asset.

The Group is exposed to liquidity risk through its trading in the normal course of business, and through borrowings from the QTC for its working capital requirements. It uses maturity analysis to measure this risk (see below).

The Group manages its exposure to liquidity risk due to unexpected volatility in cash flows, by maintaining sufficient cash deposits as well as short and long-term borrowing facilities. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

The following table sets out the liquidity risk of financial liabilities held by the Group at reporting date. It represents the contractual maturity of financial liabilities, including interest payments, calculated based on undiscounted cash flows.

	Financial liabilities				Total cash flows \$'000
	Carrying amount \$'000	Cash flow payable in			
		< 1 year \$'000	1-5 year \$'000	> 5 year \$'000	
Jun 2024					
Trade and other payables	168,441	168,441	-	-	168,441
PLG loans	1,160,652	55,218	224,702	1,399,243	1,679,163
QTC borrowings	675,000	23,791	103,564	675,000	802,355
Lease liabilities	10,436	1,947	4,720	5,656	12,323
Total financial liabilities	2,014,529	249,397	332,986	2,079,899	2,662,282
Jun 2023					
Trade and other payables	127,330	127,330	-	-	127,330
PLG loans	1,160,652	50,895	209,382	1,435,321	1,695,598
QTC borrowings	432,000	12,694	52,606	432,000	497,300
Lease liabilities	5,136	2,761	2,722	286	5,769
Total financial liabilities	1,725,118	193,680	264,710	1,867,607	2,325,997

6 Our financial risks

6.1 Financial risk framework

6.1.3 Financial risk management



Market risk – The Group’s market risk is primarily in relation to interest rate risk. This is the risk that a value of a financial instrument or cash flow associated with the instrument will fluctuate due to changes in market interest rates.

The Group is exposed to interest rate risk through its borrowings from QTC and Participating Councils, investment with QTC and cash deposited in interest-bearing accounts. It uses sensitivity analysis to measure this risk (see Note 5.8).

The Group is not materially exposed to commodity price changes.

Unitywater manages this part of its portfolio by setting, monitoring and adjusting the terms and duration of its loan portfolio as allowed under its commercial financing contract, with QTC and the Participating Councils such that the desired interest rate risk exposure can be constructed.

6.1.4 Fair value

Unitywater Group does not carry any financial assets or financial liabilities at fair value.

Cash, trade and other receivables, and payables are carried at amortised cost which is assumed to approximate fair value – the value of the original transaction, less any allowance for impairment.

Borrowings are carried at amortised cost using the effective interest method. Fair value of interest-bearing borrowings is notified by QTC. It is calculated based on discounted expected future cash flows.

The fair values of the borrowings, together with the carrying amounts, are as follows:

	Carrying amount \$'000	Fair value \$'000
Jun 2024		
Participating Councils		
Subordinated loans	1,160,652	1,144,029
QTC borrowings		
Portfolio linked loan	675,000	653,291
Total borrowings	1,835,652	1,797,320
Jun 2023		
Participating Councils		
Subordinated loans	1,160,652	1,140,142
QTC borrowings		
Portfolio linked loan	432,000	407,877
Total borrowings	1,592,652	1,548,019

6 Our financial risks

6.2 Commitments

6.2.1 Leases as lessor

Finance leases

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

Non-cancellable operating leases

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

	Jun 2024 \$'000	Jun 2023 \$'000
Within one year	1,696	1,802
1 to 2 Years	1,396	1,606
2 to 3 Years	1,316	1,349
3 to 4 Years	1,092	1,267
4 to 5 Years	999	1,045
More than five years	14,067	14,813
Total commitments – leases as a lessor	20,566	21,882

6.2.2 Capital expenditure commitments

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

	Jun 2024 \$'000	Jun 2023 \$'000
Property, plant and equipment		
Within one year	166,373	181,470
One year and no later than five years	163,874	201,789
Total commitments	330,247	383,259
Intangibles		
Within one year	452	908
Total commitments	452	908

As disclosed in Note 6.3, Unitywater has represented to an authority to undertake certain works on existing assets. These amounts are not included in the amounts disclosed above.

6 Our financial risks

6.3 Contingencies

Legal claims and environmental matters



Judgement regarding legal claims and environmental matters – There is currently a dispute with a Unitywater contractor in relation to a design and construct contract. Claims and counter claims have been filed between the parties and litigation is currently in discovery. Unitywater will strenuously defend the contractor's claims.

The asset which is subject to the design and construct contract will require modification in a future period to meet the requirements of Unitywater's Environmental Authority and general environmental duty. Unitywater is still working with the relevant environmental authority to confirm what the requirements to modify the plant will be, however has developed a flexible adaptive pathway to serve as a roadmap. This adaptive pathway applies various stages and depending on outcomes could be closed at any stage where acceptable remedy is reached. The financial implications will vary depending upon the technical solution selected and the stage in the pathway that the matter is concluded at. Pathway outcomes may require investment of up to \$232 million and will be impacted by the nature and timing of the solution in relation to the pathway. Any amounts incurred may be capitalised to the asset depending upon the circumstances.

6.4 Subsequent events

There have been no other subsequent events to date that may significantly affect the operations of the Group or materially impact the consolidated financial statements.

7 Our tax

This section breaks down our costs and obligations regarding income tax.

7.1 Income tax

7.1.1 Income tax expense

Unitywater Group is subject to the Local Government Tax Equivalents Regime (LGTER). Under the LGTER, Unitywater Group is required to make income tax equivalent payments to the Participating Councils in accordance with the requirements of its Participation Agreement.

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

The Group is a tax consolidated group consisting of Headworks Australia Pty Ltd, Unitywater Properties Pty Ltd and their subsidiaries (see Note 8.4 for details). Unitywater is the head entity of the tax consolidated group.

A tax sharing agreement is in place between the entities of the tax consolidated group which limits the joint and several liability of the wholly owned entities in the case of a default by the parent entity, Unitywater.

The Group has a tax funding agreement in place under which the wholly-owned entities fully compensate Unitywater for any current tax payable assumed and are compensated by Unitywater for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Unitywater under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements. The amounts receivable/payable under the tax funding agreement are due upon payment by the parent entity of those liabilities and are subject to the parent entity providing to the wholly owned entities satisfactory evidence of that payment. The wholly owned entities shall promptly pay to the parent entity that contribution amount and the parent entity shall promptly pay to the relevant wholly owned entities, amounts receivable by them under the funding arrangement.

7 Our tax

7.1 Income tax

7.1.1 Income tax expense

	Jun 2024 \$'000	Jun 2023 \$'000
Income tax expense recognised in consolidated profit or loss		
Current tax expense		
Current income tax charge	29,895	30,536
Adjustments for current income tax of prior years ¹	-	(4,844)
Current tax expense	29,895	25,692
Deferred tax expense		
Deferred income tax charge	39,937	26,225
Deferred tax expense	39,937	26,225
Total income tax expense	69,832	51,917
Reconciliation of effective tax rate		
Consolidated profit before income tax expense	235,642	189,450
Income tax expense at 30%	70,693	56,835
Prior period adjustment	-	(4,844)
Non-deductible expenses	12	15
Change in unrecognised temporary differences subject to initial recognition exemption	(873)	(89)
Income tax expense	69,832	51,917

¹ During the 2023 financial year Unitywater lodged amended tax returns with the Tax Assessor for the tax years 2019 to 2022 resulting in a cumulative decrease to current tax expense of \$4,843,980. Amendments address overstatement of utility charges revenue and understatement of developer cash contributions in prior periods.

7 Our tax

7.1 Income tax

7.1.2 Deferred tax assets and liabilities



Deferred tax estimate – Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse. A deferred tax asset is recognised for unused tax losses, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and deferred tax liabilities have been offset as there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on Unitywater Group.

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	Jun 2024 \$'000	Jun 2023 \$'000	Jun 2024 \$'000	Jun 2023 \$'000	Jun 2024 \$'000	Jun 2023 \$'000
Property, plant and equipment	-	-	(281,646)	(245,111)	(281,646)	(245,111)
Right of use assets	-	-	(3,375)	(1,616)	(3,375)	(1,616)
Prepayments	-	-	(81)	(162)	(81)	(162)
Employee benefits	7,326	6,805	-	-	7,326	6,805
Other provisions and accruals	360	351	-	-	360	351
Lease liabilities	3,378	1,895	-	-	3,378	1,895
Accrued revenue	-	-	(428)	(507)	(428)	(507)
Other items	531	248	(19,178)	(15,079)	(18,647)	(14,831)
Tax asset/(liability)	11,595	9,299	(304,708)	(262,475)	(293,113)	(253,176)
Set off	(11,595)	(9,299)	11,595	9,299	-	-
Net tax liability	-	-	(293,113)	(253,176)	(293,113)	(253,176)

7 Our tax

7.1 Income tax

7.1.3 Movements in deferred tax assets and liabilities

	Assets		Liabilities		Net	
	Jun 2024 \$'000	Jun 2023 \$'000	Jun 2024 \$'000	Jun 2023 \$'000	Jun 2024 \$'000	Jun 2023 \$'000
Opening balance	9,299	9,558	(262,475)	(232,803)	(253,176)	(223,245)
Developer contributions - donated asset adjustment ¹	-	-	-	(3,706)	-	(3,706)
Restated opening balance	9,299	9,558	(262,475)	(236,509)	(253,176)	(226,951)
Current year's income tax equivalent expense	2,296	(259)	(42,233)	(25,966)	(39,937)	(26,225)
Closing balance	11,595	9,299	(304,708)	(262,475)	(293,113)	(253,176)

¹ During the 2023 financial year it was identified that assets donated to the Group with a written down value of \$12,353,734 had not been recognised within property, plant and equipment nor as developer contributions revenue in prior periods when accepted on maintenance. An adjustment to reflect this balance net of tax of \$3,706,120 was booked against retained earnings on 1 July 2022. The property, plant and equipment impact is shown in Note 4.1.

7.1.4 Unrecognised deferred tax liabilities

As part of the restructure of the water entities, the City of Moreton Bay and Sunshine Coast Councils transferred assets and employee leave provisions to Unitywater on 1 July 2010. The requirements of the initial recognition exceptions in relation to these assets and liabilities were satisfied such that any temporary differences arising on the acquisition of the transferred assets and leave balances were not recognised; and no temporary differences are recognised in the current period, or future periods in relation to these assets and leave balances.

Deferred tax liabilities not recognised in 2024 were \$872,909 (2023: \$88,701).

8 Other

This section covers remaining assets and liabilities of our business as well as disclosures to assist in understanding our consolidated financial statements.

8.1 Other assets

	Jun 2024 \$'000	Jun 2023 \$'000
Current		
Prepayments	7,074	8,929
Inventories held for use (cost)	4,810	4,619
Total other current assets	11,884	13,548
Non-current		
Prepayments	1,455	442
Total other non-current assets	1,455	442

An amount of \$4,449,451 (2023: \$3,517,930) of inventory was recognised as an expense during the year.

8.2 Other liabilities

	Jun 2024 \$'000	Jun 2023 \$'000
Current		
Unearned revenue	9,696	831
Security deposits and retentions	115	115
Total other current liabilities	9,811	946
Non-current		
Provision for restoration	824	1,179
Total other non-current liabilities	824	1,179

8 Other

8.3 Related parties

8.3.1 Transactions and balances with Participating Councils

	City of Moreton Bay		Sunshine Coast Council		Noosa Council		Total	
	Jun 2024 \$'000	Jun 2023 \$'000	Jun 2024 \$'000	Jun 2023 \$'000	Jun 2024 \$'000	Jun 2023 \$'000	Jun 2024 \$'000	Jun 2023 \$'000
Revenue								
Utility charges	7,150	6,525	5,951	4,523	1,213	981	14,314	12,029
Developer contributions	453	618	824	468	-	511	1,277	1,597
Other revenue	2,762	1,389	602	806	452	532	3,816	2,727
	10,365	8,532	7,377	5,797	1,665	2,024	19,407	16,353
Expenses								
Supplies and services	111	141	100	97	60	9	271	247
Interest on loans	30,534	27,149	19,592	17,420	2,220	1,973	52,346	46,542
Taxation equivalents	19,171	16,330	12,347	10,517	1,399	1,192	32,917	28,039
Participation returns	31,879	38,100	20,532	24,539	2,326	2,780	54,737	65,419
	81,695	81,720	52,571	52,573	6,005	5,954	140,271	140,247
Amounts receivable								
Utility charges	892	2,377	809	843	149	108	1,850	3,328
Other receivables	364	310	42	79	58	3	464	392
Taxation equivalents	1,928	8,294	1,242	5,342	141	605	3,311	14,241
	3,184	10,981	2,093	6,264	348	716	5,625	17,961
Property, plant and equipment - Work in progress	69	66	204	678	-	-	273	744
Amounts payable								
Interest payable	7,633	6,787	4,898	4,355	555	493	13,086	11,635
Supplies and services	3	-	27	12	-	-	30	12
Taxation equivalents	1,752	1,367	1,129	880	128	100	3,009	2,347
Participation returns	18,297	22,315	11,784	14,373	1,335	1,628	31,416	38,316
	27,685	30,469	17,838	19,620	2,018	2,221	47,541	52,310
Contract liabilities - Deposits and deferred revenue	149	213	37	181	16	44	202	438
Borrowings - Loans	677,025	677,025	434,409	434,409	49,218	49,218	1,160,652	1,160,652

Amounts owing are unsecured and are expected to be settled in cash.

8 Other

8.3 Related parties

8.3.2 Transactions with associate entities

Associate	Nature of payments	Jun 2024 \$'000	Jun 2023 \$'000
Pipe Management Australia Pty Ltd	Revenue from lease of property	68	68
Pipe Management Australia Pty Ltd	Revenue from standpipe usage charge	78	59
Pipe Management Australia Pty Ltd	Maintenance of water and sewerage assets	13,017	4,968
Pipe AI Pty Ltd	Software services	-	5
Detection Group Pty Ltd	Leak detection services	1,205	-

8.3.3 Key management personnel transactions

A number of the Board members and executive management personnel hold positions in other entities that may result in them having control or significant influence over the financial or operating policies of those entities. Resulting related party transactions with Unitywater are conducted at arm's length, on normal commercial terms, in line with Unitywater's Conflict of Interest Policy.

8 Other

8.4 Group structure

The Unitywater Group consists of the following Australian incorporated entities:

Name of entity	Principal activity	Interest held by the Group	
		Jun 2024	Jun 2023
Northern SEQ Distributor-Retailer Authority trading as Unitywater	Water and sewerage services		
_ Unitywater Properties Pty Ltd ¹	Property investment	100%	100%
_ Unitywater Properties No.2 Pty Ltd ¹	Property investment	100%	100%
_ Headworks Australia Pty Ltd ¹	Holding company	100%	100%
_ WTCC Pty Ltd ¹	Water and sewerage services	100%	100%
_ Detection Group Pty Ltd ²	Water and sewerage services	40%	-
_ Pipeline Inspection and Assessment Ltd ²	Software services	40%	-
_ Pipe AI Pty Ltd ²	Software services	-	30%
_ Utility Management Group Pty Ltd ²	Holding company	24%	24%
_ Pipe Management Australia Pty Ltd ²	Water and sewerage services	24%	24%
_ IC Pipes Pty Ltd ²	Water and sewerage services	24%	24%
_ UMG Assets Pty Ltd ²	Water and sewerage services	24%	24%

¹Consolidated subsidiary

²Equity accounted associate

All the above entities have fully paid-up ordinary share capital. Ownership interests are a direct reflection of voting rights. Unitywater supports its subsidiaries to ensure they can meet their obligations when they fall due.

8 Other

8.5 New and revised accounting standards

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

Standard/Interpretation	Application date for Unitywater
<i>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i>	1 July 2024
<i>AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants</i>	1 July 2024
<i>AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 And Editorial Corrections</i>	1 July 2025

Unitywater applies standards and interpretations in accordance with their respective commencement dates.

Certificate of Unitywater Group for the year ended 30 June 2024

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

- i. the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- ii. the consolidated financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Unitywater Group for the financial year ended 30 June 2024 and of the financial position of the Group at the end of that year; and

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

Michael Arnett

BCom, LLB

Chairman

Anna Jackson

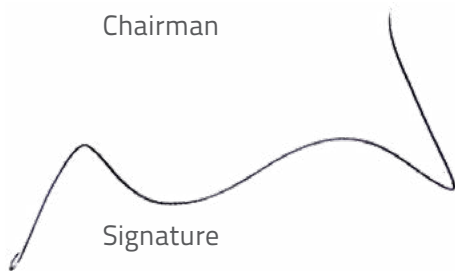
BJou, GAICD

Chief Executive Officer

Katherine Gee

BBus (Acc), LLB, CA, GAICD

Acting Chief Financial Officer



Signature

Date: 15 August 2024



Signature

Date: 15 August 2024



Signature

Signature

Date: 15 August 2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Northern SEQ Distributor-Retailer Authority trading as Unitywater

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Northern SEQ Distributor-Retailer Authority and its controlled entities (the group).

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

In my opinion, the financial report:

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

Basis for opinion

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

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

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

Responsibilities of the entity for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

https://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of my auditor's report.

Report on other legal and regulatory requirements

Statement

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

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

Prescribed requirements scope

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

Jacques Coetzee

Jacques Coetzee
as delegate of the Auditor General

16 August 2024

Queensland Audit Office
Brisbane



PO Box 953, Caboolture QLD 4510
ABN 89 791 717 472
1300 086 489
unitywater.com

Obj Ref: A8372897

The Honourable Glenn Butcher MP
Minister for Regional Development, Manufacturing and Minister for Water
PO Box 2247
Brisbane QLD 4002

27 August 2024

Dear Minister

I am pleased to submit for presentation to the Parliament, the Unitywater Annual Report 2023-24 and financial statements.

I certify that this Annual Report complies with:

- The prescribed requirements of the Financial Accountability Act 2009 and the Financial and Performance Management Standard 2019; and
- The detailed requirements set out in the Annual Report Requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements is provided on page 115 of this annual report.

Yours sincerely

Michael Arnett

Board Chair

Compliance Checklist – 2023-24 Annual Report

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister 	ARRs – section 7	pg 112
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	Table of contents – pg 4 Glossary – pg 115
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	pg 3
	<ul style="list-style-type: none"> Interpreter service statement 	Queensland Government Language Services Policy ARRs – section 9.3	pg 3
	<ul style="list-style-type: none"> Copyright notice 	Copyright Act 1968 ARR – section 9.4	pg 3
	<ul style="list-style-type: none"> Information Licensing 	QGEA – Information Licensing ARR – section 9.5	N/A – not a Department
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10	pg 6-9
Non-financial performance	<ul style="list-style-type: none"> Government’s objectives for the community and whole-of-government plans/specific initiatives 	ARRs – section 11.1	pg 9
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.2	pg 9
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.3	Throughout report
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	pg 10-11
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	pg 41
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	pg 45-46
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	N/A –not a Government body
	<ul style="list-style-type: none"> Public Sector Ethics 	Public Sector Ethics Act 1994 ARR – section 13.4	pg 38
	<ul style="list-style-type: none"> Human Rights 	Human Rights Act 2019 ARR – section 13.5	pg 39
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.6	Throughout report

Compliance Checklist – 2023-24 Annual Report

Summary of requirement	Basis for requirement	Annual report reference
Governance – risk management and accountability	▪ Risk management	ARRs – section 14.1 pg 37
	▪ Audit committee	ARRs – section 14.2 pg 44
	▪ Internal audit	ARRs – section 14.3 pg 38
	▪ External scrutiny	ARRs – section 14.4 pg 38
	▪ Information systems and recordkeeping	ARRs – section 14.5 pg 38
	▪ Information Security attestation	ARRs – section 14.6 N/A – not a Department
Governance – human resources	▪ Strategic workforce planning and performance	ARRs – section 15.1 pg 32
	▪ Early retirement, redundancy and retrenchment	Directive No.04/18 Early Retirement, Redundancy and Retrenchment ARRs – section 15.2 N/A – PSA not applicable to Unitywater
Open Data	▪ Statement advising publication of information	ARRs – section 16 pg 39
	▪ Consultancies	ARRs – section 31.1 https://data.qld.gov.au
	▪ Overseas travel	ARRs – section 31.2 https://data.qld.gov.au
	▪ Queensland Language Services Policy	ARRs – section 31.3 https://data.qld.gov.au
Financial statements	▪ Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1 pg 109
	▪ Independent Auditor’s Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2 pg 110-111

FAA Financial Accountability Act 2009

FPMS Financial and Performance Management Standard 2019

ARRs Annual report requirements for Queensland Government agencies

Glossary





Term	Meaning
AAS	Applicable Australian Accounting Standards
AASB	Australian Accounting Standards Board
ALD	Acoustic Leak Detection
AS/NZS	Australian/New Zealand Standard
ATO	Australian Tax Office
AWA	Australian Water Association
A&C	Accreditation and Certification
APES	Accounting Professional and Ethical Standards
BBT+	Bond Credit Rating
CEO	Chief Executive Officer
CO ₂	Carbon Dioxide
CPI	Consumer Price Index
Cth	Commonwealth
EPMO	Enterprise Program Management Office
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBIT	Earnings before interest and tax
EP	Equivalent Persons
FAR	Fixed Annual Remuneration
FWC	Fair Work Commission
GST	Goods and Services Tax
HPIFR	High Potential Incident Frequency Rate
ICMP	Integrated Catchment Management Plan
IPMA	International Project Management Association
ISO	International Organisation for Standardisation
km	Kilometre
M	Million
Kg	Kilogram
kPa	Kilopascal
kW	Kilowatt
L/s	Litres per Second
LGTER	Local Government Tax Equivalent Regime
MID	Ministerial Infrastructure Designation
ML	Megalitre
mm	Millimetre
MOHRI	Minimum Obligatory Human Resource Information
MP	Member of Parliament
MWh	Megawatt hour
NIST CSF	National Institute of Standards and Technology Cybersecurity Framework

Glossary

Term	Meaning
NOPAT	Net profit after tax
Sewage	Waste discharged from sinks, drains, toilets and appliances such as dishwashers and washing machines.
Sewerage	The infrastructure network used to receive, store, transport and treat sewage.
OCI	Organisational culture index
PPE	Personal protective equipment
PT	Pressure transient sensors
PTRS	Payment Times Reporting Scheme
PLG	Participating Local Government
QAO	Queensland Audit Office
QTC	Queensland Treasury Corporation
RAP	Reconciliation Action Plan
ROB	Robust Oyster Baskets
SEQ	South East Queensland
STEM	Science Technology Engineering and Maths
TIS	National Translating and Interpreting Service
UDIA	Urban Development Institute of Australia
WACC	Weighted Average Cost of Capital
WWTP	Wastewater Treatment Plant
WSAA	Water Services Association of Australia
UN SGDs	United Nations Sustainable Development Goals



Unitywater

-  www.unitywater.com
-  1300 086 489
Emergencies and Faults 24 hours
Customer Service: 8am - 5pm
Mon - Fri (except public holidays)
-  Unitywater, PO Box 953, Caboolture QLD 4510
-  Customer Service Counters 8.30am - 4.30pm
Mon - Fri (except public holidays)
6-10 Maud Street, Maroochydore QLD 4558
33 King Street, Caboolture QLD 4510

Unitywater has certification to
OH&ISO 450001: 2018 Reg No 500000079
Quality ISO 900: 2015 Reg No 500000079
Food Safety ISO 22000: 2018 Reg No 500000079