



Final Statement of Corporate Intent

2024-25

Prepared by the Directors and Management of Sunwater Limited for shareholding Ministers:

The Honourable Cameron Dick MP

Deputy Premier, Treasurer and Minister for Trade and Investment

The Honourable Glenn Butcher MP

Minister for Regional Development and Manufacturing and Minister for Water

Commercial-in-Confidence

This document contains confidential information relating to the business affairs of Sunwater Limited. Release of its content is subject to the provisions of the Right to Information Act 2009. Any unauthorised disclosure of material contained in this document may diminish the commercial value of that information and may have an adverse impact on the business, commercial and financial affairs of Sunwater Limited.

Acknowledgement of Country

Our First Nations Commitment Statement

Sunwater acknowledges Aboriginal and Torres Strait Islander peoples as the first peoples of this country and Traditional Owners and Custodians of the land and water we rely on. We respect and value their continued sacred connection to Country, including the diverse rich traditions, languages and customs that are the longest living in the world. We acknowledge their resilience in the face of significant and ongoing historical, cultural and political change within Australia. We recognise and value the importance of truth-telling today, and our role to listen and learn. Our vision for reconciliation is that we are a nation of unity and fairness for all; a nation that owns its history and acknowledges its First Nations peoples, their strength and their living culture.

Our goal is to work together to realise mutual benefits with First Nations peoples through authentic relationships and respect for cultural value; fostering a sense of belonging and pride in our people, community, customers and stakeholders. We can learn so much from Traditional Custodians, who have cared for Country for thousands of years, in the way we sustainably manage water and land. Going beyond compliance and embedding reconciliation into core business practices and decision making brings to life our purpose of Delivering Water for Prosperity through Valuing People, Working Together and Taking Responsibility.

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Performance agreement

In accordance with Chapter 1, Part 3, Section 7 of the Government Owned Corporations Act 1993 (Qld) (GOC Act), the Statement of Corporate Intent (SCI) represents a formal performance agreement between the Board of Sunwater Limited (Sunwater) and its shareholding Ministers with respect to the financial and non-financial performance targets specified for the financial year. The SCI represents agreement to the major activities, objectives, policies, investments and borrowings of Sunwater for 2024-25.

This SCI is consistent with Sunwater's FY2025-29 Corporate Plan, submitted to shareholding Ministers and agreed in accordance with Chapter 3, Part 7 of the GOC Act.

In signing this document, the Board of Sunwater undertakes to achieve the targets proposed in the SCI for 2024-25.

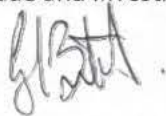
Major changes to key assumptions that underpin the performance outcomes detailed in this SCI, and which come to the Board's attention during the year, will be brought to the attention of shareholding Ministers. Any modifications to this SCI will be dealt with in accordance with the GOC Act.

This SCI is signed by the Chair on behalf of all the directors in accordance with a unanimous decision of the Board of Sunwater.



The Hon Cameron Dick MP
Deputy Premier, Treasurer and Minister for
Trade and Investment

Date 24 September, 2024



The Hon Glenn Butcher MP
Minister for Regional Development and
Manufacturing and Minister for Water

Date 25 September 2024



Dr Lisa Caffery
Chair, Sunwater Limited

Date: 31 May 2024

Strategic focus

Sunwater continues its focus on ‘delivering water for prosperity’ driven by five strategic goals:

- Safe and engaged people
- A sustainable business
- Stakeholder-centric business
- Operational excellence
- Water infrastructure leader.

The major activities for the SCI 2024-25 period in supporting these strategic goals include:

- Embedding the operation of Rookwood Weir for supply of water to customers in region.
- Planning and development activities for Dam Improvement Program (DIP) projects at Paradise and Burdekin Falls dams.
- Delivery of a new customer and stakeholder relationship management, water accounting and billing system (CASPr).

Sunwater’s forecast costs for the Paradise Dam Improvement and Burdekin Falls Dam Raising and Improvement projects have been rephased reflecting the current best estimates but remain subject to review. Forecast costs for all major projects are subject to review given the varied stages of development and external risks. Shareholder support, as equity injections, is expected to be required in 2024-25 to ensure Sunwater has the financial capacity to deliver the DIP.

Key performance indicators

Performance in 2024-25 will be assessed against the financial and non-financial key performance indicators agreed with shareholding Ministers and departments. Achievements against agreed measures and targets will be reported through quarterly reports and directly through quarterly and annual presentations to shareholder representatives.

Sunwater Statement of Corporate Intent 2024—25

Non-financial performance indicators

	2024-25	Q1	Q2	Q3	Q4
All Injury Frequency Rate (AIFR) ¹	<45	<45	<45	<45	<45
Total Recordable Injury Frequency Rate (TRIFR)	<5	<5	<5	<5	<5
Lost Time Injury Frequency Rate (LTIFR)	<1	<1	<1	<1	<1
Compliance with environmental standards and laws	No material breaches	No material breaches	No material breaches	No material breaches	No material breaches
Employee engagement	>65%	-	-	-	>65%
Full Time Equivalent (FTE) ²	785	770	775	780	785
Customer satisfaction ³	>40	>40	>40	>40	>40

1. All injuries per million hours worked.

2. FTE includes permanent and temporary employees, and contractors engaged in roles "as if" they were part of the longer term Sunwater organisational structure (excludes third party contractors generally associated with project related work). FTE represented as part of this non-financial performance indicator does not include consideration of vacancy rate or time of year for recruitment.

3. Sunwater is targeting a 'net promoter score' of greater than 40. The 'net promoter score' provides a snapshot of Sunwater's overall customer experience; if customers are more likely to recommend the business, that points to a high level of customer satisfaction and a positive customer journey.

Note: Appendix A contains information as to the costs associated with customer, stakeholder and community engagement activities.

Financial performance indicators

	Unit	2024-25	Q1	Q2	Q3	Q4
Return on average assets (ROAA)	%	(8.1)	(0.6)	(3.1)	(3.1)	(1.2)
Return on equity (ROE)	%	(32.5)	(3.4)	(11.6)	(11.9)	(5.6)
Earnings before interest, tax, depreciation, amortisation and impairment (EBITDAI)	\$'000	161,974	56,164	30,783	31,856	43,171
Funds from operations (FFO)	\$'000	204,521	112,765	26,395	27,023	38,338
Net profit after tax (NPAT)	\$'000	(109,060)	(10,539)	(38,788)	(40,730)	(19,003)
Current ratio	Ratio	2.18	2.01	1.89	2.00	2.18
EBITDAI interest coverage	Times	8.8	13.0	8.3	6.6	14.6

Sustainability and Environment, Social and Governance (ESG)

Sunwater's approach to sustainability and ESG is underpinned by five key pillars:

- Planet
- People
- Governance
- Resilience and reliability
- Prosperity.

Programs and initiatives are underway to support each of these key pillars.

We recognise that Queensland Treasury is progressing several whole-of-government initiatives to address broad stakeholder expectations for sustainability reporting including the potential introduction of Australian Sustainability Reporting Standards for the disclosure of climate-related financial information and, enhanced disclosure requirements and to promote consistent external reporting on ESG matters to global financial markets and credit agencies. Sunwater will remain engaged in these discussions.

Key assumptions

The key assumptions underpinning Sunwater's SCI for 2024-25 include:

Economic

Assumption	2024-25
Consumer Price Index (CPI) % ⁽¹⁾	3.10%
Average wage growth % ⁽²⁾	3.50%
Dividend payout ratio ⁽⁴⁾	100%

1. CPI using latest Reserve Bank of Australia (RBA) short-term inflation forecast

2. Committed employee increase of 3.5 per cent in 2024-25

3. Interest Rate on borrowings include book rate, competitive neutrality fee and administration, provided by Queensland Treasury Corporation (QTC).

4. Dividend payout ratio represents 100 percent of net profit after tax in line with Queensland Government policy adjusted for non-cash profit elements

Revenue

- Irrigation revenue reflects the Queensland Government's price direction. Any difference between cost-reflective and irrigation prices set by the Queensland Government via the Rural Water Pricing Direction Notice will be made up by the State of Queensland (State) via a Community Service Obligation (CSO) payment.
- The Rural Irrigation CSO of \$18.9 million.
- The Cloncurry Urban CSO of \$7.0 million.
- Industrial revenue is in line with current contractual arrangements.
- Recreation area costs and grant funding of \$5.8 million.
- Project funding phased pro rata to the project costs.

People

- Employee expenses have been updated to align with Sunwater's Enterprise Agreement 2022-25.
- A phased increase of FTE has been considered and reflected in the numbers.

Major projects

- The early transfer of the Rookwood Weir to Sunwater ownership on or before 30 June 2024 will precede the conclusion of the settlement of initial water allocations and the supply of water to customers.
- Sunwater is progressing a detailed business case for a new Paradise Dam wall immediately downstream of the existing structure. Project costs and timeframes will be confirmed as part of this process. The SCI includes a 2024-25 budget of \$109.6 million to progress the detailed business case and continue planned enabling works which include road upgrades.
- The Burdekin Falls Dam Improvement and Raising projects are progressing in 2024-25 with a 2024-25 budget of \$73.9 million. The next stage of planning includes progressing design, collecting further detailed geotechnical information, procurement planning and consulting with key stakeholders and the community on the environmental impact statement. Project costs and timeframes will be confirmed as part of the detailed business case update.

Key risks

The key risks that may impact Sunwater's ability to meet its financial performance indicators in 2024-25 include:

Labour and materials

- The cost and availability of labour and materials. This reflects economic and geopolitical conditions, in particular low unemployment, higher commodity prices, market competition for resources and supply chain impacts.

Dam Improvement Program (DIP) delivery

- Sunwater's DIP projects are being progressed to ensure regional bulk water assets continue to satisfy current design standards and safety guidelines. A risk-based prioritisation of the referable dam assets is being managed through Comprehensive Risk Assessments (CRAs) and As Low As Reasonably Practical (ALARP) assessments in line with Queensland Government dam safety guidelines. The prioritisation is based on life safety risk, and the future sequential approach to mitigating that risk.
- The SCI includes execution costs for assets where they have been approved or there is a well-developed view of the work necessary and cost of completing the remediations required. For 2024-25, \$109.6 million is budgeted for the Paradise Dam Improvement Project and \$73.9 million for the Burdekin Falls Dam Raising and Improvement Project. Additionally, there is \$2.5 million of operating expenditure included for development of the further DIP projects plus \$8.0 million of capital expenditure for early stage works.

Cyber security

- Acting on advice from security experts and the Australian Cyber Security Centre (ACSC), Sunwater has adopted a position of heightened cyber awareness to strengthen the security of information, systems and assets. Further detail can be found in Appendix C.

Rookwood Weir Project

- The Rookwood Weir Project achieved practical completion in late-2023. While there remains some program risk during wet commissioning, this is limited to corrective activities and minor works.
- Sunwater and the Queensland Government are progressing activities to enable the early transfer of the weir to Sunwater ownership in 2023-24. This transfer has been reflected in these estimates. The impacts of this inclusion are:
 - the transfer value of the weir by grant at fair value, accompanied by grant income resulting in a net nil impact to net profit after tax
 - the transfer of unsold water allocations at fair value, to address compensation for the adjustment of the existing Operations Agreement between Sunwater and the Queensland Government
 - the maintenance and operations activities are now partially funded through customer pricing. The medium priority water price cap and delay in some water sales result in under recovery.

People

- Given the scale of water and other infrastructure projects being undertaken around Australia, capacity could be challenged. The availability of appropriately qualified personnel to perform necessary design and construction work on Sunwater's major projects is a risk.
- Availability of appropriately qualified personnel, more generally, is a potential constraint given the competitive labour market.

Sunwater's role in undertaking "economic benefit" projects

- New bulk water assets in Queensland are at varying stages of advancement in terms of conception, design and business case development and are generally being led by private proponents. Such projects typically seek the involvement of the Queensland and Australian governments for funding, further development, operation and ownership.
- Sunwater is often required to play a role in these projects, whether it be providing consultancy services, or assuming the position of proponent, developer, operator and owner. This category of project is often justified based on regional economic benefit versus a commercial basis. As a result, there is a risk that Sunwater is required to be involved in these projects at a cost that will significantly exceed any direct revenues that can be generated. In such circumstances, Sunwater assumes that there will be external funding support provided to cover any shortfall.
- It is also noted that Sunwater's involvement in these projects may reduce its ability to progress other priorities.

Additional key risks

- Higher insurance costs due to potential increases in market premiums.
- Volatile weather patterns causing extremes of flood and drought across the Sunwater asset base, with potential unplanned flood repair work.
- Higher inflation, with not all increases able to be passed-on through water prices and forecast project expenditure underestimating potential cost increases.

Management of risks

- Risk management processes are embedded across Sunwater which include the identification of controls to manage risks including:
 - establishment of an Engineering and Professional Services Panel (EPSP)
 - consideration of various project delivery models
 - refreshing recruitment panel arrangements
 - proactive and regular engagement with government
 - active engagement with the insurance market
 - increased engagement with industry.

Capital structure

	2023-24	2024-25	Change
Facility	\$'000	\$'000	\$'000
1 Portfolio-linked Loan	369,053	409,071	40,000
2 Working capital	--	--	--
Total borrowings	369,053	409,071	40,000

- As an integral part of the financing of Sunwater, overall debt will be managed to ensure that Sunwater maintains the appropriate credit rating or other rating as determined by shareholding Ministers.
- There is \$40 million increase to borrowings assumed for 2024-25 to fund the capital program and target working capital requirements.
- Sunwater maintains a rolling working capital facility of \$150 million, providing additional capacity for planned and unplanned temporary shortfalls.

Capital expenditure

Shareholding Ministers are notified of investments over \$10 million and are required to approve investments over \$40 million. The forecast costs for the projects listed below are subject to review given the varied stages of development and external risks.

Capital expenditure	Asset	Approval	2024-25	Q1	Q2	Q3	Q4
Project description			\$'000	\$'000	\$'000	\$'000	\$'000
Paradise Dam Improvement Project ¹	1	A	109,624	27,406	27,406	27,406	27,406
Burdekin Falls Dam Raising and Improvement Project ¹	1	A	73,914	15,522	17,739	19,957	20,696
Dam Improvement Program – delivery ²	1	D	8,000	1,276	1,243	109	5,372
Non-routine capital works ³	1,2,3	D	10,347	1,870	2,659	2,084	3,734
Non-infrastructure (including digital)	5	D	23,846	5,962	5,962	5,962	5,962
Infrastructure development and delivery ⁴	2,4	C, D	22,482	5,594	5,559	5,559	5,772
Total			248,213	57,629	60,567	61,076	68,941
Summary by approval status							
A - shareholding minister (SHM) approved			183,538	42,928	45,145	47,363	48,102
B - board approved - yet to be approved by SHM			0	0	0	0	0
C - board approved - does not require SHM approval			20,249	5,054	5,054	5,054	5,088
D - yet to be approved			44,426	9,647	10,368	8,659	15,751
Total			248,213	57,629	60,567	61,076	68,941
Summary by asset type							
1 - Infrastructure – Bulk Water ⁵			197,044	44,862	47,835	48,344	55,996
2 - Infrastructure – Irrigation Systems			8,635	2,159	2,159	2,159	2,159
3 - Infrastructure – Industrial Pipelines			2,206	552	552	552	552
4 - Development & Feasibility Projects			16,482	4,094	4,059	4,059	4,272
5 - Non-infrastructure (including digital)			23,846	5,962	5,962	5,962	5,962
Total			248,213	57,629	60,567	61,076	68,941

1. Total project costs will be determined as part of the detailed business case process currently underway.

2. DIP Program Delivery relates to the implementation of the option, whether this is construction of new infrastructure, a change to the operation of existing infrastructure, or implementing new policies or procedures. Delivery also includes the assessment of the benefits delivered by the option compared to what was originally planned.

3. Non-routine capital expenditure on all infrastructure assets.

4. Portfolio of potential Sunwater, Government and/or Commercial supported initiatives. This includes non-approved projects in early delivery/feasibility phase.

5. Bulk water capital expenditure primarily relates to the DIP and existing asset refurbishment.

Statement of Compliance

Subject to the Directors meeting their fiduciary duties, the Sunwater Board will ensure that Sunwater and its subsidiaries comply with all policies, guidelines and directives as advised by shareholding Ministers. Sunwater has adopted the recommendations in the *Corporate Governance Guidelines for Government Owned Corporations (February 2009)*. The Sunwater Board also undertakes to continually monitor and review its corporate governance arrangements to reflect good practice (having regard to the guidelines) and to ensure prudent financial practices are applied across Sunwater's activities.

Consolidated financial statements

Statement of Profit and Loss

	2023-24	2024-25	Q1	Q2	Q3	Q4
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Irrigation water distribution services ¹	56,816	58,173	14,054	15,227	14,427	14,466
Industrial water distribution services ²	228,739	243,006	60,093	60,365	60,365	62,183
Urban water distribution services	17,768	16,712	4,147	4,214	4,168	4,184
CSO – irrigation ³	19,000	18,900	4,725	4,725	4,725	4,725
CSO – urban	6,965	7,049	1,762	1,762	1,762	1,762
Grants and subsidies ⁴	18,597	17,143	4,286	4,286	4,286	4,286
Water entitlement / trading ⁵	23,940	63,282	33,483	5,483	5,483	18,833
Consulting ⁶	168	13,237	3,309	3,309	3,309	3,309
Facilities management	2,128	4,155	1,044	1,042	1,034	1,036
Other revenue ⁷	2,235	2,673	588	593	588	904
Total revenue	376,356	444,332	127,492	101,006	100,147	115,687
Expenses						
Salaries, wages and related costs	(111,593)	(109,513)	(27,847)	(26,699)	(25,838)	(29,130)
Contractors ⁸	(26,243)	(102,278)	(25,237)	(26,432)	(26,314)	(24,294)
Materials	(5,559)	(12,939)	(2,707)	(3,285)	(2,865)	(4,081)
Electricity	(32,019)	(34,649)	(7,907)	(8,457)	(8,304)	(9,981)
Insurance	(15,744)	(18,069)	(4,517)	(4,517)	(4,517)	(4,518)
Depreciation and amortisation	(43,194)	(48,335)	(12,122)	(12,122)	(11,988)	(12,103)
Other	(20,189)	(14,293)	(5,016)	(2,937)	(3,021)	(3,319)
Total operating expenditure	(254,540)	(340,077)	(85,353)	(84,449)	(82,848)	(87,426)
Operating (loss)/profit	121,816	104,256	42,138	16,557	17,299	28,261
Impairment of assets ⁹	(102,644)	(204,256)	(50,192)	(53,061)	(55,765)	(45,238)
Non-operating revenue ⁹	6,658	9,334	1,907	2,107	2,572	2,748
Finance costs	(16,230)	(18,393)	(4,391)	(4,391)	(4,836)	(4,774)
Profit/(loss) before income tax	9,600	(109,060)	(10,539)	(38,788)	(40,730)	(19,003)
Income tax credit/(expense)	0	0	0	0	0	0
Profit/(loss) after income tax	9,600	(109,060)	(10,539)	(38,788)	(40,730)	(19,003)
Dividends	(9,600)	0	0	0	0	0
Retained profit (loss) for the period	0	(109,060)	(10,539)	(38,788)	(40,730)	(19,003)

1. Irrigation revenue is determined by the tariffs set by the Queensland Government and irrigation customer water usage. Tariffs for some water supply schemes are set below the level necessary to recover the cost of supplying water to irrigators. Queensland Government funding is provided to Sunwater to offset reduced revenue.

2. Industrial revenue is largely determined by transportation of water from Sunwater's water sources along a pipeline to a customer's off-take in accordance with commercial customer agreements.

3. CSOs are subsidies from the Queensland Government.

4. Grants and subsidies forecast for 2024-25 include recreational facilities.

5. Water allocations are an entitlement to a share of available water from Sunwater's water sources and the authority to take water from a catchment.

6. Consulting services as a service provider to third party water assets.

7. Other revenue includes drainage and electricity generation services.

8. The increase in contractor costs in 2024-25 relates primarily to the establishment and delivery of the Engineering and Professional Services Partner, the delivery of technology projects including Customer and Stakeholder Project, and the ongoing delivery of the DIP.

9. The 2023-24 figures include the transfer value of Rookwood Weir, noting a net nil impact to NPAT.

Statement of Financial Position

	2023-24	2024-25	Q1	Q2	Q3	Q4
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS						
Current assets						
Cash	96,088	101,414	107,537	126,247	180,349	101,414
Advance to Queensland Treasury	115,045	219,280	116,056	117,073	118,099	219,280
Trade and other receivables	39,722	43,806	67,246	51,601	50,260	43,806
Inventories	3,792	3,868	3,779	3,767	3,755	3,868
Other	6,043	6,446	6,123	6,206	6,289	6,446
Total current assets	260,690	374,814	300,742	304,895	358,752	374,814
Non-current assets						
Property, Plant and Equipment	677,615	678,502	687,587	684,287	678,926	678,502
Leased assets	17,822	14,663	17,032	16,243	15,453	14,663
Intangibles	99,601	86,259	86,260	86,260	86,260	86,259
Deferred tax assets	19,910	12,257	18,686	17,524	15,327	12,257
Total non-current assets	814,947	791,682	809,565	804,313	795,966	791,682
Total assets	1,075,637	1,166,495	1,110,307	1,109,209	1,154,717	1,166,495
LIABILITIES						
Current liabilities						
Payables	62,402	69,128	67,740	72,878	75,784	69,128
Leasing liabilities	6,687	6,635	6,635	6,635	6,635	6,635
Provisions	21,349	9,710	21,013	11,678	11,944	9,710
Other (including deferred revenue)	39,178	86,826	54,495	69,812	85,129	86,826
Total current liabilities	129,617	172,298	149,882	161,003	179,492	172,298
Non-current liabilities						
Borrowings	369,053	409,053	369,053	369,053	409,053	409,053
Leasing liabilities	13,997	9,469	12,904	11,759	10,614	9,469
Provisions	1,500	1,500	1,952	1,801	1,651	1,500
Deferred tax liabilities	19,910	12,257	18,686	17,524	15,327	12,257
Other (including deferred revenue)	241,844	179,723	225,724	209,604	193,485	179,723
Total non-current liabilities	646,303	612,002	628,319	609,742	630,130	612,002
Total liabilities	775,920	784,300	778,201	770,745	809,621	784,300
Net assets	299,717	382,195	332,106	338,463	345,096	382,195
EQUITY						
Contributed equity	390,467	582,005	433,395	478,540	525,903	582,005
Retained earnings	(90,750)	(199,810)	(101,289)	(140,077)	(180,807)	(199,810)
Total equity	299,717	382,195	332,106	338,463	345,096	382,195

Statement of Cash Flows

	2023-24	2024-25	Q1	Q2	Q3	Q4
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Receipts from customers	392,461	388,557	90,854	107,005	91,839	98,859
Payments to suppliers and employees	(407,338)	(299,656)	(71,281)	(70,067)	(70,829)	(87,479)
Net receipts	(14,877)	88,901	19,573	36,938	21,010	11,380
Government grants	18,597	17,143	4,286	4,286	4,286	4,286
Community service obligations	25,965	25,949	6,487	6,487	6,487	6,487
Deferred income receipts	5,819	6,358	1,000	1,000	1,000	3,358
Interest received	0	0	0	0	0	0
Income taxes received / (paid)	0	0	0	0	0	0
GST recovered	0	0	0	0	0	0
Net cash inflow from operating activities	35,504	138,350	31,346	48,711	32,783	25,511
Cash flows from investing activities						
Payments (to)/from advance facility	15,000	(100,000)	0	0	0	(100,000)
Payments for property, plant and equipment	(138,247)	(248,213)	(57,629)	(60,567)	(61,076)	(68,941)
Interest received	2,585	5,040	864	1,081	1,537	1,558
Proceeds from sale of property, plant and equipment	0	13,341	0	0	0	13,341
Net cash (outflow) from investing activities	(120,662)	(329,832)	(56,765)	(59,486)	(59,539)	(154,042)
Cash flows from financing activities						
Dividends paid	0	(9,600)	0	(9,600)	0	0
Drawdown of borrowings	0	40,000	0	0	40,000	0
Proceeds from increase in contributed equity ¹	153,600	191,538	42,928	45,145	47,363	56,102
Interest paid on financing activities	(16,136)	(18,443)	(4,388)	(4,388)	(4,833)	(4,833)
Repayments of borrowings	(6,592)	(6,687)	(1,672)	(1,672)	(1,672)	(1,672)
Net cash (outflow) from financing activities	130,872	196,808	36,868	29,485	80,858	49,597
Net (decrease) increase in cash and cash equivalents	45,714	5,326	11,449	18,710	54,101	(78,935)
Cash and cash equivalents at the beginning of the financial year	50,374	96,088	101,414	112,863	131,573	185,675
Cash and cash equivalents at the end of the financial year	96,088	101,414	112,863	131,573	185,675	106,740

1. Estimate for expected timing of proceeds from equity injection in relation to DIP expenditure.

Appendix A | Sponsorship, advertising, corporate entertainment, donations, and other activities

Activity	Actual	Forecast	Budget
	2022–23 (\$)	2023–24 (\$)	2024–25 (\$)
Sponsorships			
Regional sponsorships	19,359	15,000	15,000
Corporate sponsorships ¹	N/A	72,000	72,000
TOTAL (1)	19,359	87,000	87,000
Corporate entertainment			
Employee (value improvement) awards ceremony	11,363	15,000	15,000
Office Christmas celebrations ²	27,559	35,000	40,000
Other (total of meetings and events below \$5,000)	12,163	10,000	10,000
TOTAL (2)	51,085	60,000	65,000
Advertising			
Wet season advertising campaign ³	93,227	92,017	103,000
Public safety advertising campaign ⁴	250,502	0	258,000
TOTAL (3)	343,729	92,017	361,000
Total (1)+(2)+(3)	414,173	239,017	513,000

1. Combined sponsorship budget for events and activities associated with Sunwater's corporate memberships (for 2022-23, the naming conventions reported on were different)

2. Christmas party value increase based on uplifted FTE count.

3. Annual advertising budget to disseminate emergency preparedness messaging for downstream communities.

4. Bi-annual campaign focused on a specific public safety issue that Sunwater wishes to address with the community (for 2022-23 the theme was safety in and around Sunwater channel systems).

Appendix B | Employment and Industrial Relations (E&IR) Plan

Category	Assumptions
E&IR Philosophy / Direction	<p>The E&IR philosophy and direction aligns with Sunwater’s strategic goals by providing conditions for a safe high-performance culture, employment security, labour cost certainty and flexibility to support our business operations.</p> <p>This is reinforced through fair and transparent processes where performance in Sunwater is measured by both the results achieve by our people and the demonstration of our values.</p> <p>As a GOC, Sunwater is governed by the <i>Fair Work Act 2009</i> (Cth) and Queensland provisions of the Government Owned Corporations Wages and Industrial Policy 2015.</p> <p>Redundancy is managed by the conditions within the Sunwater Enterprise Agreement.</p> <p>Sunwater complies with the Superannuation Guarantee legislation for its employees.</p>

Award / Agreement	Scope	Reference	Expiry date
Sunwater Enterprise Agreement 2022-2025	Covers all Sunwater employees as per classification schedule of the Agreement	-	30 June 2025
Common Law Contracts	Offered to employees where the position evaluation is outside Enterprise Agreement coverage	N/A	N/A
Fair Work Act 2009 (Cth)	All employees	N/A	N/A

Significant and emerging issues

Issue	Assumptions
Sunwater Enterprise Agreement	Sunwater will commence negotiations in Q3 2024-25 to replace the existing Enterprise Agreement. Implementation of the new agreement will occur in 2025-26.
Major projects	<p>The Queensland Procurement Policy and amendments, including the Ethical Mandate Supplier Guidelines, continue to be monitored. Sunwater passes the requirements to Alliance Partners and Principal Contractors and reviews their performance for compliance.</p> <p>The majority of Sunwater employees are covered by employment conditions contained in the Enterprise Agreement. The agreement contains conditions of employment that are no less favourable than the National Employment Standards (NES) and/or the Modern Award (Water Industry Award).</p> <p>Sunwater regularly monitors amendments to the <i>Fair Work Act 2009 (Cth)</i>, Modern Industry Award and NES to ensure compliance with relevant legislation.</p>
Reporting	<p>Sunwater will provide regular reports on the implementation and progress of the productivity initiatives included in Sunwater's Enterprise Agreement to shareholding Ministers through its quarterly reports. Sunwater will actively track savings and benefits realised through the Enterprise Agreement.</p> <p>Workforce management and strategic workforce planning are in place to ensure the targets are achieved.</p>

Assumptions

Category	Assumptions
Employment (FTE) and workforce planning	<p>Sunwater has completed a detailed strategic and operational workforce plan for 2025-29, resulting in an increase in FTE. The increase will support the delivery of upcoming programs of work (including major projects) and manage Sunwater's workforce retirement risks. Within these approved FTEs are several new positions for which the nature (permanent, fixed term or casual) has not yet been determined and will depend on the availability of skills in the market.</p> <p>Based on these assumptions, the forecast total approved FTEs against positions for 2024-25 is 785.</p> <p>For costing purposes only, a vacancy factor of five per cent has then been applied at a corporate level across 2024-25 as well as an adjustment to reflect recruitment phasing of vacant roles.</p>
GOC's remuneration arrangement for Chief Executive Officer and Senior Executives	<p>The Chief Executive Officer and Senior Executives are remunerated in line with the GOC Chief and Senior Executive Employment Arrangements Policy.</p> <p>The Executive employment contract states that in the event the executive's employment is terminated through redundancy, redundancy pay will be made in accordance with the <i>Fair Work Act 2009 (Cth)</i>.</p>

Sunwater Statement of Corporate Intent 2024—25

Employment category	As at February 2024
Senior executive positions	7
Common law contract positions (excluding senior executives)	41
General positions ¹	695
Apprentice positions	11
Total SCI Positions²	757
Contractor positions ³	60
Total workforce positions⁴	817

1. General positions are those covered by the Sunwater Enterprise agreement 2022-2025.

2. Includes permanent and temporary employees, and contractors engaged in roles "as if" they were part of the Sunwater organisational structure

3. This includes third party contractors generally associated with project related work.

4. Total workforce positions does not include consideration of vacancy rate or time of year for recruitment.

Employment category	2024-25 Forecast
Senior executive positions	7
Common law contract positions (excluding senior executives)	41
General positions ¹	728
Apprentice positions	11
Total SCI Positions²	785
Contractor positions ³	60
Total workforce positions	845

1. General positions are those covered by the Sunwater Enterprise Agreement 2022-2025.

2. Includes permanent and temporary employees, and contractors engaged in roles "as if" they were part of the Sunwater organisational structure.

3. This includes third party contractors generally associated with project related work.

Position	Remuneration payable ¹
Chief Executive Officer	\$743,182
Chief Financial Officer	\$465,808
Chief Development Officer	\$520,731
Chief People Officer	\$389,439
EGM Operations	\$384,354
EGM Customer and Stakeholder Relations	\$363,520
EGM Engineering and Water Resources	\$420,000

1. These figures are representative of total fixed remuneration only for 2023-24 and are subject to Sunwater's remuneration review processes to be finalised in August 2024. These figures have been rounded and are unaudited.

Appendix C | Cyber security

Cyber reporting	Response
What cyber security framework does Sunwater report against?	Sunwater is aligned with Queensland Government Information Security Policy (IS18) and has obtained ISO27001:2013 certification in 2023. Sunwater also applies controls at level 2 of the Australian Cyber Security Centre's Essential 8 Maturity Strategies.

Sunwater

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