

ANNUAL REPORT 2022–23



Acknowledgement of Country

The Department of Regional Development, Manufacturing and Water respectfully acknowledges the Traditional Custodians of Country. We recognise the ongoing spiritual and cultural connection Aboriginal peoples and Torres Strait Islander peoples have with land, water, sea and sky. We pay our deep respects to their Elders past and present, support future leaders, and acknowledge First Nations people's right to self-determination.

Information licensing

This publication has been compiled by the Department of Regional Development, Manufacturing and Water.

© State of Queensland, 2023

This annual report is licensed by the State of Queensland (Department of Regional Development, Manufacturing and Water) under a Creative Commons Attribution (CCBY) 4.0 International licence.



In essence, you are free to copy, communicate and adapt this annual report, as long as you attribute the work to the State of Queensland (Department of Regional Development, Manufacturing and Water).

Note: Some content in this publication may have different licence terms as indicated.

For more information on this licence, visit <https://creativecommons.org/licenses/by/4.0/>.

The information contained herein is subject to change without notice. The Queensland Government shall not be liable for technical or other errors or omissions contained herein. The reader/user accepts all risks and responsibility for losses, damages, costs and other consequences resulting directly or indirectly from using this information.

Interpreter statement

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding this document, you can contact us within Australia on 13QGOV (13 74 68) and we will arrange an interpreter to effectively communicate the report to you.



Accessing the report

This report and information on the department's related government bodies is available online at www.rdmw.qld.gov.au. Additional annual reporting requirements have been published on the Queensland Government Open Data website at www.data.qld.gov.au.

Contact information

Enquiries about this document are welcome via phone, mail or email:
Queensland callers only: 13 QGOV (13 74 68)
Outside Queensland: (07) 3328 4811
Post: GPO Box 2247 Brisbane Qld 4001
Email: info@rdmw.qld.gov.au

Feedback on the annual report can be provided on the department's website or email info@rdmw.qld.gov.au.

Information security

This document has been classified using the Queensland Government Information Security Classification Framework (QGISCF) as PUBLIC and will be managed according to the requirements of the QGISCF. See www.qgcio.qld.gov.au.

ISSN 2653-1720

Letter of compliance

30 September 2023

The Honourable Glenn Butcher MP
Minister for Regional Development and Manufacturing and
Minister for Water
1 William Street
Brisbane QLD 4000

Dear Minister

I am pleased to submit for presentation to the Queensland Parliament the Annual Report 2022–23 and financial statements for the Department of Regional Development, Manufacturing and Water.

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*
- the detailed requirements set out in the Annual report requirements for Queensland Government agencies.

A checklist outlining the Queensland Government's annual reporting requirements is provided at page 113 of this annual report.

Yours sincerely

Linda Dobe
Acting Director-General
Department of Regional Development, Manufacturing and Water

Contents

Letter of compliance	ii
Message from the Acting Director-General	1
Key achievements this year	1
Planning for the future	2
Partnering for greater impact	2
Our people	3
Thank you	3
About this report	4
About our department	5
Vision	5
Purpose	5
Legislative responsibilities	5
Values	5
Our Behaviours Charter	6
Objectives, strategies and performance measures	6
Organisational structure	8
Regional Economic Development	8
Water Resource Management	9
Corporate Services	10
Executive management	10
Contribution to Queensland Government objectives	12
Opportunities and risks	12
Our achievements	13
Objective 1 – Drive investment, economic growth and jobs in Queensland communities	13
Strategic water infrastructure investment	13
Regional Water Assessment Program	16
Other National Water Grid Fund projects	17
Irrigation pricing	18
Unallocated water releases	18
<i>Queensland Advanced Manufacturing 10-Year Roadmap and Action Plan (Edition 3)</i>	19
Positioning Queensland Manufacturing	19
<i>Women in Manufacturing Strategy</i>	20
Made in Queensland Grant Program	20
Building our Regions	20

Spotlight: Stakeholder engagement central to <i>Women in Manufacturing Strategy</i>	21
Objective 2 – Lead water resource management to achieve sustainability and public safety outcomes	22
Bradfield Regional Assessment and Development Panel	22
Murray–Darling Basin management	22
Regional urban water security	23
<i>Queensland Bulk Water Opportunities Statement / Queensland Water Strategy</i>	23
Water plan reviews	24
First Nations peoples’ water rights	24
Water Resource Management Regulatory Strategy	25
Dam safety	27
Great Artesian Basin Rehabilitation Program	27
Spotlight: Best-practice regulation – a process of continuous improvement	28
Objective 3 – Encourage innovation and unlock new opportunities	29
Supporting new-industry development in a net-zero future	29
Regional manufacturing hubs	29
Manufacturing capability development and industry engagement	30
Manufacturing Hubs Grant Program	31
Rail Manufacturing Strategy for Queensland	31
Advanced Robotics for Manufacturing (ARM) Hub	32
Rural Water Futures	32
Water planning science	34
Queensland’s Urban Water Explorer	35
Spotlight: Queensland’s Urban Water Explorer – an innovative urban water dashboard	36
Objective 4 – Foster a professional, positive workforce and workplace	37
<i>DRDMW Workforce Strategy 2023–27</i>	37
Mentoring Program Pilot	37
<i>Mentally Healthy Workplace Strategy 2023–25</i>	37
Our Behaviours Charter	39
Leadership and Management Development Framework	39
Health, safety and wellbeing	40
Domestic and family violence (DFV) prevention	41
Inclusion and diversity	41
Public-sector ethics and Code of Conduct	42
Working for Queensland action plans	43
Digital data, processes, technologies and systems	44
Spotlight: Staff Reference Group champions a positive workplace culture	45

Objective 5 – Leverage the strength of our partners	46
Manufacturing Ministerial Council	46
Manufacturing Skills Queensland	47
Development of Northern Australia	47
Government-owned water entities	47
Queensland Water Regional Alliance Program	48
Waterwise	48
Other initiatives involving local councils	48
Water Engagement Forum	49
Spotlight: Building our Regions: Texas Water Treatment Plant	50
Summary of performance	51
Overview	51
Performance statements	51
Report against Service Delivery Statements (SDS)	51
Customer complaints	53
Human rights	53
Summary of financial performance	54
Analysis –operating result DRDMW	54
Income	54
Expenses	55
Statement of financial position DRDMW – assets and liabilities	55
Analysis – operating result administered funds	56
Statement of financial position administered funds – assets and liabilities	56
Governance	57
Governance – management	57
Departmental Leadership Team	57
Subcommittees	57
Governance – risk management and accountability	57
Approach	57
Audit and Risk Management Committee (ARMC)	58
Internal audit	58
External assurance	59
Information systems and recordkeeping	59
Information Security Management System	59
Recordkeeping	60
Open data	61
Workforce profile	62
Early retirement, redundancy and retrenchment	63
Financial statements	64
Independent auditor’s report	109

Figures

Figure 1: Our Behaviour Charter	6
Figure 2: Organisational structure as at 30 June 2023	8
Figure 3: Income by category for the year ended 30 June 2023	54
Figure 4: Expenses by category for the year ended 30 June 2023	55

Tables

Table 1: DRDMW <i>Strategic Plan 2022–26</i> objectives, strategies and performance measures	7
Table 2: DRDMW contribution to Queensland Government objectives for the community	12
Table 3: Alignment of Queensland government objectives with DRDMW service areas and strategic objectives	51
Table 4: Service Delivery Statement – Grow the economy	52
Table 5: Service Delivery Statement – Water resource management services	53
Table 6: Operating result DRDMW	54
Table 7: Assets and liabilities DRDMW	55
Table 8: Operating result administered funds	56
Table 9: Assets and liabilities administered funds	56
Table 10: Size and composition	62
Table 11: Gender	62
Table 12: Diversity target group data	62
Table 13: Target group data for women in leadership roles	63

Appendixes

Appendix A **Compliance checklist**

Appendix B **Reports of government bodies relevant to the department**

Appendix C **Glossary**

Message from the Acting Director-General

The 2022–23 year has been another busy and productive one for the department, with our efforts focused, as always, on delivering for the Queensland community.

With every Queenslanders reliant on clean, safe water, and a departmental commitment to growing regional economies and boosting the state's manufacturing sector, we have a key role to play in fulfilling the Queensland Government's objectives for the community – Good Jobs, Better Services, Great Lifestyle – as well as supporting the Queensland Energy and Jobs Plan and the Brisbane 2032 Olympic and Paralympic Games.

We do this in many ways, ranging from partnering with regional councils and community stakeholders to supporting Queensland manufacturers; from advancing major water infrastructure projects to monitoring the quality of drinking water; and from administering more than 40,000 water entitlements to monitoring our waterways and ensuring water use is sustainable.

Key achievements this year

Queensland is home to more than 18,000 manufacturers¹ working hard to 'make it in Queensland', reduce our reliance on overseas imports and create local jobs. This year, the department's manufacturing hub staff continued to work actively with these businesses on the use of new technologies and enhanced business processes. In addition, the trailblazing *Women in Manufacturing Strategy* was launched on International Women's Day 2023, setting out a series of initiatives to attract and retain women in Queensland's manufacturing sector, particularly in technical and trade roles.

The department continued to support Queensland manufacturers and regional communities through funding programs such as the Made in Queensland Grant Program (\$20.5 million to help manufacturers improve productivity and international competitiveness); the Manufacturing Hubs Grant Program (\$2.6 million for 14 projects to help build advanced manufacturing capability) and the Building our Regions program (\$60.9 million for 64 projects to help local councils improve their water supply and sewerage systems).

Investment in water infrastructure is also essential for regional development, providing long-term water security for communities and opportunities for water-dependent businesses. I'm proud to say that this year has seen major progress on numerous water infrastructure projects. Despite wet weather, construction of Rookwood Weir – which will provide an additional 86,000 megalitres of water for Central Queensland – has advanced significantly, with the weir due for completion by the end of 2023. The Fitzroy to Gladstone Pipeline Project – which will provide long-term water security for Gladstone's existing industry and community – has commenced the construction phase, with the first pipes delivered for the 117-kilometre pipeline. Numerous technical studies were also advanced for infrastructure projects across the state, including Paradise Dam (south-west of Bundaberg), the Warwick to Toowoomba pipeline, and Big Rocks Weir (north-west of Charters Towers).

Another key achievement this year was the release of the *Bradfield Regional Assessment and Development Panel Report* prepared by an independent expert panel chaired by Professor Ross Garnaut. The report assessed the Bradfield Scheme, a proposal to transfer water from North Queensland's coastal catchments to irrigate potential agricultural land in western Queensland, first suggested by engineer Dr John Bradfield in 1938. It found that Bradfield and similar schemes are unfeasible, and instead recommended maximising use of water closer to where it falls, through regional water grids and effective local use of water resources. The Department of Regional Development, Manufacturing and Water (DRDMW) provided technical and administrative support to the panel and is now implementing its recommendations through programs across rural and remote Queensland.

¹ ABS, June 2022

This year also saw a milestone in water measurement policy, with the introduction of the Water Legislation Amendment Bill 2022 to the Queensland Parliament in October 2022. The Bill includes proposed legislative amendments to establish an updated water measurement framework, which will strengthen the way non-urban water take is measured, metered and reported across the state.

For urban water users, we launched Queensland's Urban Water Explorer, an online dashboard that allows users to explore, visualise and compare data on urban water and sewerage service providers. Developed in close consultation with providers and other stakeholders, it is the first tool of its type for Queensland.

Water regulation is another key aspect of managing sustainable water resources. This year, the department published its new *Water Resource Management Regulatory Strategy 2022–24*, a blueprint for delivering our regulatory responsibilities going forward and a key part of being a best-practice regulator. On the ground, we undertook more than 6,000 audits of self-read water meter readings, and almost 1,500 audits of water-related activities.

Planning for the future

Of course, we are also looking to the future so we can provide for sustainable, resilient communities and businesses and ensure safe and reliable water resources in the long term.

This year, key activities included our reviews of water plans across Queensland. Water plans are developed under the *Water Act 2000* to sustainably manage and allocate water resources, and require regular monitoring, reporting and updating. Throughout the year, community consultation and science-based investigations were undertaken on 8 water plans related to catchments that cover thousands of square kilometres.

Work also continued on regional water assessments, which are exploring economic opportunities through water investment in 4 regions (Tablelands, Bundaberg and Burnett, Southern and Darling Downs and the Burdekin). This year, options analyses were completed or well advanced for 3 regions, and public consultation undertaken in a range of locations. These assessments are critical for identifying infrastructure and non-infrastructure solutions to meet future water demands.

The department is playing a key role on the path to the net-zero future outlined in the Queensland Energy and Jobs Plan and the Queensland New-Industry Development Strategy. Our water and manufacturing staff are working on initiatives to support the development of future industries such as green hydrogen, critical minerals and the manufacture of high-value battery and renewable energy components.

Partnering for greater impact

I believe it takes collaboration for any group or organisation to achieve its best. This year, we have worked effectively with a wide range of partners, many of whom I have mentioned above.

In addition, we have collaborated with the federal government and other state and territory agencies on critical national issues such as new bulk water infrastructure, Murray–Darling Basin initiatives and developing Northern Australia. We have worked with state-owned water entities, particularly on the delivery of infrastructure projects, and with local governments to deliver more cost-effective water service delivery through a local partnership approach under the Queensland Water Alliance Program.

We have collaborated with the Department of the Premier and Cabinet to deliver regional community forums, helping to identify local solutions to local challenges. Our 6 regional manufacturing hubs have worked with local businesses, all levels of government, economic development agencies and education providers to support regional economic development and promote advanced manufacturing. We have continued our innovative collaboration with the Advanced Robotics for Manufacturing (ARM) Hub – which works with businesses to integrate robotics, AI and design-led manufacturing into their operations – and supported the establishment of Manufacturing Skills Queensland, an independent, not-for-profit industry body to support employers, workers, apprentices and trainees to enhance Queensland's manufacturing capability.

I am particularly pleased to note that this year has seen a further strengthening of our collaboration with First Nations peoples whose knowledge and cultural connections are playing an increasing role in our water resource management. In addition, we worked with the Australian Government on 'Closing the Gap' objectives through the National Water Initiative Renewal process. At local government level, we continued to coordinate the Queensland Indigenous Water Operators Network which encourages collaboration between the 17 Queensland Indigenous councils that provide drinking water to their communities.

Our people

All of this is only possible because of the expertise, dedication and hard work of more than 600 DRDMW staff based in more than 25 offices across Queensland. Our passionate and purposeful employees work together and with partners, to deliver for the Queensland community. For many of our team, their primary tasks are the 'business as usual' operations that are essential for sound water management, now and into the future.

As part of harnessing staff knowledge and connecting staff to each other, this year we held 6 meetings of our Staff Reference Group (SRG). The SRG is a body of around 40 staff who contribute their insights on major departmental initiatives and help us to maintain and grow a positive workplace culture. Their contributions have been invaluable.

In early 2023, I was also very excited to support the introduction of the DRDMW Mentoring Program Pilot, a scheme that has seen 28 mentor–mentee partnerships established to facilitate professional growth and knowledge transfer. This is just one of a number of programs designed to connect and develop our people.

Thank you

In closing, I would like to thank all who have contributed to the department's achievements in 2022–23. First, thank you to former Director-General Graham Fraine, who led us so capably until his departure for a new role in March this year. Second, my thanks to all with whom we partner in our work. Only through these joint efforts can we be most effective.

And, finally, of course, thank you to the DRDMW team, who work every day to achieve our vision. I look forward to continuing our important work together in the year ahead.

Linda Dobe
Acting Director-General
Department of Regional Development, Manufacturing and Water

About this report

Annual reporting is integral to the corporate governance of all departments and key to ensuring each department is accountable to the Queensland Parliament and the community.

This report details the:

- strategic initiatives
- achievements
- performance
- financial position

of the Department of Regional Development, Manufacturing and Water (DRDMW) for the 2022–23 financial year.

It satisfies the requirements of Queensland's *Financial Accountability Act 2009* and aligns with the department's *Strategic Plan 2022–26*, *Service Delivery Statements 2022–23* and the Queensland Government's objectives for the community.

About our department

Vision

Our vision: 'A Queensland where communities, businesses and water resources are sustainable and resilient' (DRDMW *Strategic Plan 2022–26*).

Purpose

Our purpose: 'We drive growth for Queensland by managing sustainable water resources, leading innovation in manufacturing, and developing our regions' (DRDMW *Strategic Plan 2022–26*).

Legislative responsibilities

DRDMW is responsible for administering the following Acts, which fall within the responsibility of the Minister for Regional Development and Manufacturing and Minister for Water:

- *Energy and Water Ombudsman Act 2006* (jointly administered with the Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement)
- *Lake Eyre Basin Agreement Act 2001* (except to the extent administered by the Minister for the Environment and the Great Barrier Reef and Minister for Science and Minister for Multicultural Affairs)
- *New South Wales-Queensland Border Rivers Act 1946*
- *River Improvement Trust Act 1940*
- *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009*
- *South East Queensland Water (Restructuring) Act 2007* (in so far as the Minister is a jointly responsible Minister for the purpose of Chapter 2 of this Act)
- *Surat Basin Rail (Infrastructure Development and Management) Act 2012*
- *Water Act 2000* (Chapter 8, Part 5 jointly administered with the Minister for the Environment and the Great Barrier Reef, Minister for Science and Minister for Multicultural Affairs; and except to the extent administered by the Minister for the Environment and the Great Barrier Reef, Minister for Science and Minister for Multicultural Affairs)
- *Water (Commonwealth Powers) Act 2008*
- *Water Efficiency Labelling and Standards (Queensland) Act 2005*
- *Water Supply (Safety and Reliability) Act 2008*.

Values

We are committed to the Queensland Government's Public Service Values:

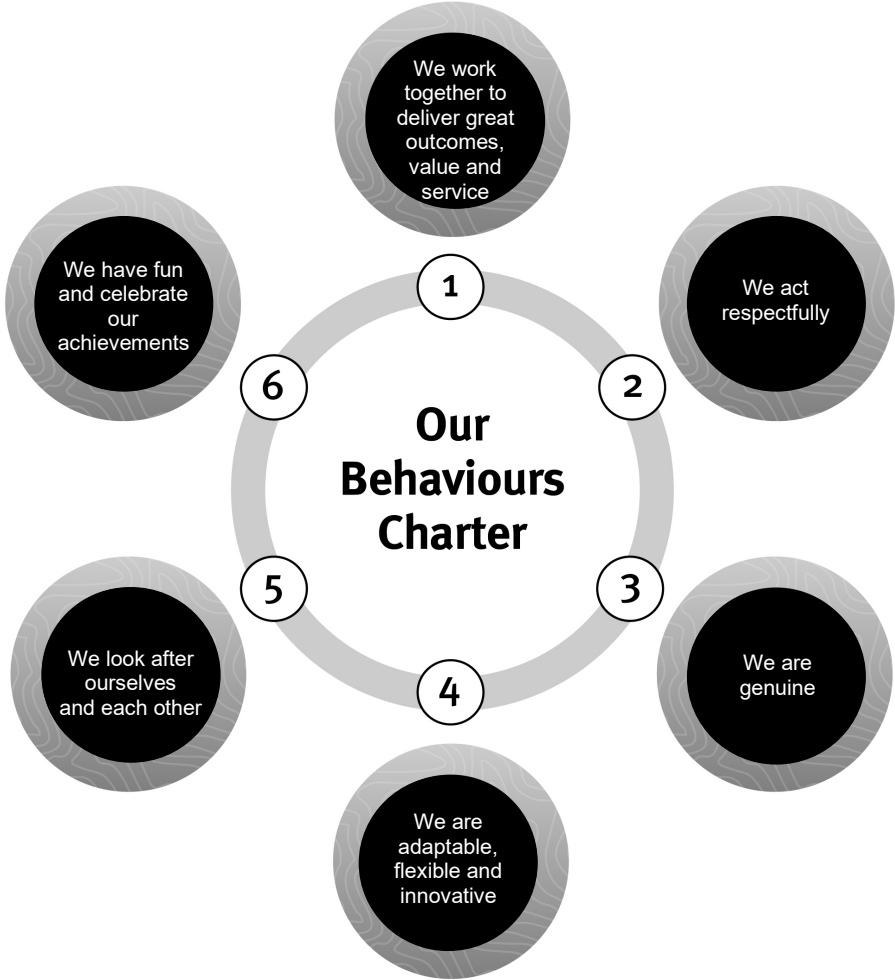
- Customers first
- Ideas into action
- Unleash potential
- Be courageous
- Empower people.

These values are also reflected in Our Behaviours Charter and our Strategic Plan.

Our Behaviours Charter

Our Behaviours Charter comprises 6 essential behaviours that everyone at DRDMW commits to in order to create a positive workplace. The behaviours are outlined in Figure 1 below.

Figure 1: Our Behaviour Charter



Objectives, strategies and performance measures

To deliver on our purpose, the DRDMW *Strategic Plan 2022–26* outlines our objectives, strategies and performance measures for the 2022–23 year (reproduced in Table 1).

Table 1: DRDMW Strategic Plan 2022–26 objectives, strategies and performance measures

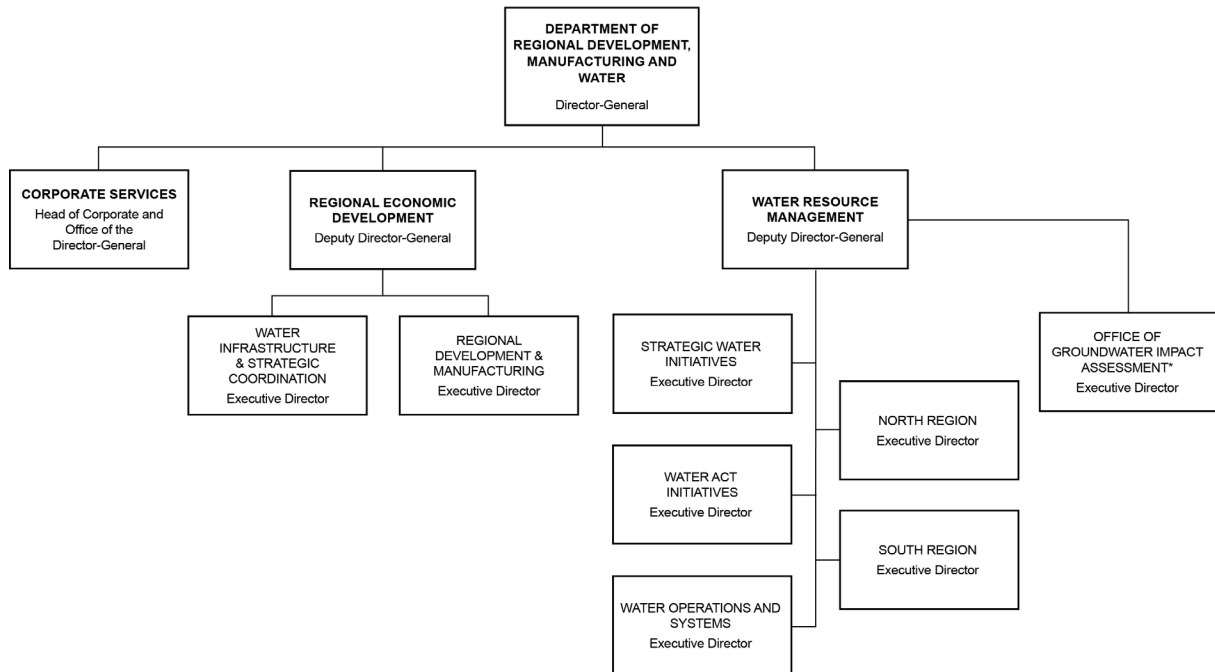
Objectives	Strategies	Performance measures
1. Drive investment, economic growth and jobs in Queensland communities	<ol style="list-style-type: none"> 1. Support manufacturers to onshore value-adding manufacturing activities, improve productivity, increase competitiveness and generate new jobs. 2. Lead and coordinate government strategies, policies and plans to support regional economic development. 3. Manage grants programs to drive economic outcomes, including Building our Regions Round 6, federal and state water programs and manufacturing grants. 4. Facilitate and invest in the assessment and construction of major water infrastructure projects and release water for economic development. 	<ul style="list-style-type: none"> • Jobs enabled through the Building our Regions, Made in Queensland and Manufacturing Hubs Grant programs. • Queensland investment in key major water infrastructure projects.
2. Lead water resource management to achieve sustainability and public safety outcomes	<ol style="list-style-type: none"> 1. Develop and implement legislation, policies and programs that provide community confidence, support water users, minimise drinking water and dam safety risks, and protect water-dependent ecosystems. 2. Effectively administer water-related legislation by being a modern best-practice regulator. 3. Ensure our work considers climate-change impacts and First Nations' cultural values and is evidence-based. 4. Plan for future water security, optimise underutilised water and promote water efficiency. 	<ul style="list-style-type: none"> • Percentage of Queensland managed under a Water Plan. • Percentage of referable dams with approved Emergency Action Plans. • Volume of water saved in Great Artesian Basin rehabilitation programs.
3. Encourage innovation and unlock new opportunities	<ol style="list-style-type: none"> 1. Deliver targeted support to businesses to create value and drive manufacturing innovation. 2. Create opportunities to drive new industries and access new markets in areas such as hydrogen, renewable energy, food and beverage processing and rail. 3. Use the latest science, engineering and data to underpin our decision-making. 4. Transform our water resource management, including through the Rural Water Futures program. 5. Embed a culture of continuous improvement and innovation. 	<ul style="list-style-type: none"> • Number of grants issued and dollar value invested for Made in Queensland, Building our Regions and Manufacturing Hubs Grant programs. • Number of manufacturers reporting productivity improvements following departmental engagement.
4. Foster a professional, positive workforce and workplace	<ol style="list-style-type: none"> 1. Prioritise and support staff health, safety, wellbeing and diversity. 2. Develop, retain and attract a workforce to meet current and future needs. 3. Create a workplace that values people, enhances expertise, develops leadership and provides rewarding work experiences. 4. Drive efficiencies and improvements through our digital data, processes, technology and systems 5. Create a positive collaborative culture through our agreed behaviours. 	<ul style="list-style-type: none"> • Staff engagement in Working for Queensland survey. • Number of internal serious safety incidents reported.
6. Leverage the strength of our partners	<ol style="list-style-type: none"> 1. Support state-owned water businesses to deliver benefits for all Queenslanders. 2. Partner with local, state and federal agencies, the private sector, First Nations peoples, academia and community leaders to deliver outcomes. 3. Partner with Queensland-based manufacturing supply chains to improve productivity. 4. Lead coordination of Queensland input into relevant federal policy and program development. 5. Support councils to provide essential water and sewerage services to communities. 	<ul style="list-style-type: none"> • Satisfaction with stakeholder engagement.

Organisational structure

The department comprises 3 groups:

- Regional Economic Development
- Water Resources Management
- Corporate Services (including the Office of the Director-General).

Figure 2: Organisational structure as at 30 June 2023



*The Office of Groundwater Impact Assessment is an independent office responsible for assessing impacts from resource development in Queensland. Its annual report can be viewed at ogia.water.qld.gov.au.

Regional Economic Development

The Regional Economic Development group enables the creation of jobs that provide enduring economic benefit to Queensland by delivering:

- regional economic development opportunities
- water infrastructure
- support to the state’s manufacturing industry.

Its programs and projects contribute to job creation and stimulate regional economic development and investment in skills through:

- undertaking regional water assessments to comprehensively assess local water needs and supply options including existing and new infrastructure and non-infrastructure solutions
- facilitating and investing in the assessment and construction of major water infrastructure projects to enable economic development
- developing and implementing pricing policies for irrigation and for South East Queensland bulk water infrastructure, including irrigation price subsidies to encourage agricultural activity
- working collaboratively with water authorities and river improvements trusts to ensure their board appointments are made in a timely manner, their reporting obligations are met, and their status as water service providers is maintained

- monitoring the compliance and performance of government-owned water businesses
- collaborating with the Australian Government and other states and territories on developing Northern Australia and the broader regional policy agenda
- partnering with the Department of State Development, Infrastructure, Local Government and Planning to deliver regional infrastructure plans
- partnering with Manufacturing Skills Queensland to meet the manufacturing sector's skills and training needs for emerging industries
- implementing the *Queensland Advanced Manufacturing 10-Year Roadmap and Action Plan* and related industry strategies to position Queensland manufacturers to grasp new opportunities and grow their businesses
- supporting manufacturers to implement new processes and systems through the widespread adoption of Industry 4.0 through training programs and on-the-ground assistance via 6 manufacturing hubs
- administering grant and industry-development programs to help Queensland manufacturers become more internationally competitive and create high-value, highly skilled jobs
- administering the Building our Regions grant funding for local councils to provide essential water and sewerage services to their communities.

Water Resource Management

The Water Resource Management group is responsible for sustainable management of Queensland's water resources, as well as regulation of water service providers and water infrastructure owners.

The group achieves sustainability and public safety outcomes by:

- developing and implementing legislation, policies and programs to manage Queensland's water resources
- developing and implementing catchment-based water plans for the sustainable allocation and management of Queensland's water resources
- managing water entitlement dealings in accordance with the *Water Act 2000*, *Water Regulation 2016*, *Planning Act 2016* and water plans
- monitoring the state's groundwater and surface water resources to inform sustainable resource decisions
- managing access to water in accordance with water-sharing rules; the accounting and reporting of volumes of water taken; and the administration of water meters
- collecting scientific information on the flow requirements of ecosystems to support water planning
- maintaining community confidence in the management of Queensland's groundwater and surface water resources through effective licensing and regulation of water users and undertaking of compliance activities
- supporting economic activity by making water available for development
- regulating drinking water service providers to ensure communities have access to reliable, safe, high-quality drinking water
- regulating dam owners to ensure communities are protected from the risks of dam failure
- delivering regulatory functions as outlined in the *Regulatory Strategy for Water Resource Management* and prioritised in our *Annual Compliance Plan*
- transforming the management of Queensland's water resources and providing better services to water customers through the *Rural Water Futures* program

- engaging with stakeholders to develop, design and implement responses that support sustainable water management, and water and sewerage service provision
- supporting the inclusion of Traditional Custodians in our decision-making in line with our national commitments and Queensland's Path to Treaty journey
- supporting urban water service providers to assess and mitigate short-term and long-term water security risks
- assessing climate-change impacts and responding to potential climate-change risks
- actively participating in national and state Murray–Darling Basin reform and other national water reform.

Corporate Services

The Corporate Services group undertakes a strategic partnership role, actively supporting all teams across the department, to enable delivery of departmental programs and initiatives. Corporate Services comprises the following teams, which provide best-practice advice and services in their areas of expertise:

- Office of the Director-General
- Cabinet and Executive Services
- Finance
- Human Resources and Work Health and Safety
- Legal Services and General Counsel
- Governance, Reporting and Risk
- Digital Capability Office
- Media and Communication.

Some corporate functions are also provided to the department by other agencies and are managed through service-level agreements.

Executive management

The Departmental Leadership Team (DLT) is DRDMW's primary decision-making body.

The DLT directs and guides the department to deliver on its strategic direction and provides oversight of our financial management, risk management, work health and safety, performance, and culture. DLT members are responsible for ensuring the department's compliance with our legislative obligations. They also represent the department in a range of public-sector and private-sector forums and bodies.

Graham Fraine, Director-General (1 June 2022 to 24 March 2023)

Graham has almost 3 decades experience in public policy, program development and service delivery across state and local government.

Prior to taking on the role of Director-General with DRDMW, he held Deputy Director-General roles in the Department of the Premier and Cabinet and the Department of Transport and Main Roads and was also Deputy Under Treasurer in Queensland Treasury.

Graham is known for his strategic leadership and passion for the public service. In March 2023, he took up the role of Chief Executive Officer in the Brisbane 2032 Coordination Office, providing portfolio leadership, coordination and integration across Games Delivery Partners associated with the planning and delivery of the Brisbane 2032 Olympic and Paralympic Games.

Linda Dobe, A/Director-General (25 March 2023 – ongoing)

Linda took up the role of Acting Director-General of DRDMW in March 2023. Prior to that, she was the department's Deputy Director-General, Water Resource Management.

Linda has broad government and private-sector experience at senior levels in the water, lands, mining, finance and education sectors. This has included more than 25 years in policy and program development, regulation and service delivery for the Queensland Government. She has held lead roles in key areas such as strategic water policy and reform, regulation of water entitlements, drinking water and dam safety, water planning and science, water security planning, and advancement of bulk water infrastructure projects.

Jarrold Cowley-Grimmond, A/Deputy Director-General, Water Resource Management

Jarrold has more than 20 years' experience in policy development and implementation, project management, and best-practice regulation in Queensland and the United Kingdom, with skills in leadership, stakeholder management, intergovernmental relations, strategic reform, and legislative development.

Jarrold's substantive role is Executive Director of Water Operations and Systems and he has previously acted as the department's Head of Corporate. He took up his current Acting Deputy Director-General role in March 2023.

Jarrold is also active in the National Regulators' Community of Practice and represents Queensland at the Murray–Darling Basin Regulatory Leaders Forum.

Prior to joining the public sector, Jarrold worked as a lawyer. He holds a Bachelor of Arts, Bachelor of Laws with Honours and a Master of Laws.

Bernadette Zerba, Deputy Director-General, Regional Economic Development

Bernadette has worked in government for more than 20 years, holding leadership roles in multiple agencies across state government. Her work has had a strong focus on policy development and implementation, including the establishment of regulatory frameworks.

Bernadette now specialises in leading water infrastructure assessment and delivery and regional economic development initiatives across the state, including policy development, strategic analysis, interdepartmental and interjurisdictional engagement, and negotiation.

Wietske Smith, Head of Corporate

Wietske has been DRDMW's Head of Corporate since October 2021. She has extensive experience delivering corporate and operational services across the Queensland public sector and has provided strategic leadership across all corporate service functions, supporting transformational change and ensuring customer service delivery. She has held many senior roles including Head of Corporate Services (TransLink), Executive Director (Customer Experience) and General Manager (Governance) at the Department of Transport and Main Roads

Wietske holds a Bachelor of Business (Accounting), is a Certified Practising Accountant and is a Graduate of the Australian Institute of Company Directors.

Contribution to Queensland Government objectives

Our work contributes to the following Queensland Government objectives for the community as identified in the DRDMW *Strategic Plan 2022–26*.

Table 2: DRDMW contribution to Queensland Government objectives for the community

Queensland Government objectives (from DRDMW <i>Strategic Plan 2022–26</i>)	How DRDMW contributes to achieving this objective
Supporting jobs	By supporting increased jobs in more industries to diversify the Queensland economy, with an emphasis on regional development and investment in water infrastructure
Making it for Queensland	By supporting Queensland manufacturing across traditional and new industries to innovate, strengthen supply chains and create new jobs
Protecting the environment	By protecting and enhancing our natural environment and heritage so it is sustainable now and for future generations
Building Queensland	By facilitating and investing in the assessment and construction of major water infrastructure projects and managing grants programs to drive economic outcomes
Honouring and embracing our rich and ancient cultural history	By partnering with a range of stakeholders, including First Nations peoples and community leaders, and ensuring our work in water resource management considers First Nations cultural values

Opportunities and risks

These are high-level statements outlining how we will mitigate the department’s key organisational strategic risks by pursuing opportunities.

1. **Agency capability:** We are a highly effective agency with experienced and skilled people who support the growth and sustainability of Queensland.
2. **Safety:** We mitigate public health and safety risks associated with essential water supplies and referable dams and promote internal health and safety initiatives to protect and support our people.
3. **Governance:** We apply the appropriate systems, controls and oversight frameworks to ensure risks are managed by those responsible and programs are delivered and monitored appropriately.
4. **Climate change:** We consider climate-change impacts in our work.
5. **Agency conduct:** We have a positive culture and are ethical, unbiased, transparent and responsive in all we do.

Our achievements

This section records our key achievements for 2022–23 against the 5 objectives outlined in the DRDMW *Strategic Plan 2022–26*.

Where an achievement has contributed to more than one objective, it appears under the objective to which it has made the greatest contribution.

Objective 1 – Drive investment, economic growth and jobs in Queensland communities

Strategic water infrastructure investment

Rookwood Weir

Rookwood Weir is being constructed on the Fitzroy River, south-west of Rockhampton. When completed, the weir will provide Central Queensland with up to 86,000 megalitres of additional medium-priority-equivalent water. This additional water will provide for significant agricultural growth along the Fitzroy River and enhance the security of urban and industrial water supplies for Gladstone and Capricorn Coast communities.

DRDMW is the owner of the weir, with Sunwater working as the State's agent to deliver the weir package. DRDMW is also responsible for providing governance oversight on behalf of the Queensland Government and facilitating the administration of funding to ensure the effective and efficient delivery of the project. To achieve this, the department works closely with Sunwater, Queensland Treasury, the Department of the Premier and Cabinet and the Australian Government.

In-river works on the weir commenced in April 2021. As at 30 June 2023, it is more than 75 per cent built. Construction is due to be completed in late 2023 and commissioning in 2024, weather permitting.

During construction, costs on the weir have increased due to a range of factors, including 6 wet weather inundation events, increases in materials costs, and the need for deeper than expected foundations. The Queensland and Australian Governments have each committed \$183.6 million towards the project (\$367.2 million in total). The total cost of the project is now estimated to be \$568.9 million due to escalating supplier costs and multiple inundations caused by high river flow; the increased cost will be funded by Sunwater.

Key achievements in 2022–23 were:

- significant progress on construction of concrete monoliths, ogee crest, fish lock and turtle passage
- approval, design and tendering for a new fish passage at the Fitzroy Barrage
- progressing the detailed design of the Foleyvale Crossing upgrade, engaging the contractor, and associated land resumption.

Sale of water from the weir also progressed this year, with the completion of a second tender in June 2023 targeted to support local farm development. A final round of water sales may commence later in the 2023 calendar year or in early 2024, for the remaining available water. Overall, at least 50 per cent of water from Rookwood Weir will be available for agriculture.

As at 30 June 2023:

- the project had supported more than 240 regional jobs through essential road and bridge upgrades, including the new Riverslea Bridge
- construction of the weir was supporting 325 jobs, with 130 of those sourced locally and roles for apprentices and trainees estimated to make up 10 per cent of those jobs.

Paradise Dam

Paradise Dam is located on the Burnett River south-west of Bundaberg. As part of essential safety works completed in 2021, the Paradise Dam spillway was lowered 5.8 metres below its original height and a temporary concrete cap was installed on the crest to reduce dam failure risk in the short term.

In parallel with this essential works program, an independent options evaluation was undertaken to identify long-term rebuilding options for the dam. Based on the Paradise Dam Improvement Project Options Evaluation Report, in late 2021 the Queensland Government decided to return the dam to its original height, and committed up to \$600 million to these works, This is being matched by the Australian Government.

DRDMW's role on the Paradise Dam project is to provide governance oversight on behalf of the Queensland Government, and facilitate the administration of funding to ensure the project's effective and efficient delivery. To achieve this, the department works closely with Sunwater, Queensland Treasury, the Department of the Premier and Cabinet and the Australian Government.

Key achievements in 2022–23 were:

- advancing the detailed business case to inform the final investment decision by the Queensland Government in 2024
- completing early construction packages for tender to allow commencement of road upgrades in late 2023
- completing the Alliance Development Phase for the major construction works.

Sunwater is responsible for delivering the next stage of the project, which comprises final engineering design, a detailed business case, road upgrades and pre-construction activities. This stage is due to be completed in early 2024.

Toowoomba to Warwick Pipeline and Southern Downs Drought Resilience Package

The Toowoomba to Warwick Pipeline will transfer water from Wivenhoe Dam to Warwick via Toowoomba Regional Council's existing network. When complete, the pipeline will provide a permanent water supply to 3,400 residents in four Toowoomba Regional Council communities (Cambooya, Greenmount, Nobby and Clifton) and a drought contingency supply to 24,000 residents in the Southern Downs region.

In June 2022, the Queensland Government confirmed more than \$300 million funding for the project, including funding:

- for Toowoomba Regional Council to support upgrading of its Wivenhoe Pump Station and delivery of water-treatment facilities for the 4 communities
- for Southern Downs Regional Council to deliver network monitoring to identify and reduce water losses.

The pipeline project is also supported by the \$19.34 million Southern Downs Drought Resilience Package, which is developing additional local water sources to improve the drought resilience capacity of the Southern Downs region.

DRDMW's role on the pipeline project is to provide governance oversight on behalf of the Queensland Government and facilitate the administration of funding to ensure the effective and efficient delivery of the project. To achieve this, the department works closely with Seqwater, Toowoomba Regional Council, Southern Downs Regional Council, Queensland Treasury and the Department of the Premier and Cabinet.

Delivery of the pipeline and drought resilience package progressed well in 2022–23, with key achievements including:

- completion of pump upgrades and installation of switchboards to enable Southern Downs Regional Council to access water at Leslie Dam that was previously below the level of the replaced pumps (January 2023)

- gazettal of the Ministerial direction to Seqwater to build, own and operate the pipeline (April 2023)
- completion of groundwater availability investigations (June 2023).

Construction is scheduled to commence early in the 2023–24 financial year to connect a new bore near Warwick to the Southern Downs Regional Council's water supply system, and to connect a number of bores near the Southern Downs township of Allora for longer term use by the pipeline.

Construction of the pipeline will create 420 jobs for the local communities and is expected to be completed in March 2027, weather permitting. Seqwater will construct, own, and operate the pipeline.

Fitzroy to Gladstone Pipeline Project

The Fitzroy to Gladstone Pipeline Project involves construction of a 117-kilometre pipeline and a water treatment plant, reservoir and pumping stations to enable the transfer of up to 30,000 megalitres of water per annum from the lower Fitzroy River in Rockhampton to Gladstone Area Water Board's (GAWB's) network at Yarwun.

The pipeline will provide long-term water security to Gladstone's existing industry and community and potentially meet some early-stage water requirements of the region's emerging clean industry, including hydrogen. The pipeline also aligns with recommendations made by the Bradfield Regional Assessment and Development Panel to invest in water infrastructure closer to where rain falls through effective local use of water resources, including through the development of regional water grids.

The pipeline will play a critical role in the Gladstone and Central Queensland economies by providing a secure, reliable water supply to support the region's multi-billion-dollar industrial plants as well as its residential communities.

DRDMW's role on this project is to provide governance oversight on behalf of the Queensland Government and facilitate the administration of funding to ensure its effective and efficient delivery. To achieve this, the department works closely with GAWB, Queensland Treasury and the Department of the Premier and Cabinet.

Key achievements in 2022–23 included:

- completion by GAWB of significant pre-construction activities to ensure construction readiness for the pipeline, including project planning, advancing of the procurement approach, design work, and engagement with industry
- contracting by GAWB of design and construction partner McConnell Dowell BMD Joint Venture (December 2022)
- announcement of the Queensland Government's commitment of \$983 million funding for the construction of the pipeline (February 2023)
- delivery of first pipes and establishment of laydown area (June 2023).

Commissioning is expected in 2026, weather and construction conditions permitting. The pipeline will be constructed by the McConnell Dowell BMD Joint Venture and owned and managed by Gladstone Area Water Board.

Big Rocks Weir

The proposed Big Rocks Weir will be located on the Burdekin River north-west of Charters Towers. It will provide additional water storage to support further development of irrigated agriculture and greater security of water supply for Charters Towers. Charters Towers Regional Council is leading this project.

DRDMW is facilitating funding for this project and providing support in relation to project governance and technical input.

The Queensland Government has committed \$3 million to Charters Towers Regional Council for pre-construction activities on the weir. These include environmental and other regulatory approvals, geotechnical assessments, detailed design and water product and pricing definition. In the 2022–23 year, the government provided \$750,000 to the council for completed milestones.

Key achievements in 2022–23 were:

- undertaking technical activities to inform substantial review and progression of the weir design, hydrologic interactions and updated cost estimate
- undertaking environmental assessments and progressing environmental impact statement (EIS) documentation to the Queensland Coordinator-General for adequacy review against the terms of reference guiding the EIS.

Strategic Water Infrastructure Plan

The Queensland Government is refining its strategic outlook for new water infrastructure projects. This includes the development of a Strategic Water Infrastructure Plan (SWIP) to outline a longer-term pipeline of water infrastructure projects identified as Queensland Government priorities.

The SWIP will enable a considered and strategic approach to underpin investment decisions on water infrastructure projects, with an emphasis on developing projects with strategic drivers such as dam improvement projects, urban water security and regional economic development.

The 2022–23 Queensland Budget provided additional funding of \$5.5 million over 4 years, commencing from 2021–22, to develop a SWIP to inform optimal decisions around investment and the forward program.

In 2022–23, the department commenced a number of the core elements of work required to deliver the SWIP and the accompanying pipeline of priority bulk water infrastructure projects, namely:

- commenced the statewide Bulk Water Supply and Demand (Economic Development Service Needs) Audit
- prepared the scope of work to compare and prioritise all identified bulk water economic-development projects (to meet priority service needs identified from the audit)
- commenced preparation of a funding strategy to support the SWIP and delivery of the pipeline of projects (with Queensland Treasury and Queensland Treasury Corporation)
- prepared a scope of work to assess potential industry capacity risks and constraints that could impact delivery of bulk water projects and identify risk mitigation strategies.

Regional Water Assessment Program

The Queensland Government has invested \$9 million over 4 years in the Regional Water Assessment Program. The program aims to better define opportunities to achieve economic development through regional investment in water in 3 regions:

- Tablelands
- Bundaberg and Burnett
- Southern and Darling Downs.

In addition, as part of its commitment to strategic water planning projects in Queensland, the Australian Government has committed:

- \$5.5 million for a Burdekin regional water assessment
- \$1.5 million for an assessment of the Granite Belt Irrigation Project, as an option in the Southern and Darling Downs regional water assessment.

Each assessment will set out how existing infrastructure, new infrastructure and non-infrastructure solutions can be used to maximise water supply and help drive economic growth in the relevant region.

DRDMW is administering these assessments, with Sunwater leading the Bundaberg and Burnett assessment on behalf of DRDMW. DRDMW and Sunwater are working closely with local governments, peak and industry bodies, Traditional Owners and other relevant entities in developing the assessments.

Each assessment has 3 phases:

- Phase 1: Establish the region's service needs and develop a shortlist of options
- Phase 2: Conduct detailed analysis of shortlisted options and generate an overall strategy
- Phase 3: Prepare a final assessment for Queensland Government consideration and approval.

Key project milestones for 2022–23 were:

- Tablelands assessment:
 - completion of Phase 2 (options analysis)
 - development of draft assessment for public consultation (anticipated to commence early in 2023–24)
- Bundaberg and Burnett assessment:
 - completion of Phase 2 (options analysis)
 - development of draft assessment for public consultation (anticipated to commence early in 2023–24)
- Southern and Darling Downs assessment:
 - significant progress towards completion of Phase 2 (options analysis), including for Granite Belt region, with a number of infrastructure and non-infrastructure options recommended for progression (anticipated for completion early in the new financial year). The Granite Belt Irrigation Project is being included in the options analysis process.

Other National Water Grid Fund projects

The Queensland Government is signatory to a number of federal funding agreements with the Australian Government for feasibility assessment and construction of water projects under the National Water Grid Fund.

In 2022–23, the department administered just over \$65.0 million of funding for feasibility assessments and capital projects under the:

- Federal Funding Agreement (Environment) for the National Water Infrastructure Development Fund
- Federation Funding Agreement (Infrastructure) for the National Water Grid Fund.

This funding facilitated the following feasibility assessment work this year:

- Nogoia Mackenzie Water Supply Scheme: completion of an assessment of water security options, including raising Bedford Weir
- Dawson Valley Water Supply Scheme: completion of an assessment of water security options, including Paranui Weir
- Bowen Pipeline Project: progress on a detailed business case
- Lakeland Irrigation Area: progress on a detailed business case
- Paradise Dam to Coalstoun Lakes: progress on a detailed business case for a pipeline for irrigation
- Urannah Dam: progress on an environmental impact assessment
- underground technologies to support future agricultural development statewide: progress on a strategic assessment
- Mitchell, Flinders and Gilbert catchments: completion of a strategic assessment of sustainable agricultural development potential (Stage 1).

Also this year, the department:

- continued discussions with the proponent and the Australian Government about next steps for the Hughenden Irrigation Project following completion of the detailed business case late in 2021–22
- sought matched funding from the Australian Government for the construction of the Hughenden Water Bank, after the Queensland Government committed funds for that project's construction.

In 2022–23, funding for the following construction projects continued:

- Warren's Gully System Capacity Upgrade (\$4.76 million)
- Warwick Recycled Water for Agriculture Project (Stage 3) (\$480,979).

In 2022–23, the Queensland Government secured new or additional funding under the National Water Grid Fund for a range of projects, including:

- Paradise Dam Improvement Project
- Groundwater Improvements in the Lower Burdekin project
- Cairns Water Security program
- Mount Morgan Water Supply Security Project.

Irrigation pricing

Irrigation pricing discounts continued in the 2022–23 year, with prices for the supply of water from water supply schemes owned by Sunwater and Seqwater discounted by 15 per cent for the 3-year period from 2021–22 to 2023–24, as part of an \$81.6 million Queensland Government commitment to reduce irrigation prices.

Additionally, in March 2023, the government announced that the 15 per cent discount would be extended for a further 12 months to 2024–25, bringing total government funding for subsidising irrigation pricing including the discount initiative to \$104.4 million for the 2021–22 to 2024–25 period.

DRDMW's role on the scheme has been to provide advice to shareholding Ministers on how the 15 per cent discount is implemented through the directions given by the Ministers to Sunwater and Seqwater.

The Horticulture Irrigation Pricing Rebate Scheme also continued this financial year. Established in 2021, the scheme allows horticulture growers to access an additional 35 per cent discount on water charges (on top of the 15 per cent discount provided to all irrigators).

The scheme is administered on by the Queensland Rural and Industry Development Authority on behalf of DRDMW. As at 30 June, there have been around \$3.6 million in payments resulting from the scheme since it was established in 2021.

Unallocated water releases

Over the past 12 months, DRDMW has continued to support economic development in regional communities through the strategic release of water held in unallocated water reserves across Queensland.

Unallocated water releases:

- support multiple industries, including agriculture
- help drive prosperity, jobs and growth
- increase town water security for future population growth
- help regional communities to recover from the impacts of COVID-19.

In the 2022–23 year, DRDMW prepared and conducted multiple new releases, making an additional 90,352 megalitres of water available to the community. A further 218,425 megalitres of water remains available under processes that commenced in previous reporting periods.

Through Queensland water plans, unallocated Indigenous reserves can also be made available to support the economic and social aspirations of Indigenous communities. Water provided through these releases is accounted for in the water planning process and is within sustainable limits for extraction. In the 2022–23 year, an additional 2,600 megalitres were made available as an unallocated Indigenous water reserve in the Barron Water Plan area. A further 552,400 megalitres of water in 11 water plan areas across the state remain available.

Queensland Advanced Manufacturing 10-Year Roadmap and Action Plan (Edition 3)

First launched in 2016 and updated in 2018, the *Queensland Advanced Manufacturing 10-Year Roadmap and Action Plan* sets out initiatives to support the adoption of Industry 4.0 technologies and techniques to increase the number of advanced manufacturers in Queensland. The success of the action plan was underlined in 2020 when the World Economic Forum designated Queensland as an advanced manufacturing hub.

The action plan was again updated this financial year and a third edition launched in October 2022. Updates in the third edition focus on readying manufacturers for opportunities on the horizon, including:

- renewable energy projects under the Queensland Energy and Jobs Plan and the Brisbane 2032 Olympic and Paralympic Games
- gearing up to meet climate-change targets
- responding to critical workforce issues such as the need for greater workforce diversity, including attracting and retaining more women in manufacturing.

Positioning Queensland Manufacturing

Strategy 5 of the updated *Queensland Advanced Manufacturing 10-Year Roadmap and Action Plan* is to market Queensland manufacturing in order to raise awareness of the sector's capability.

To deliver this strategy, in early 2023, DRDMW developed Positioning Queensland Manufacturing, a 3-year program of communications and events to raise the profile of Queensland manufacturing. A number of actions have already been implemented under this program of work:

- DRDMW promoted Queensland as a desirable location for manufacturers at Australian Manufacturing Week in Melbourne in May 2023.
- Throughout the year, the department consolidated and expanded its participation in career days and job expos across the state, encouraging school leavers and job-changers to pursue a career in manufacturing and connecting them to local manufacturing businesses. More detail on these events is provided below under 'Manufacturing Capability Development and Industry engagement program'.
- Positioning Queensland Manufacturing establishes September as Queensland Manufacturing Month, a time to highlight the contribution manufacturing makes to the Queensland economy. In 2022–23, planning began for the inaugural Queensland Manufacturing Month in September 2023.
- During Queensland Manufacturing Month, DRDMW aims to launch a social media campaign to attract students, school leavers and career-changers to pursue a career in manufacturing. In 2022–23, the department engaged a creative services agency to conduct market research and develop a campaign concept, and progressed with government advertising approvals in preparation for the campaign.

Women in Manufacturing Strategy

A key achievement for the 2022–23 year was the development of Queensland's *Women in Manufacturing Strategy* launched on International Women's Day in March 2023. The strategy sets out a series of initiatives to attract and retain women in Queensland's manufacturing industry, particularly in technical and trade roles.

The strategy was showcased at the Women in Manufacturing networking event during Australian Manufacturing Week 2023 in Melbourne, as a means of attracting interstate talent to Queensland.

In addition, in the 2022–23 year:

- skills and training officers from our regional manufacturing hubs ran targeted programs in schools and a range of other promotional activities, to showcase career paths into advanced manufacturing to female primary and high school students
- work began to develop a mentoring series where female school students will be paired with a female manufacturing worker.

Made in Queensland Grant Program

Made in Queensland grants help small and medium-sized manufacturers increase their international competitiveness, productivity and innovation through adoption of new technologies, processes and practices.

In June 2022, the Queensland Government committed funding of \$40 million for 2 further rounds of the program over 2 years, bringing total funding to \$101.5 million.

Round 5 of the program opened in October 2022 and closed in December 2022. This round awarded \$20.5 million in grants to Queensland manufacturers (with total private-sector investment over \$50 million), to improve productivity and international competitiveness, onshore manufacturing work to Queensland and create jobs.

As at June 2023, the program has supported 136 projects across Queensland, with 85 projects completed. Manufacturers who have implemented these projects report that 5,471 jobs have been created and supported, with more than \$100 million in private-sector investment leveraged through the program.

Building our Regions

The Building our Regions program has a long and successful history of supporting Queensland's local governments to invest in essential regional infrastructure by upgrading local assets, creating flow-on economic development opportunities and jobs.

Previous rounds of Building our Regions funding have seen over \$348 million approved towards 271 projects across 67 local government areas. These projects have leveraged over \$539 million in additional funding from other sources for a total capital expenditure of over \$887 million, supporting more than 2,700 construction jobs.

Round 6 of the program offered \$70 million in funding over 3 years for councils to improve their water supply and sewerage systems. In 2022–23, \$60.9 million was approved towards 64 planning and construction projects across Queensland, taking Round 6 approvals to 99 projects for a total funding amount of \$69.2 million.

With the inclusion of Round 6, Building our Regions has approved over \$417 million towards 370 projects across 68 local governments and one town authority in regional Queensland. It has supported an estimated 3,179 jobs during construction and attracted additional investment of over \$609.2 million from councils and other organisations.

Spotlight: Stakeholder engagement central to *Women in Manufacturing Strategy*

Just one look at the *Women in Manufacturing Strategy* reveals a range of rich, real-life stories and insights gathered during an extensive stakeholder engagement process that took place over 6 months.

Launched in March 2023, the strategy is designed to attract and retain women in manufacturing, particularly in technical and trades roles.

During its development phase, DRDMW's manufacturing team engaged with a diverse range of organisations and industry representatives, ensuring all relevant voices were heard and providing the foundation for a well-informed and effective strategy.

One group that played a critical role was the Manufacturing Ministerial Council Sub-Group for Women. Established in 2022, the sub-group brings together experts and key stakeholders, including peak bodies, unions and manufacturers. Their first-hand industry experience and advice enriched the strategy's development, ensuring its practicality and relevance.

Further valuable insights came from the Queensland Government's Office for Women and Violence Prevention, who helped to shape the strategy's foundation and align it with broader gender-equality objectives.

To gather a range of case studies, manufacturing staff travelled across the state to directly engage several stakeholders. These case studies help to ground the strategy in real-world experiences and showcase practical examples of success.

And the collaboration didn't end there! Consultation was also undertaken with other Queensland Government agencies (including Education Queensland; Department of Employment, Small Business and Training; TAFE Queensland; Office of the Queensland Chief Scientist and the Queensland Training Ombudsman), and organisations such as the Local Government Association of Queensland, UN Women Australia, Queensland Working Women, the National Association of Women in Construction, and the National Aboriginal and Torres Strait Islander Women's Alliance.

These discussions contributed to a holistic understanding of the challenges and opportunities surrounding women's participation in manufacturing, and a holistic and effective response to them in the strategy.

Objective 2 – Lead water resource management to achieve sustainability and public safety outcomes

Bradfield Regional Assessment and Development Panel

A key achievement in water resource management this year was the release of the *Bradfield Regional Assessment and Development Panel Report* in December 2022.

The report provides a detailed assessment of the Bradfield Scheme, a proposal to transfer large volumes of water from North Queensland's coastal catchments to irrigate potential agricultural land in western Queensland, first suggested by engineer Dr John Bradfield in 1938.

The report was prepared by an independent expert panel appointed by the Queensland Government:

- Professor Ross Garnaut (Chair)
- Professor Allan Dale
- Dr Georgina Davis.

The panel assessed and reported on the viability of the scheme and its variations. After careful consideration, they recommended not proceeding with Bradfield or any similar schemes, finding all unfeasible on economic, environmental, social and cultural heritage grounds. They also recommended maximising use of water closer to where it falls, through regional water grids and effective local use of water resources.

The panel's findings concurred with a separate CSIRO report prepared in 2021, *An assessment of contemporary variations of the Bradfield Scheme*.

In December 2022, the Queensland Government announced it had accepted the panel's recommendations in full or in principle, and made the report public.

DRDMW provided technical and administrative support to the panel throughout the assessment and is now implementing the recommendations via multiple programs across regional and remote Queensland. The Fitzroy to Gladstone Pipeline and the regional water assessments occurring in areas such as the Burdekin and Tablelands in North Queensland are examples of actions the Queensland Government is taking to implement the panel's recommendations.

The full report can be viewed at the DRDMW [website](#).

Murray–Darling Basin management

The Federal Funding Agreement – Environment Schedule 'Implementing Water Reform in the Murray–Darling (2021–22 to 2023–24)' commits Australian Government funding to continue delivery of Murray–Darling Basin water reforms by Basin states and territories, through implementation of the Murray–Darling Basin Plan and associated water reforms.

Under the schedule, each Basin state must report to the Australian Government, on or before 31 March each funding year, on its progress against milestone and key performance indicators (KPIs) related to:

- water recovery
- coordinated environmental use
- implementation of the Basin Plan
- water market improvement
- improved compliance and reporting
- enhanced coordinated consultation and engagement with all Basin communities.

In March 2023, the Queensland Government provided its 2022–23 report to the Australian Government. The Australian Government evaluated this report and determined in June 2023 that Queensland had met all Year 2 milestones and would therefore receive full payment of \$1.97 million.

The 2022–23 funding was important to continue to implement the *Murray–Darling Basin Plan 2012*. This included implementation of Queensland water plans through reforms being delivered under DRDMW's Rural Water Futures program, and support through ongoing scientific research, engagement and collaboration with the Murray–Darling Basin Authority and other jurisdictions.

DRDMW is also delivering work to meet Queensland's commitment under the Murray–Darling Basin Compliance Compact. The Australian Government's Office of Water Compliance, reporting to the Inspector-General of Water Compliance, is responsible for assessing each state's compliance with the compact.

Throughout 2022–23, DRDMW has:

- responded to audits and reviews commissioned by the Inspector-General of Water Compliance
- reported against metering and measurement key performance indicators
- reported and published data on compliance and enforcement activities and actions undertaken in the Queensland Murray–Darling Basin.

Regional urban water security

Safe, reliable water supplies are essential to support the health, lifestyle and prosperity of communities across Queensland.

DRDMW is responsible for ensuring regional urban water supplies are being appropriately managed. To fulfil this responsibility, the department provides support to water service providers (typically local councils) to help them fulfil their role to provide safe, reliable water.

The department works in partnership with local councils throughout regional Queensland to develop and publish urban water security assessments that identify any long-term water security risks for individual communities. In 2022–23:

- assessments were advanced for Goondiwindi and Dawson River communities (including Banana, Baralaba, Moura and Theodore), with publication expected in 2023–24
- assessments were progressed for Biloela, Dalby and Cassowary Coast communities.

The department also supports councils to identify opportunities to improve water security for urban communities. In 2022–23, this included:

- providing advice to individual councils (e.g. to Central Highlands Regional Council for a water reliability assessment to support development of a water security strategy released in March 2023)
- undertaking hydrological modelling to support key projects, such as regional water assessments
- providing Waterwise educational materials to councils for sharing with residents and industry.

Queensland Bulk Water Opportunities Statement / Queensland Water Strategy

DRDMW is the custodian of the *Queensland Bulk Water Opportunities Statement (QBWOS)*.

First published in 2017, QBWOS is the state's bulk water security strategy and direction statement. It drives a range of initiatives and improvements that contribute to achieving objectives for bulk water supply, as reported in each annual progress update.

DRDMW last updated QBWOS in December 2022. This update prompted planning for a review of the QBWOS Part A: Strategic Framework, which in turn identified an opportunity to broaden the scope of QBWOS beyond its current focus on infrastructure and bulk water supply.

Work has now begun on a new Queensland Water Strategy, which is scheduled to replace QBWOS in 2023. The new strategy will accommodate the entire water cycle and all aspects of water management, establishing strategic initiatives to focus on over the next five years.

Water plan reviews

Water plans are developed under the *Water Act 2000* to sustainably manage and allocate water resources in Queensland. A water plan may apply to:

- watercourses, lakes and springs
- overland flow
- underground water.

Water plans are tailored for each plan area to balance the needs of water users (e.g. towns, agriculture and other industries) and the environment.

Over 95 per cent of Queensland by area is managed under a water plan. Water plans are generally in effect for 10 years. They are underpinned by the best available science gathered through hydrologic, social, economic, cultural and environmental assessments, and by information gathered through community consultation.

Regular monitoring and reporting are also conducted to determine whether each plan is meeting its outcomes and objectives.

In recent years, changes to the *Water Act 2000* have ensured water plans consider the impacts of climate change on water availability. This includes consideration of climate change impacts in each water plan area for the 10-year life of the plan.

Legislative changes also require water plans to incorporate the cultural needs and values of Aboriginal peoples and Torres Strait Islander peoples.

All water plans will continue to provide security for existing water allocations, and will provide opportunities, if available, for new development through provisions for unallocated water, including Indigenous reserves.

Throughout the 2022–23 year, DRDMW has undertaken community consultation and reviews for the following plans:

- Mary Basin Water Plan: Review commenced in 2021. A draft water plan, associated draft water entitlement notice and draft water management protocol. were released for public consultation in February 2023. Submissions closed 26 May 2023.
- Barron Water Plan: Review commenced in 2021 and was completed in June 2023 with the publishing of the Water Plan (Barron) 2023.
- Fitzroy Basin Water Plan: Review commenced in July 2022.
- Pioneer Valley Water Plan: Review commenced in October 2022.
- Burdekin Basin Water Plan: Review commenced in May 2023.
- Gold Coast Water Plan: Review commenced in May 2023.
- Logan Basin Water plan: Review commenced in May 2023.
- A Minister's performance assessment report for the Calliope River Basin Water Plan was completed in July 2022.
- A Minister's performance assessment report for the Great Artesian Basin and Other Regional Aquifers Water Plan was published in January 2023.

First Nations peoples' water rights

Water has long played a critical role in the lives of First Nations peoples across Australia — not just for survival, but also for its significance in terms of culture, custom and identity.

DRDMW is committed to reframing our relationships with Aboriginal peoples and Torres Strait Islander peoples to realise a future where we value, respect, and move towards a genuine pathway of co-design, in line with Queensland's Path to Treaty journey.

The Queensland Government is also committed to continuing to support inclusion of First Nations peoples in our decision-making in line with the 'Closing the Gap' agreement and is actively working with the Australian Government on these objectives, including via the National Water Initiative Renewal process.

Queensland's *Water Act 2000* provides a legal right for First Nations peoples to take water or use it for traditional activities or cultural purposes, including hunting, fishing, gathering or camping; performing rites or other ceremonies; and visiting sites of significance. In 2018, the Act was amended to also allow for more respectful recognition of the importance of water resources to Aboriginal peoples and Torres Strait Islander peoples. The amendments provide for water plans to include cultural outcomes for Aboriginal peoples and Torres Strait Islander peoples separately from other social, economic, and environmental outcomes.

To date this provision has supported improved on-country engagement with First Nations peoples to ensure Queensland's water plans provide for cultural outcomes. For example, in the Mary Basin water plan review process, extensive and open engagement took place with on-ground Traditional Custodians to ensure the water plan could identify and protect cultural outcomes into the future.

Learnings from our on-ground consultation are also being applied to improve collaboration with First Nations peoples on new infrastructure projects. For example, the planning and construction of Rookwood Weir and subsequent water allocation process have prioritised close consultation with Traditional Custodians of the region, to support equitable community outcomes through the project.

Putting water into the hands of First Nations peoples is an important priority for DRDMW. Indigenous water reserves exist in many parts of the state. As water plans are reviewed and replaced, DRDMW is working with First Nations peoples to understand and reflect their economic aspirations and custodial rights related to water.

In 2022–23, we continued to coordinate the Queensland Indigenous Councils Water Operators Network, which brings together 17 Queensland Indigenous councils that operate treatment plants providing drinking water to their communities. DRDMW hosted 3 meetings of the network, which provides a collaborative environment that enables Indigenous service providers to build capacity, share insights and engage in collective work towards resolving common challenges in delivering drinking water services. These meetings were also attended by representatives from Queensland Health and other invited government and non-government organisations.

Finally, DRDMW has taken steps to build our internal capacity, including:

- establishing the *Aboriginal and Torres Strait Island Cultural Capability Action Plan 2021–2023*, which includes a number of actions to support cultural awareness and build cultural capability to improve economic participation
- establishing a Path to Treaty Committee, which will oversee and coordinate work to progress DRDMW's Path to Treaty journey.

Water Resource Management Regulatory Strategy

In July 2022, DRDMW published the *Water Resource Management Regulatory Strategy 2022–2024*, outlining how the department undertakes its regulatory responsibilities and what the community can expect. This new strategy includes an escalation pathway, which outlines the factors considered in determining the appropriate actions in response to any non-compliance.

In accordance with the Regulatory Strategy and our commitment to being proactive and transparent, DRDMW also published its *Water Resource Management Annual Compliance Plan* in July 2022. This outlines the areas of focus to monitor and provides assurance of compliance with the legislation DRDMW administers.

In 2022–23 DRDMW proactively undertook a range of regulatory activities under the *Water Act 2000*. These comprised:

- 1,454 audits of water-management-related activities (comprising riverine quarry, drilling and water-entitlement audits)
- 6,383 audits of self-read water meter readings to account for any unauthorised water take
- the issuing of 76 advisory letters, 154 warning letters, 15 penalty infringement notices and 16 water compliance notices
- the commencement of one prosecution.

Throughout the year, DRDMW administered more than 39,500 water entitlements, which:

- allow the take of approximately 7.9 million megalitres of water from Queensland rivers and groundwater aquifers managed by DRDMW, either directly by the department or indirectly through resource operations license holders
- comprise approximately 20,700 water licences and interim allocations and 18,800 water allocations.

DRDMW is also responsible for administering the regulation of Queensland's drinking and recycled water supply under the *Water Supply (Safety and Reliability) Act 2008*. As at 30 June 2023, 83 registered drinking water service providers are responsible for supplying drinking water services across Queensland, with the majority being local governments.

In the 2022–23 year, 98 per cent of service providers submitted their drinking water quality management plan annual reports and third-party audit reports on time, exceeding the 90 per cent performance target.

As a modern best-practice regulator, DRDMW is committed to continual improvement of our regulatory approach and to improving regulatory services and processes over time. We also measure the effectiveness of improvements we make to ensure they result in better regulatory outcomes, and report annually on our performance and outcomes under our annual plan.

Reports for the year can be accessed at the DRDMW website.

Dam safety

Dam safety regulation

DRDMW's dam safety regulator has oversight of 114 referable dams. 'Referable' dams are those that would have a public safety concern were they to fail. These include large water storage dams owned by Seqwater, Sunwater, statutory authorities and local councils, smaller irrigation and multi-purpose dams owned by local farmers and mining operators, and several detention basins in cities and towns.

Queensland has an excellent dam safety record with the risks of dam-related incidents and failures being very low.

In 2022–23, the department undertook 12 safety audits of referable dams.

- The number and selection of dams to audit were chosen according to a risk-based prioritisation that considered recommendations from past regulatory reviews and expert advice, including the 2011 Floods Commission of Inquiry and QAO Audit of Dam Safety.
- Every audit included a physical site inspection of the dam, as well as visiting the offices of the dam owner.
- Audits were conducted across the range of dam owner categories, with an emphasis on dams that had not been audited recently.

Dam Safety Upgrade Program

Requirements for dam safety upgrades can change over time as a result of downstream population growth, improved understanding of the science of rainfall and flooding, improvements in dam engineering and ageing of infrastructure.

The department's dam improvement program has identified the referable dams in Queensland that require upgrading to enable them to withstand extremely rare weather events and to protect the reliability of water supply for the community. Some dams across the state have already had upgrades completed, while upgrades for other dams are still being progressed, including upgrades for Paradise, Burdekin Falls, North Pine, Somerset and Wivenhoe dams.

Regulation now requires dam owners to justify upgrade timeframes and report on progress of their dam upgrade projects to DRDMW annually. This emphasises the responsibility of dam owners to conduct upgrades in a timely manner and provides DRDMW with improved data and information to assist with risk management, allocation of financial resources and assessment of industry capacity to deliver the pipeline of proposed works for dam upgrades.

Great Artesian Basin Rehabilitation Program

DRDMW delivers 2 Great Artesian Basin cap and piping agreements that contribute to water security and drought resilience in the Great Artesian Basin. These are:

- \$18.1 million for Improving Great Artesian Basin Drought Resilience (Queensland and Australian Government joint funding) 2020–24 Project Agreement
- \$3 million for Great Artesian Basin Industry Partnership Program 2020–23 Contribution Agreement.

In 2022–23, DRDMW administered \$7.1 million in grant funding for 24 projects. This has resulted in over 7,850 megalitres this year in water savings.

Spotlight: Best-practice regulation – a process of continuous improvement

To fulfil our commitment to being a modern, best-practice water regulator, DRDMW has focused on building regulatory capability across multiple areas during 2022–23.

Key among these initiatives has been the development of the Water Resource Management Regulatory Strategy 2022–24, a pivotal step in outlining the department's approach to regulatory responsibilities.

Launched in July 2022, the new strategy sets out DRDMW's approach to delivering our regulatory functions and activities, including our compliance and enforcement pathway.

Investment in new systems and data capability to ensure that regulatory activities and actions are intelligence-led and targeted, has also been important. For example, developments in intelligence tools, such as remote sensing, and improved data analytics are supporting our compliance monitoring and support regulatory functions.

The department has also boosted investment in our compliance staff, prioritising the formation of dedicated compliance teams regionally and developing training programs tailored to their needs.

A significant milestone was the creation of an Authorised Officer training program, which combines eLearning modules, face-to-face workshops, supervisor observations, and mentoring.

This program is enhancing the skills and capabilities of our Authorised Officers (officers with compliance powers and delegations) across all of the legislation the department administers, and ensuring their day-to-day work aligns to the principles of practice outlined in the new strategy.

Outside of the department, DRDMW is raising its profile and connecting more with the community on a range of compliance matters. This included increasing its presence and engagement on social media platforms where key messages can be disseminated to help individuals and organisations understand their compliance responsibilities and ensure they are aware of the department's regulatory role. This visibility helps to build both trust and accountability.

DRDMW is committed to the ongoing process of being a best-practice regulator.

Objective 3 – Encourage innovation and unlock new opportunities

Supporting new-industry development in a net-zero future

The Queensland Government has committed to a decarbonisation pathway to achieve net zero emissions by 2050. Supported by the Queensland Energy and Jobs Plan and the Queensland Critical Minerals Strategy, the Queensland New-Industry Development Strategy will unlock opportunities in regional Queensland through the proactive development of industries that will be in demand in a decarbonising world.

DRDMW is playing a key role in development of these future-facing industries, by:

- helping businesses tap into local manufacturing opportunities to build the infrastructure and products needed for a net-zero future
- facilitating the development of the green hydrogen industry, critical minerals industry, and high-value battery and renewable energy component manufacturing, including end-of-life recycling.

The emerging green hydrogen and critical minerals industries have significant water requirements now and into the future, and the department has made substantial progress in planning to meet these needs. During the 2022–23 year, DRDMW has:

- progressed the Rookwood Weir and Fitzroy to Gladstone Pipeline projects (discussed above), which will be a key part of meeting the short-term water requirements of the emerging hydrogen industry in Gladstone
- commenced a detailed business case on desalination options to meet long-term forecast industry water demand in the Gladstone region (to be integrated with Gladstone Area Water Board's assessment of expanded common user network requirements to deliver water to new industry)
- progressed work to identify water-supply options to drive development of new-economy critical minerals projects.

In addition, the department has supported development of the local battery industry by:

- continuing to co-lead development of the Queensland Battery Industry Strategy in conjunction with the Department of State Development, Infrastructure, Local Government and Planning
- commencing a study to assess local manufacturers' ability to produce battery components and identify supply-chain gaps and opportunities
- commencing the development of an Australian Battery Supply Chain Database, in conjunction with the Advanced Materials Battery Council and other stakeholders.

Regional manufacturing hubs

The department's 6 regional manufacturing hubs support the strengthening and growth of regional manufacturing through collaborative initiatives that bring together local businesses, all levels of government, economic development agencies and education providers.

Manufacturing hubs are located in:

- Cairns
- Townsville
- Mackay
- Rockhampton
- Gladstone
- Gold Coast.

During 2022–23, all 6 hubs engaged broadly with manufacturers through one-on-one meetings, manufacturer site visits, and regional and sectoral forums and workshops. Industry engagement workshops are discussed in more detail below.

Hub staff also promoted the Manufacturing Hubs Grant Program and worked with potential grant applicants to ensure their businesses were at an appropriate level of maturity to maximise the benefits of the program. They further supported local grant recipients during delivery of their projects and provided access to a range of services to help manufacturers transition to advanced manufacturing. The Manufacturing Hubs Grant Program is discussed in more detail below.

Hub staff worked closely with schools across Queensland to promote career opportunities in manufacturing, helping to attract the next cohort of skilled workers.

Manufacturing capability development and industry engagement

The Manufacturing Capability Development and Industry Engagement programs provide tools, information and demonstrations to help manufacturers upskill and increase their uptake of Industry 4.0 processes, practices and technologies.

In 2022–23, the department delivered 111 manufacturing workshops, events and seminars attracting 3,197 attendees.

Across all events, 87.8 per cent of surveyed participants rated their satisfaction with their attended event as 8 out of 10 or higher.

- Women in Manufacturing events, including Women in Leadership forums:
 - 11 events attracted 985 participants
 - highlighted the importance of mentoring and attracting the next generation of women into the industry
 - helped to establish supportive networks.
- Introduction to Industry 4.0 seminars:
 - 10 events attracted 264 participants
 - assisted manufacturers in their understanding and implementation of Industry 4.0 technologies, techniques and processes and the concepts of sustainable manufacturing.
- Industry 4.0 masterclasses:
 - 9 masterclasses attracted 123 participants
 - focused on digital innovation, providing manufacturers with knowledge and tools to practically implement Industry 4.0.
- Technology in Manufacturing:
 - 6 events attracted 281 participants
 - raised awareness of new technologies,
 - helped manufacturers to understand technology implementation
 - provided insight into new jobs available through Industry 4.0.
- Workforce Attraction, Development and Retention events:
 - 7 workshops attracted 114 participants
 - assisted manufacturers to increase their knowledge on attraction, development, and retention workforce strategies.

- Lean Manufacturing and Value Stream Mapping:
 - 29 workshops attracted 474 participants
 - assisted manufacturers to improve their adoption of lean processes.
- Skills development (includes CAD training, Certificate IV in Leadership and Management and Contract Law:
 - 10 events attracted 130 participants
 - assisted manufacturers to upskill in the areas of CAD, leadership, and contract law.
- Cyber Security and Digital Skills workshops:
 - 10 workshops attracted 62 participants
 - assisted manufacturers to increase their digital and cyber security skills.
- Teacher and student engagement and development:
 - 9 career expos and educator development workshops attracted 509 participants
 - assisted students and educators to increase their knowledge and awareness of manufacturing careers and the technology and processes used within the manufacturing industry.
- Women Can Weld:
 - 5 workshops attracted 50 participants
 - assisted female high school students in years 10, 11 and 12 to gain insight into trade skills and career pathways.
- Industry forums and manufacturing networking events:
 - 5 forums attracted 205 participants
 - provided manufacturers and supply chain partners with an opportunity to network and learn about opportunities to grow their business.

Manufacturing Hubs Grant Program

The Manufacturing Hubs Grant Program creates opportunities for manufacturers to become more productive, build advanced manufacturing capabilities and create the jobs of the future through technology adoption, skills and training, business development and advanced robotics.

In June 2022, the Queensland Government committed a further \$10 million over 2 years to fund a third round of the program. This additional commitment brought total funding for the program to \$28.5 million.

Round 3 opened on 13 February 2023. This round is receiving applications from the Cairns, Townsville, Mackay, Central Queensland and Gold Coast manufacturing hub regions.

In 2022–23, \$2.6 million of grant funding across all rounds was awarded to 14 regional manufacturing projects, expected to create 153 jobs and protect a further 514 jobs.

Rail Manufacturing Strategy for Queensland

The Rail Manufacturing Strategy for Queensland aims to strengthen, transform and revitalise Queensland's rail manufacturing sector to capture a substantial portion of the national rail market. Its vision is that Queensland's rail manufacturing sector will be a sustainable, leading provider of rail manufacturing products and services, with the capacity to capture a significant portion of the national rail market.

In 2022–23, the department supported manufacturing businesses, through our 6 regional manufacturing hubs, to identify opportunities to supply into the rail sector. The hubs also worked with businesses to identify relevant certifications and accreditations that may be required to supply to the rail sector.

The Rail Manufacturing Leaders Advisory Group was established in August 2022 to provide expert industry and stakeholder advice to guide the implementation of the *Rail Manufacturing Strategy for Queensland*. Throughout the year, the group has provided advice on a range of matters, including how to enhance local content, build the capabilities of small and medium suppliers into major rail projects, and reduce carbon emissions from operations in the rail freight sector.

In 2022–23, DRDMW also worked with the Department of Transport and Main Roads and the National Rail Action Plan Harmonisation Committee to address the issue of divergent rail manufacturing standards across Australia, which provides challenges for manufacturers who wish to supply across jurisdictions.

Advanced Robotics for Manufacturing (ARM) Hub

The ARM Hub is an independent, not-for-profit industry hub located at Northgate, Brisbane. The hub works with businesses to integrate robotics, artificial intelligence and design-led manufacturing into their manufacturing operations. Since opening in early 2020, the ARM Hub has collaborated with over 60 Queensland businesses and delivered projects with a combined value of \$54 million.

DRDMW administers funding for the ARM Hub on behalf of the Queensland Government and monitors the hub's performance under the funding agreement.

During the 2022–23 year, DRDMW:

- attended bi-monthly ARM Hub board meetings as the Queensland Government observer
- represented the Queensland Government at ARM Hub industry events, including at a celebration in April 2023 of 3 years of ARM Hub operations
- met regularly with ARM Hub executives to discuss progress on key ARM Hub projects and initiatives.

Rural Water Futures

The Rural Water Futures program is changing the way Queensland's water resources are managed, measured and reported. The program is delivering better systems, policies, processes and more accessible information to give Queenslanders the confidence that water resources are being managed equitably and responsibly.

Innovative water-customer solutions

DRDMW has continued to deliver projects against the Australian Government-funded Hydrometric Networks and Remote Sensing Program and Murray–Darling Basin Communities Investment Package.

During 2022–23, DRDMW made significant progress on key initiatives, including the WaterIQ suite. WaterIQ is the suite of Water Information Queensland digital service channels for water users and water officers, consisting of a customer portal, a mobile app for water users, and an internal water portal for departmental staff. In the past 12 months:

- WaterIQ had 2 successful releases and is now supported by a foundational data platform
- user trials for the mobile app and customer portal began and received positive feedback for their interface and improved accessibility to water entitlement information
- development for the next WaterIQ release started to further enhance functionality and streamline access to water account and entitlement information
- the WaterIQ dashboard was officially launched in June 2023.

Work also continued on a range of innovative applications of remote-sensing products that aim to give communities access to more water information. These projects are being delivered in collaboration with Geoscience Australia, the Bureau of Meteorology, the Murray–Darling Basin Authority and the New South Wales Department of Planning, Industry and Environment.

Achievements in the past 12 months include trialling remote-sensing tools to improve measurement of changes in water infrastructure in the Queensland Murray–Darling Basin. Measuring changes in water infrastructure will allow departmental staff to monitor the floodplain and changes to water storages on farms.

Water market optimisation

Throughout 2022–23, under the Queensland Water Markets Optimisation Action Plan (QWMO), DRDMW worked with key stakeholders on a range of practical actions to improve water market activity in Queensland.

Key achievements included working with Sunwater to instigate the development of an electronic bulletin board to better connect potential water buyers and sellers in the schemes they manage. Sunwater’s creation of the bulletin board was a direct response to departmental engagement after bulletin boards were identified in the QWMO as a key initiative. The Sunwater product is in addition to a bulletin board established by Seqwater. These are valuable tools making it easier for customers and non-customers who are looking to buy or sell water to connect.

These initiatives help to break down barriers in water markets and enable water users to either find more water to grow their business or sell their unused water to benefit other water businesses.

The plan can be viewed at the DRDMW website.

Water measurement policy

The 2022–23 year saw a strengthened water measurement policy for Queensland finalised by DRDMW and approved by government. The policy outlines how the Queensland Government will strengthen the way non-urban water take is measured, metered and reported across the state.

Published in October 2022, the strengthened policy was developed in consultation with peak bodies, industry groups, water users and the community. A summary of this consultation was also published.

The *Non-urban Water Measurement Policy Implementation Plan* was published alongside the policy. It clarifies how the measurement policy will be implemented, including timeframes and priorities for new metering.

A key milestone in implementation of the policy was the introduction of the Water Legislation Amendment Bill 2022 to the Queensland Parliament in October 2022. The Bill includes proposed legislative amendments to establish the strengthened water measurement framework.

Current and future non-urban metering requirements for existing water management areas, and new metered entitlement areas, are underpinned by this policy. The practical implementation of the policy will be delivered through the Non-urban Water Metering Project. This project is to be completed by 2027, rolling out a robust, contemporary management regime to accurately and reliably meter the take of non-urban water.

Our first non-urban water measurement policy implementation plan progress report detailing our delivery progress was published in June 2023.

Telemetry project

Our strengthened non-urban water measurement policy states that telemetry devices will be required on surface water meters across the Queensland Murray–Darling Basin. The introduction of these requirements fulfills one of our commitments under the Murray–Darling Basin Compliance Compact, with the Water Legislation Amendment Bill 2022 providing the necessary legislative requirements to support telemetry implementation, including the development of a standard.

DRDMW has secured funding from the Australian Government to subsidise the cost to water users to implement telemetry in the Queensland Murray–Darling Basin. In 2022–23, the focus has been on establishing the required framework to enable that funding to be utilised. This has included work on system development, project planning and the development of supporting tools and communication information.

Also in the 2022–23 year, DRDMW conducted market research to better understand telemetry devices, software capabilities and how commercially available products could integrate into departmental data systems. This market analysis, along with recommendations from an independent assessment of the telemetry trial conducted last year, is informing development of the standard.

Water planning science

Statewide

Good science is crucial to the sustainable management of water in Queensland. Scientific data has been collected over multiple years to inform the evaluation and review of water plans.

In 2022–23, DRDMW continued to coordinate and deliver the Environmental Flows Assessment Program, a statewide water monitoring and aquatic ecosystem monitoring program to support water planning. Scientific data collected under this program included:

- stream flows
- bore levels and pressures
- measurement of in-stream waterholes
- water quality
- fish movement in response to flows.

Throughout the year, DRDMW's aquatic ecologists also worked with water planning staff and others across the department and with colleagues from the Department of Environment and Science to deliver:

- input into the draft Mary Basin water plan and supporting technical assessments
- consultation and engagement to support the draft Mary Basin water plan submissions period
- technical assessments and reports for the Fitzroy, Pioneer, Burdekin, Wet Tropics, Logan, Gold Coast and Moreton plan areas in preparation for water plan reviews and input into final Barron water plan and supporting technical assessments
- input into water plan risk assessment processes in the Gulf, Mitchell, Boyne, Georgina Diamantina and Wet Tropics water plan areas
- input into unallocated water processes and environmental impact statements
- input into cross-jurisdictional programs such as in the Murray–Darling Basin and Lake Eyre Basin
- peer-reviewed scientific publications.

In addition, in May 2023, DRDMW's Water Planning and Science teams hosted the 9th Annual Water Planning Science Forum in partnership with the Department of Environment and Science. The forum was held as a hybrid event, with in-person attendees for the first time since 2019. Approximately 90 people attended at the Eco Sciences Precinct in Dutton Park, with a further 90 people joining online throughout the day. The forum was an opportunity to hear about the ecological, cultural and socio-economic science work being undertaken across the 2 departments to support water planning.

Lake Eyre Basin (LEB) science

In 2022–23, DRDMW contributed to the development of the *Lake Eyre Basin Strategic Plan* and provided scientific advice through meetings of the Lake Eyre Basin Scientific Advisory Panel on a new methodology being developed for the Lake Eyre Basin Rivers Assessment (LEBRA).

LEBRA is an annual monitoring program completed across the LEB by Basin states and territories under the LEB Intergovernmental Agreement to monitor the condition of ecosystems. The revised monitoring program will expand the focus of the program to also consider key threats to ecosystems. Field sampling in the Queensland part of the LEB was delayed and cancelled due to extended flooding in 2022; however, a partial sampling trip was able to be completed in June 2023 to visit key sites.

Murray–Darling Basin science

In 2022–23, DRDMW commenced or continued 7 major science projects to support the implementation of the Murray–Darling Basin Plan. These covered diverse topics including floodplain vegetation, fish movements and thermal changes in waterbodies.

Results from these projects will inform DRDMW’s reporting obligations under Schedule 12 of the Basin Plan and provide valuable input into the evaluation and review of Queensland Murray–Darling Basin water plans.

Scientific investigations conducted by DRDMW, in conjunction with the Department of Environment and Science, also contributed to the development and submission of the Queensland Annual Environmental Watering Priorities and the revision of the Queensland Murray–Darling Basin long-term watering plans, both legislative requirements of the Basin Plan.

Scientific advice was also provided at a range of Basin workshops and meetings, including those related to the Murray–Darling Basin Native Fish Recovery Strategy and the National Carp Control Plan.

Queensland’s Urban Water Explorer

Queensland’s Urban Water Explorer is a digital tool that allows the user to explore, visualise and compare data on urban water and sewerage service providers. It includes information on water bills, service delivery, water supply security, demand management and other key areas, allowing for transparency across the water sector. The Explorer shows:

- a statewide snapshot of the urban water sector
- the performance of a single service provider
- a direct comparison of 2 service providers’ performance
- additional information on each service provider, indicator, and how to interpret the data.

The Explorer was soft launched without public promotion on 15 December 2022. This enabled the department to trial the product under actual operating conditions and provide support to service providers if needed.

DRDMW monitored the Explorer’s reception and consulted with a working group of service providers and industry representatives about their experience following the soft launch. The reception was positive and, despite no public promotion, over 1,600 users visited the Explorer between December 2022 and June 2023.

Following the consultation, the Explorer was updated with the latest data and publicly launched in June 2023. The launch was supported with a media release and promotional material including a short, animated video on the urban water sector in Queensland.

Spotlight: Queensland's Urban Water Explorer – an innovative urban water dashboard

In June 2023, DRDMW officially launched Queensland's Urban Water Explorer, an innovative online dashboard for urban water users.

The Explorer provides information on Queensland's water and sewerage service providers, allowing service providers and the public to view performance data in a user-friendly format, and easily compare one service provider to another.

Its successful launch reflects solid work and extensive piloting with stakeholders over the past year.

In August 2022, the department's Water Sector Policy and Legislation team collaborated closely with industry stakeholders on a 4-week pre-release phase designed to give water service providers time to familiarise themselves with the platform's functionalities and gain an understanding of the data it presented. It was also a time for service providers to brief their executives, and for the DRDMW team to develop comprehensive online demonstration sessions, including a detailed 'How to Navigate the Explorer' guide, and 'Tips for Customer and Media Enquiries'.

Following on from this successful pre-release trial, in December 2022, the Explorer was soft-launched with minimal publicity to test the industry response. Industry interest was strong, with more than 1,600 users visiting the Explorer during this phase as a result of strong word-of-mouth recommendations. While feedback was overwhelmingly positive, valuable client insights also emerged from this phase, prompting further refinements to the tool before its official launch.

Following the soft launch, the team closely monitored the Explorer's reception, re-engaged stakeholders, and made more adjustments. Their commitment to continuous improvement ensured that the Explorer aligned as closely as possible with the needs and expectations of the industry and that any technical bugs could be ironed out.

DRDMW thanks all involved in developing and launching the new dashboard.

The dashboard can be viewed at explorer.water.qld.gov.au.

Objective 4 – Foster a professional, positive workforce and workplace

DRDMW Workforce Strategy 2023–27

DRDMW's workforce is critical in delivering on our Strategic Plan and managing risks and opportunities.

In 2022–23, the department undertook the development of a Workforce Strategy to complement our strategic planning. Development of the Workforce Strategy involved a comprehensive internal consultation process, including key stakeholder interviews, a staff survey and staff workshops, as well as external benchmarking activities.

The *DRDMW Workforce Strategy 2023–27* articulates the actions required to equip the department with the workforce it needs for delivery of the 2023–27 program of work. The strategy responds to external trends, business strategy, and workforce-profile indicators to mitigate risks and set the organisation up for success. The strategy centres around 4 strategic levers:

- talent pipeline
- leadership
- capability
- culture.

It will be supported by a strategic workforce plan that will identify a range of actions to be progressively enacted through to 2027. These will include implementing a critical capabilities framework that identifies the skills and abilities required to achieve strategic objectives through an appropriately informed and capable workforce.

Mentoring Program Pilot

DRDMW is committed to building an organisation that fosters a professional, positive workforce and workplace.

In 2022–23, a Mentoring Program Pilot was developed to foster individual growth, build organisational capability and support the department's strategic objectives.

Applications were invited from prospective mentors and mentees in March, with successful applicants notified in April. A total of 28 mentor/mentee partnerships were created and kick-off meetings held in May. The pilot will run until November 2023, when its success will be assessed.

Mentally Healthy Workplace Strategy 2023–25

DRDMW recognises that the workplace plays a significant role in employees' health, safety and wellbeing, including psychosocial health. It is essential to have a proactive strategy in place to ensure the department is not only meeting its legal obligations to reasonably manage psychosocial risks, but also to support our role as an employer of choice where all staff can thrive.

In the 2022–23 year, DRDMW developed a *Mentally Healthy Workplace Strategy 2023–25* to deliver a proactive, integrated and sustainable long-term approach to support a psychologically healthy workplace.

The elements that make up the strategy are based on the Queensland Public Sector Commission's Be Healthy, Be Safe, Be Well framework, which focuses on 5 elements that underpin an integrated approach to sustained health, safety and wellbeing outcomes. These are:

- Leadership commitment and engagement
 - Leaders visibly champion and communicate psychological health of the workforce as a business priority.
 - Leaders at all levels role model and demonstrate behaviours that encourage psychologically healthy workplaces.
 - Leaders are aware of and actively manage psychosocial risks.
 - Leaders actively manage WHS risks in line with legislative responsibilities.
- Best practice systems and review:
 - Integrated psychological risk management practices and systems to identify and manage exposure to psychosocial hazards within the work environment.
 - Proactive consideration of psychosocial risks and preventative controls to ensure the highest level of protection.
 - Improved early intervention and sustained return to work outcomes for injured/ill staff.
- Capability and development
 - Proactive management of psychological risks in business units.
 - Build on leadership commitment by extending the capability and development of management to obtain, strengthen and maintain the capabilities including psychological risk management and mental health leadership.
 - Encourage the development of capabilities through reinforcing learning with the aim to maintain psychological health management into the future.
- Worker engagement and participation
 - Through promotional activities of psychological health and mental health awareness, reduce stigma associated with mental health and encourage early help-seeking behaviour for our staff and management.
 - Have resources available at site level for wellbeing support activities to encourage worker engagement and participation.
- Measurement and accountability
 - Annual review and evaluation of the strategy to ensure it continues to meet strategic priorities and responds to changing work environments.
 - Identification of lead and lag performance indicators to positively influence mental health risk management.
 - Continuous improvements in methods, systems and processes.

Actions in the DRDMW strategy focus on early intervention – including mitigating risk factors, supporting all people in the workplace, and raising awareness of mental health – as preventative measures for work sites and our staff.

Implementation of the strategy will commence in the 2023–24 financial year.

Our Behaviours Charter

Our Behaviours Charter comprises 6 essential behaviours that everyone at DRDMW commits to in order to create a positive workplace. The behaviours are:

1. We work together to deliver great outcomes, value and service.
2. We act respectfully.
3. We are genuine.
4. We are adaptable, flexible and innovative.
5. We look after ourselves and each other.
6. We have fun and celebrate our achievements.

The behaviours align to the Queensland Government's Public Service Values and Public Service Code of Conduct.

Rollout of the charter has been ongoing throughout 2022–23. The focus has been on raising awareness and embedding the behaviours at team and individual level. Three key actions to achieve this were:

- integrating the charter into the annual performance and development agreement (PDA) process, ensuring that all staff must include charter commitments as part of their PDAs (October 2022)
- including the charter as part of our Reward and Recognition Framework, ensuring departmental reward and recognition activities highlight and reinforce charter behaviours (October 2022)
- creating and holding DRDMW's first Annual Staff Awards, with awards presented in categories reflecting the behaviours, attracting 64 team and individual nominees and more than 200 attendees for the awards ceremony (December 2022).

Other charter activities undertaken from January to June 2023 included:

- creation of a dedicated charter intranet page, including downloadable materials
- regular stories on multiple channels acknowledging teams and individuals who live the behaviours
- inclusion of a Behaviours Moment at the start of team meetings across the business
- team events to acknowledge staff who live the charter.

Leadership and Management Development Framework

The department continues to support the development of leaders by:

- assessing competencies for all roles against the Leadership Competencies for Queensland framework
- providing leaders with information about key strengths and development areas in order to guide career activities.

In 2022–23, formal development programs on offer to departmental staff included:

- tailored leadership development activities for senior leaders, including needs-based training, higher duties opportunities and individualised executive coaching
- whole-of-sector leadership development programs, master classes and seminars, including the People Matters program (which is being rolled out statewide to develop leaders at A05–A07 level)
- online learning modules, videos and interactions via our iLearn learning management system
- a cultural capability workshop for executive leaders to support cultural awareness and commence development of a commitment statement to Aboriginal peoples and Torres Strait Islander peoples
- a Mentoring Program Pilot, bringing together 28 mentors and mentees with professional development and leadership benefits for both.

Development of a DRDMW Learning and Development Strategy to enhance the way in which learning occurs across the organisation began in 2022–23. A revised Leadership and Management Development Framework will be incorporated into this Learning and Development Strategy.

Health, safety and wellbeing

The department is committed to ensuring we have proactive, risk-based, contemporary work health and safety (WHS) systems in place to protect our people from harm.

The DLT provides overarching departmental WHS governance. DRDMW has an established hierarchy of safety committees that cover all sites, escalating to regional forums and informing DLT to meet their due diligence obligations.

Quarterly reports drawn from committees and WHS systems provide the DLT with lead and lag indicators, trends, and forecasts covering incidents. Hazards and risks from each forum further enable evidence-based decision-making and strong governance.

To support this accountability and ongoing improvement of the Workplace Health and Safety Management System (WHSMS), during the 2022–23 year, the WHSMS was audited against ISO 45001 and regularly reviewed to achieve a high level of reporting to management.

Other WHS activities undertaken in 2022–23 included:

- developing and implementing an updated suite of WHS procedures, WHS policies and a WHS Roles and Responsibilities Matrix
- developing and implementing whole-of-department Due Diligence and WHS Obligations workshops and awareness sessions across 3 responsibility tiers (Officers, Directors and Managers and Workers)
- developing and launching the Mentally Healthy Workplace Strategy to deliver a proactive, integrated and sustainable long-term approach to support psychologically healthy workplaces
- developing and implementing system applications to support WHS procedures, including applications for Basic Field Training, Personal Protective Equipment, and the WHS Training and Competency Matrix to further build the capacity of departmental stakeholders to manage their operations and activities
- delivering 15 fatigue-management information sessions, online and face-to-face, during Safe Work Month in October 2022, with over 400 managers and other staff from across the state, attending sessions facilitated by an external subject matter expert
- developing and implementing an enhanced field and work-related travel system (FieldOps) and satellite-based equipment to support proactive risk management of field trips, increase our ability to track employee safety via call-ins and enable tracking of worker/vehicle movements during remote and/or high-risk travel
- commencing of a program to review, rationalise and consolidate existing Safe Work Practices (SWPs) across the department to deliver an updated set of SWP documents that conform to current WHS codes of practice (due for completion in 2023–24)
- commencing a WHS digitisation project to review, map and digitise existing and planned WHS data, including development and rollout of applications, and support development of a departmental WHS dashboard (due for completion in 2023–24)
- continuing to improve our dedicated departmental WHS SharePoint intranet site as a single information portal that houses all relevant WHS information, policies, procedures, plans and WHS committee minutes
- continuing to enhance the reporting capability of the department's incident/hazard reporting system, SafeWorx, including maintaining a COVID-19 tracking system in line with DRDMW COVID-19 reporting requirements.

During 2022-23, the department also participated in the following initiatives and programs:

- Staff Alliance (Staff Welfare Fund)
- annual Flu Vaccination Program
- Lifeblood teams (blood donations)
- monthly Employee Assistance Program webinars
- RU OK? Day.

Domestic and family violence (DFV) prevention

The department maintained its White Ribbon accreditation status in 2022–23.

A range of activities held throughout the year were aimed at supporting DFV prevention and supporting employees who may be impacted. Key initiatives and programs delivered during this period included:

- holding our first fundraiser with a remote far North Queensland Domestic Family Violence Shelter with whom the department is partnered
- rolling out a revised version of Recognise, Respond, Refer training via our learning management system
- providing activities and education around awareness events such as White Ribbon Day and DFV Prevention Month
- participating in, and raising funds, for the Darkness to Daylight event, a DFV awareness and fundraiser held as part of DFV Prevention Month
- conducting Respectful Workplace workshops for people leaders across the department.

Information on support for staff experiencing DFV is available on our intranet and is regularly promoted. DRDMW employees who are affected by domestic and family violence are provided with support through leave entitlements, flexible work arrangements and referral services.

Inclusion and diversity

DRDMW supports the Queensland Government's commitment to providing equal opportunities for women, young people, First Nations peoples, LBGTIQA+ people, people from culturally and linguistically diverse backgrounds, and people with disabilities.

Equity and Diversity Plan 2023–26

At DRDMW, we aim to ensure our workforce represents the community we serve, and that our employees feel safe and valued, and comfortable to contribute their unique perspectives.

From 1 March 2023, *Queensland's Public Sector Act 2022* introduces new obligations for chief executives to progress equity, diversity, respect and inclusion in their organisations. This includes a requirement to have an equity and diversity plan that establishes objectives, strategies and targets for the employment of people who are members of one or more diversity target groups, and to conduct annual equity and diversity audits.

In April 2023, DRDMW undertook equity and diversity audit reporting for the Office of the Special Commissioner. The resulting report provided a better understanding of our workforce to underpin development of our *Equity and Diversity Plan 2023–2026*.

The plan was developed in May 2023, with staff comment invited on the draft by 30 June 2023, preparatory to finalising and launching the plan early in the 2023–24 financial year.

Departmental diversity targets

Agency-specific diversity targets for 2023–26 for DRDMW were approved by the Public Sector Governance Council in April 2023. The department targets align with those for the broader public sector, which are:

- Aboriginal peoples and Torres Strait Islander peoples – 4 per cent
- people with disability – 12 per cent
- culturally and linguistically diverse peoples, who speak a language other than English at home – 12 per cent
- women in leadership (SO, SES2, SES3, SES 4 and CEO levels, with targets combining both classified and equivalent roles) – 50 per cent.

As noted above, the *Equity and Diversity Action Plan 2023–2026* includes a number of actions to support improved workforce participation of diversity groups to help us meet these targets.

Ongoing measures

In the 2022–23 year, the department continued to implement measures to support an inclusive workplace that represents the diversity of our community. These included:

- celebrating and providing education around awareness days such as International Women’s Day; Multicultural Month; National Reconciliation Week; International Day Against Homophobia, Biphobia, Interphobia and Transphobia; Disability Action Week; and NAIDOC Week
- implementing the Racism. It Stops With Me campaign
- continuing to partner with the Aboriginal and Torres Strait Islander Career Pathways Service
- continuing to support the DRDMW Cultural Capability Network, a group of staff who work together to identify barriers to First Nations’ inclusion and recommend strategies to overcome those barriers
- continuing to deliver mandatory ‘Starting the Journey’ training, which aims to improve cultural capability in relation to First Nations’ cultures and peoples
- continuing to coordinate the Women in Manufacturing program out of our Regional Development and Manufacturing Branch, including launching the *Women in Manufacturing Strategy* in March 2023 (discussed in more detail in Section 3).

The department also supports the development of young Queenslanders in their transition from education to employment via 2 graduate-entry programs:

- Policy Futures Graduate Program
- Graduate Excellence Program.

Public-sector ethics and Code of Conduct

Staff education and training

DRDMW fosters a professional, positive workforce and workplace.

Induction training for employees includes training on the Code of Conduct for the Queensland Public Service. As well as being delivered during onboarding, it is delivered annually as a refresher for all staff as part of the department’s core foundational training. Accompanied by advice and support from Human Resources, this training provides mechanisms to support early intervention and local resolution of unsatisfactory conduct and performance.

In addition, the principal requirements for public service conduct, decision-making, and positive performance are supported by further foundational training on information security, information privacy awareness, fraud awareness and corruption prevention. Individual role requirements are addressed through the annual performance development cycle and regular performance and development discussions.

These programs are provided via iLearn, the department's online learning management system. Staff and direct line managers receive reminders and notification of training requirements and advice of training undertaken to improve the provision and oversight of training for the department.

Ethical behaviour is also promoted to all staff through multiple avenues of communication, including consistent messaging from the Acting Director-General. The department maintains a focus on ensuring appropriate governance arrangements are in place and on improvement as part of our ethics and integrity framework.

Information for staff on how the department manages corrupt conduct is outlined on a dedicated intranet page.

Ethics and conduct complaints

The department is committed to achieving the highest level of ethical standards and employees are obligated to report incidents of suspected serious wrongdoing or corrupt conduct. Members of the public can also report any concerns. The DRDMW website contains information on how to do this.

This reporting process is supported through departmental policies, procedures and activities, including:

- a Public Interest Disclosure (PID) Protocol
- a nominated trained PID coordinator
- trained PID support officers
- a PID online training package available to anyone who has managerial or supervisory responsibilities.
- a nominated Crime and Corruption Commission Liaison Officer for the provision of reporting and managing allegations of corrupt conduct
- a departmental policy on complaints about the Director-General in accordance with section 48A of the *Crime and Corruption Act 2001*
- systems to ensure compliance and reporting on any contact with lobbyists
- systems to ensure compliance by all employees and the Chief Executive on declarations of interests, and appropriate management and documentation of conflict-of-interest matters.

Working for Queensland action plans

Working for Queensland (WfQ) is an annual survey that measures Queensland public-sector employees' perceptions of their work, manager, team, and organisation. WfQ data is used to drive positive workplace change across the Queensland public service.

The 2022 WfQ survey was conducted from September to October 2022. Eighty-seven per cent of DRDMW staff completed the survey. This was our best response rate so far and higher than the average across all agencies.

Survey results were made available and reported to staff in November 2022. Branches across DRDMW then developed action plans to respond to issues identified by staff as needing work. Following this process, a whole-of-agency *2022–23 Working for Queensland Action Plan* was developed. This plan considered survey feedback along with actions already identified in the branch plans, comments from the department's Staff Reference Group, and current departmental programs of work that linked to actions.

The whole-of-department plan was published on the DRDMW intranet in March 2023. Regular updates on its implementation are provided to staff.

Digital data, processes, technologies and systems

A number of digital initiatives in the 2022–23 year have enhanced the ability of our staff to deliver on our Strategic Plan. These include:

- completion of the SAP ECC6 Transition Project, which consolidated all of the department's financial and HR data into one integrated system
- development of a new customer relationship management system for our Regional Development and Manufacturing group, which will enable more effective, efficient and consistent management of customer data
- completion of a data quality and cleansing improvement program undertaken for Water Management system customers.

Spotlight: Staff Reference Group champions a positive workplace culture

Since its establishment in late 2021, DRDMW's Staff Reference Group (SRG) has emerged as a powerful force for good, championing a positive workplace culture and representing the diverse voices within our department.

The group is open to all staff, regardless of location, role or level, with no cap on group numbers.

As at 30 June, the SRG comprised 37 staff drawn from across DRDMW and around the state, who work together to:

- provide feedback on key initiatives
- promote those initiatives to other staff
- help build a positive workplace culture.

In the 2022–23 year, the SRG met 6 times, gathering virtually to discuss a wide range of important issues.

The SRG's contributions to the department over the past 12 months have been exceptional, with their input helping to shape both key policy and strategy documents and the effective rollout of those documents on the ground.

Objective 5 – Leverage the strength of our partners

Manufacturing Ministerial Council

Queensland's Manufacturing Ministerial Council (MMC) provides high-level industry advice on strategic matters in relation to building and promoting manufacturing in Queensland to help drive economic, regional and employment growth throughout the state. The MMC is chaired by the Honourable Glenn Butcher MP, Minister for Regional Development and Manufacturing and Minister for Water. It has 13 manufacturing industry members who are appointed by the Minister and endorsed by the Premier.

The MMC includes representatives from key industry subsectors, small and medium enterprises, regional manufacturing and women in manufacturing. Members include representatives from the Australian Industry Group; Chamber of Commerce and Industry Queensland; Australian Manufacturing Workers' Union; Australian Workers' Union; and 9 manufacturing businesses.

In 2022–23, the membership comprised:

- Rebecca Andrews, Australian Industry Group
- Marina Chambers, Australian Workers' Union
- Cherie Josephson, Business Chamber Queensland
- Rohan Webb, Australian Manufacturing Workers' Union
- Richard Parker, TEi Services
- Christine Bridges-Taylor, B&R Enclosures Pty Ltd
- Shay Chalmers, Strategic Engineering Australia
- Jane Hunter, Tritium
- John McLean, Bundaberg Brewed Drinks
- Brenda Mossel, Trisco Foods
- Tony Prove, Downer Group
- Desmond Watkins, Watkins Steel
- Mitchell Upton, Upton Engineering and Manufacturing.

In 2022–23, the MMC held 2 meetings, in November 2022 and March 2023. It provided advice to the Minister on issues such as implementing the initiatives of the *Queensland Advanced Manufacturing 10-Year Roadmap and Action Plan*; Made in Queensland grants; decarbonisation and transition to net zero in manufacturing; opportunities for manufacturers arising from the Queensland Energy and Jobs Plan and procurement for major projects; the Building our Regions program; the Manufacturing Hubs Grant Program; automation and digitisation; women in manufacturing; and strategies for showcasing Queensland's manufacturing industry.

The department provided secretariat support and actively consulted with the MMC throughout the year, including through 2 working groups: the Carbon Neutrality Group and the Women in Manufacturing Group. The Carbon Neutrality Group and the MMC recommended initiatives to help small and medium manufacturers increase energy efficiency. The MMC also guided actions aimed at increasing the participation of local manufacturers in the supply of components to major renewable-energy projects. The Women in Manufacturing Group and the MMC guided the development of the *Women in Manufacturing Strategy*.

Manufacturing Skills Queensland

Manufacturing Skills Queensland (MSQ) is an independent not-for-profit industry body established by the Queensland Government in November 2022. MSQ's vision is to create the skills pathways for the future of manufacturing in Queensland.

DRDMW supported MSQ establishment activities, which were led by the Department of Youth Justice, Employment, Small Business and Training. During 2022–23, DRDMW:

- agreed principles governing engagement between DRDMW and MSQ
- connected MSQ with DRDMW's statewide network of manufacturing hubs to facilitate MSQ industry engagement
- provided strategic advice throughout the development of MSQ corporate documents and plans
- met regularly with MSQ executives to discuss strategic priorities for workforce development in the manufacturing sector.

Development of Northern Australia

DRDMW continues to be responsible for coordinating Queensland's response to the Australian Government's policy for the development of Northern Australia. We are also the Queensland point of contact for the Office of Northern Australia (ONA), which sits within the federal Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

The Northern Australia Ministerial Forum (NAMF) had not been active since 2019 but was re-established in the 2022–23 year by the Australian Government as a mechanism for Ministers to provide strong leadership to drive resilient and sustainable economic growth in Northern Australia. The first meeting of the re-established forum was held in Darwin on 31 October 2022. DRDMW supported the Queensland Minister's attendance at the forum.

At this forum, Ministers agreed to a number of actions, most notably:

- refreshing the 2015 document *Our North, Our Future: White Paper on Developing Northern Australia*
- progressing a review of the Northern Australia Indigenous Development Accord to ensure it reflects the needs and aspirations of First Nations communities
- developing a program of joint actions to progress shared priorities.

DRDMW also continues to represent Queensland at Northern Australia Working Group meetings, a forum where ONA coordinates progress with state and territory jurisdictions in support of NAMF priorities and actions.

Government-owned water entities

During 2022–23, the department continued to work closely with Queensland's government-owned water entities, which deliver water to customers and communities across Queensland. These are:

- Sunwater
- Seqwater
- Gladstone Area Water Board
- Mount Isa Water Board.

Much of our work with these entities focused on infrastructure delivery projects, which are discussed in detail under Objective 1.

DRDMW continued to fulfil a governance role in relation to these entities, including:

- negotiating annual performance contracts and 5-yearly plans for them, and monitoring performance against targets throughout the year

- assessing major investment proposals to ensure they fit the government's objectives for the community
- advising responsible and shareholding Ministers of critical current and emerging issues that may impact on government-owned businesses
- administering the process for appointments to boards of government water entities, including water boards, drainage boards and river improvement trusts.

Queensland Water Regional Alliance Program

The Queensland Water Regional Alliance Program (QWRAP) is a \$2 million per annum government-industry flagship program aimed at funding initiatives to improve the delivery of water and sewerage services in regional and remote Queensland. QWRAP's mission is to drive partnerships and initiatives at a regional scale to enhance the ability of local government water and sewerage service providers to deliver services to their communities.

A total of 56 local governments participated across the 9 QWRAP regions. The program enables participating local governments to drive improvements in service delivery by:

- addressing gaps in workforce capacity and capability, operational processes, and data and systems
- providing greater purchasing power, cost savings, skills and resource-sharing opportunities.

In 2022–23, program partners DRDMW, Qldwater and the Local Government Association of Queensland, worked together to re-set and strengthen the program's governance, vision, mission and priorities to support its transition from a limited-life program to a \$2 million per annum, ongoing funded program.

Waterwise

The Waterwise program helps local councils promote efficient water use, including targeted resources for schools.

In 2022–23, the Waterwise program:

- produced 4 new Waterwise videos and launched them on the Water Queensland YouTube channel, where councils can access them to share with stakeholders
- produced 10 new waterwise brochures with a refreshed Waterwise brand, available for councils to download from the DRDMW website
- responded to 20 requests for Waterwise content from educational institutions, providing more than 400 pieces of Waterwise collateral to these institutions
- developed Waterwise content for culturally and linguistically diverse audiences.

Other initiatives involving local councils

In 2022–23, other DRDMW initiatives involving local councils included:

- Queensland's Urban Water Explorer, an innovative online dashboard for urban water users, which was developed in close consultation with local government water and sewerage service providers
- Round 6 of the Building our Regions program, which offered \$70 million in funding over 3 years for councils to improve their water supply and sewerage systems
- the Queensland Indigenous Councils Water Operators Network, which supports 17 Queensland Indigenous councils that operate treatment plants providing drinking water to their communities.
- working with local councils throughout regional Queensland to develop and advance urban water security assessments, input into regional water assessments and ensure drinking water supplies comply with regulations.

Water Engagement Forum

Convened by the department, the Water Engagement Forum (WEF) brings together representatives from government, industry and community peak bodies for dialogue on issues in water resources management.

In 2022–23, WEF met 5 times and discussed a range of topics, including the Queensland Water Strategy, the Strategic Water Infrastructure Plan, several draft water plans in review, Rural Water Futures program delivery, and the Water Legislation Amendment Bill 2022. WEF representatives also provided feedback on water regulation amendments, helping to inform their implementation.

Spotlight: Building our Regions: Texas Water Treatment Plant

The Building our Regions (BoR) program has a long and successful history of supporting Queensland's local governments to invest in essential regional infrastructure by upgrading local assets, creating flow-on economic development opportunities and jobs.

Round 6 of the BoR program offered funding for Queensland councils to improve their water supply and sewerage systems. In 2022–23, \$60.9 million of Round 6 funding was approved towards 64 planning and construction projects across the state, taking the total Round 6 commitment to \$69.2 million.

One such project was the Texas Raw Water Rising Main Replacement project. Goondiwindi Regional Council received \$510,000 in funding (out of a total project cost of \$976,000) to replace the existing raw water rising main servicing the Texas Water Treatment Plant.

The 2.3 kilometre rising main replacement was designed to overcome concerns related to pipe failures and costly repairs, and to reduce requirements to provide alternative water sources (in the form of water carting) to maintain supply.

Construction of the replacement main began in January 2023 and was completed in March 2023, well ahead of schedule. The new main is now providing a secure raw water supply to the Texas Water Treatment Plant and the 464 residential connections it serves, and to tourists and other visitors who use a potable water fill station provided by the council. Council has confirmed that the completion of the new water main has achieved a reduction in operational costs for pipeline repairs and alternative water supplies.

The project is a great example of partnering with local government to achieve better services for the Queensland community.

Summary of performance

Overview

In 2022–23, the department contributed to the following Queensland Government objectives for the community:

- **Supporting jobs** – by supporting increased jobs in more industries to diversify the Queensland economy with an emphasis on regional development and investment in water infrastructure.
- **Making it for Queensland** – by supporting Queensland manufacturing across traditional and new industries to innovate, strengthen supply chains and create new jobs.
- **Protecting the environment** – by protecting and enhancing our natural environment so it is sustainable now and for future generations.

These Queensland Government objectives are reflected in both the department’s service areas and align with the department’s objectives outlined in the DRDMW *Strategic Plan 2022–26* as mapped in Table 3.

Table 3: Alignment of Queensland government objectives with DRDMW service areas and strategic objectives

Queensland Government objectives for the community	DRDMW service area in Service Delivery Statements	Relevant DRDMW Strategic Plan objectives
<ul style="list-style-type: none"> • Supporting jobs • Making it for Queensland • Protecting the environment 	<p>Grow the economy</p> <p>Create jobs that provide enduring economic benefit by delivering regional economic development opportunities, water infrastructure and supporting the manufacturing industry in Queensland</p>	<ul style="list-style-type: none"> • Drive investment, economic growth and jobs in Queensland communities • Encourage innovation and unlock new opportunities • Leverage the strength of our partners
	<p>Water resource management services</p> <p>The sustainable management of Queensland’s water resources as well as regulation of water service providers and water infrastructure owners</p>	<ul style="list-style-type: none"> • Lead water resource management to achieve sustainability and public safety outcomes • Leverage the strength of our partners

The fifth objective from the department’s Strategic Plan (‘Foster a professional, positive workforce and workplace’) has not been included in this table as its objective relates to building a strong department.

Performance statements

Report against Service Delivery Statements (SDS)

This section reports our performance against the service standards outlined for DRDMW in our Service Delivery Statements for 2022–23.

The department has exceeded its SDS targets for both service areas in 2022–23 and DRDMW has worked with the Department of the Premier and Cabinet to set robust targets for 2023–24.

Service area: Grow the economy

The better than estimated results in the Grow the economy services area were the result of additional funding allocations which allowed for a high value of grants to be awarded.

The results against targets are detailed in Table 4.

Table 4: Service Delivery Statement – Grow the economy

Service standards	Notes	2022–23 target/estimate	2022–23 actual
Effectiveness measures			
Value of total capital investment created through the Made in Queensland and Manufacturing Hubs Grant programs	1	\$70.6M	\$83.417M
Value of regional capital investment created through the Made in Queensland and Manufacturing Hubs Grant programs	1	\$54.8M	\$71.149M
Estimated number of jobs created through the Made in Queensland and Manufacturing Hubs Grant programs	2	233	277
Efficiency measure			
Capital investment created per dollar spent on project facilitation	3	\$12.25	\$14.37

Notes:

1. These service standards have been discontinued in the 2023–24 SDS due to the calculation methodology for the value of total capital investment and regional capital investment being based on the amount of program funding allocated, which was not a robust measure of effectiveness of grants program outcomes. The 2022–23 actual for total capital investment has exceeded the 2022–23 target/estimate by \$12.817M and value of regional capital investment by \$16.349M due to a higher value of grants being awarded.
2. This service standard has been discontinued in the 2023–24 SDS due to a change in the calculation methodology resulting in past performance no longer being comparable. The service standard has been re-introduced as 'Estimated number of jobs enabled through grants programs. The revised calculation methodology is based on the jobs figures reported by program proponents per million dollars of total project cost stated in the funding agreements. In the absence of job creation numbers provided by the program proponent, the Queensland Treasury jobs estimation calculation is used. The 2022–23 actual has exceeded the target estimate by 44 due to a higher value of grants being awarded.
3. This service standard has been discontinued as it is not considered to be a measure of efficiency under the Queensland Government Performance Management Framework policy. A new measure 'Administrative costs per \$1,000 of total grant funding distributed' has been introduced to better reflect the efficiency of administering grant programs. The 2022–23 actual has exceeded the 2022–23 target/estimate by \$2.12 as the cost of delivery increased due to a higher value of grants being awarded.

Service area: Water resources management services

The department exceeded targets for the Water Resource Management Service area for 2022-23 as detailed in Table 5.

Table 5: Service Delivery Statement – Water resource management services

Service standards	Notes	2022–23 target/ estimate	2022–23 actual
Effectiveness measures			
Percentage of state's water monitoring network maintained to provide accurate and reliable data	1	90%	91%
Percentage of the state's drinking water service providers compliant with drinking water regulatory requirements		90%	98%
Efficiency measure			
Average cost per participant to implement and deliver workshops and support visits to water supply providers		<\$400	\$325.86

Notes:

1. The wording of this service standard has changed from the 2022–23 Service Delivery Statements (previously worded 'Accuracy and reliability of the state's water monitoring networks') to better reflect the outcome being measured, which is the maintenance of the water monitoring network. The calculation methodology for the measure remains unchanged.

Customer complaints

DRDMW recognises the value of feedback to ensure excellent customer service. The department's customer complaints management system operates in line with the requirements of the Queensland Public Service Customer Compliant Management Framework to ensure complaints are managed in a timely and respectful way and allows for continuous improvement opportunities.

During 2022–23, the department received 6 general customer complaints. None of the customer complaints met the thresholds to require reporting to the Public Sector Commission for employee-related matters, the Queensland Ombudsman or the Crime and Corruption Commission.

Human rights

The department is committed to building a culture that respects and promotes human rights under the *Human Rights Act 2019*. Actions taken to help build this culture during 2022–23 included:

- embedding human rights commitments in our Strategic Plan and operational plans
- establishing governance arrangements for human rights complaints
- reviewing operational procedures to improve compliance with the Act
- reviewing legislation administered by DRDMW for compatibility with human rights
- providing guidance to staff on the application of the Act
- developing bespoke material to help staff apply the Act in their work
- reviewing departmental templates used to complete human rights impact assessments
- updating the department's human rights intranet page with links to useful resources to disseminate human rights resource material to staff
- promoting Human Rights Day on 10 December 2022
- attending interdepartmental Human Rights committee meetings.

No human rights complaints were received by the department during 2022–23.

Summary of financial performance

This summary provides an overview of the department’s financial results for the 2022–23 financial year. A full set of financial statements is provided in this report, which include an analysis of our actual performance compared to our published budget with explanations of any major variances.

Analysis –operating result DRDMW

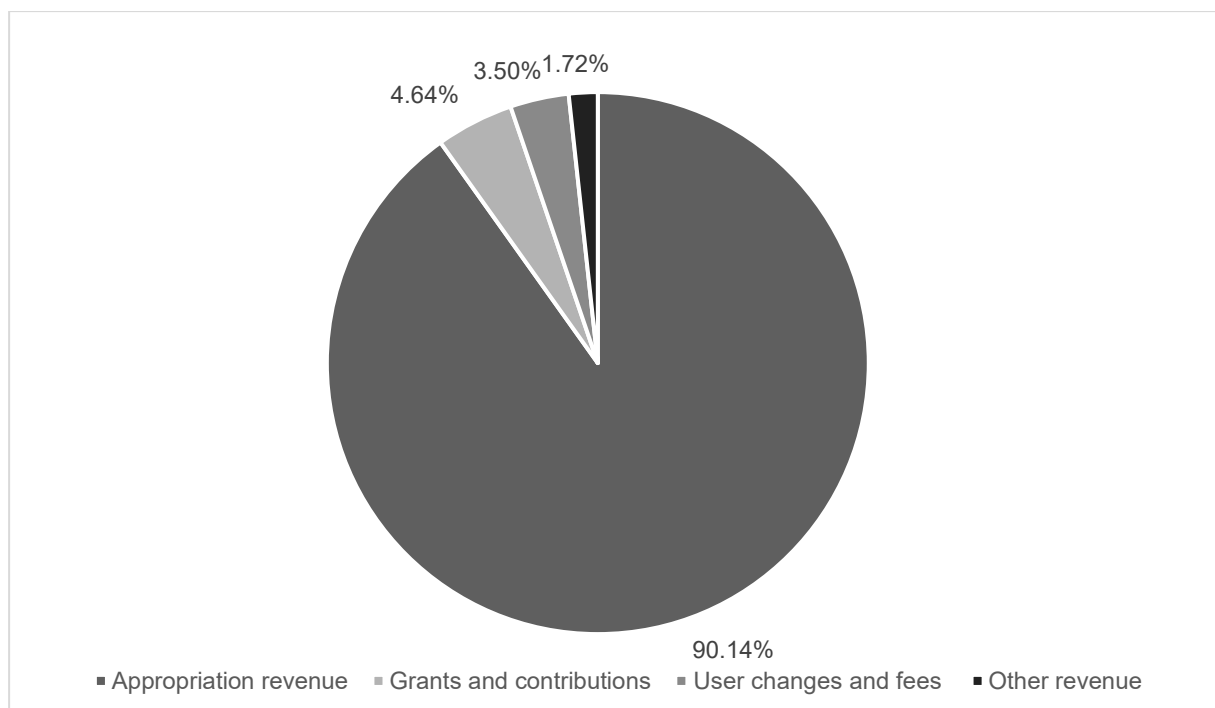
Table 6: Operating result DRDMW

	2022–23 \$'000	Restated 2021–22 \$'000	Variance \$'000
Total income	209,137	188,170	20,967
Total expenses	212,520	202,484	10,036
Operating result	(3,383)	(14,314)	10,931
Other comprehensive income			
Increase in asset revaluation surplus	7,567	4,472	3,095
Total comprehensive income	4,184	(9,842)	14,026
Total assets	393,934	352,876	41,058
Total liabilities	82,535	48,957	33,578
Net assets(liabilities)	311,399	303,919	7,480

The operating result for 2022–23, being a loss of \$3.383 million, relates to the unfunded accounting difference for items such as assets donated, loss on disposal of infrastructure, capital write offs, prior year capital expenditure, Rookwood Weir advertising costs, depreciation and impaired receivables.

Income

Figure 3: Income by category for the year ended 30 June 2023

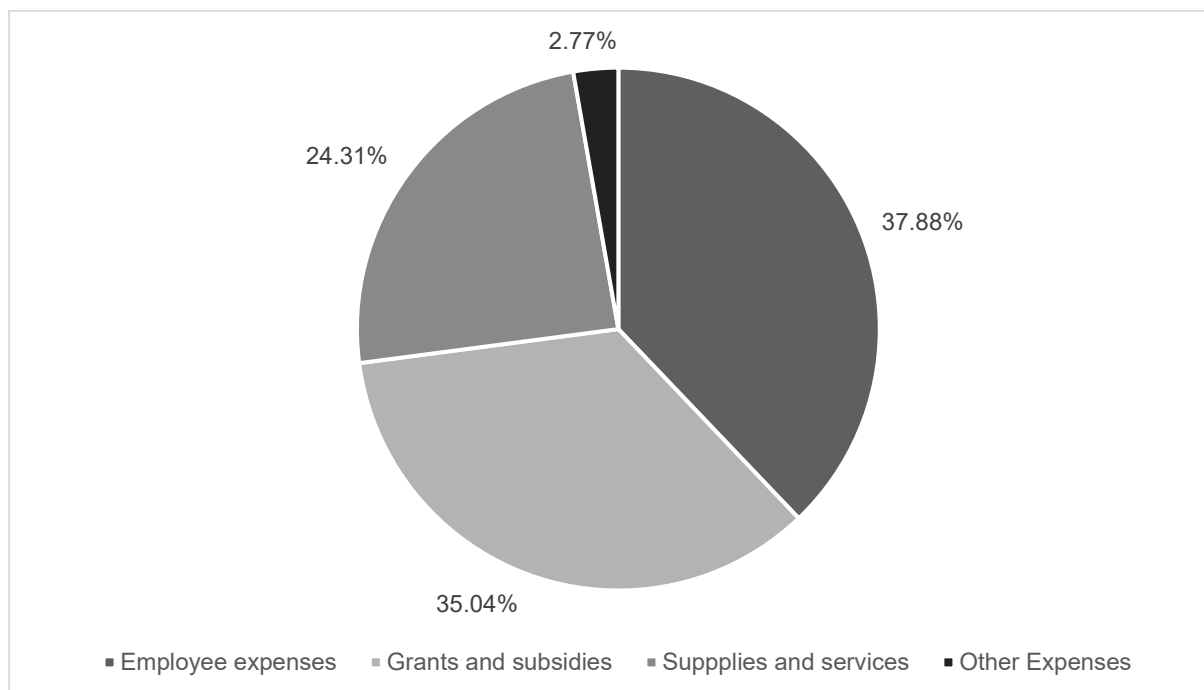


The total income for the year ended 30 June 2023 is \$209.137 million. Appropriation revenue makes up 90.14 per cent of total revenue and is the primary source of revenue for the department (Figure 3). Grants and contributions are received by the department from industry, other state bodies and the Commonwealth.

During 2022-23, the predominant contribution came from Transport and Main Roads for the Rookwood Weir Project. User charges are generated from Groundwater Impact Assessment Levy and rent revenue received in relation to dam land management.

Expenses

Figure 4: Expenses by category for the year ended 30 June 2023



Total expenses for the year ended 30 June 2023 is \$212.520 million. As illustrated in Figure 4, the department's significant expense categories are employee expenses, grants and subsidies provided to both industry and state and local government agencies, and supplies and services which includes consultancies and contractors, office accommodation, ICT costs, shared service provider costs, travel, motor vehicles and other ancillary costs.

Statement of financial position DRDMW – assets and liabilities

Table 7: Assets and liabilities DRDMW

	2022-23 \$'000	Restated 2021-22 \$'000	Variance \$'000
Total Current Assets	73,656	147,992	(74,336)
Total Non-Current Assets	320,278	204,884	115,394
Total Assets	393,934	352,876	41,058
Total Current Liabilities	82,535	41,404	41,131
Total Non-Current Liabilities	-	7,553	(7,553)
Total Liabilities	82,535	48,957	33,578
Total Equity	311,399	303,919	7,480

Total assets as at 30 June 2023 are \$393.934 million. Total assets increased by \$41.058 million in 2022–23 predominantly due to the property, plant and equipment (capital works in progress) for the Rookwood Weir Project, and intangible assets with specialised software being developed for Rural Water Futures projects. Buildings and infrastructure assets were revalued with an upward movement, slightly offset by an overall decrease in land assets.

Total liabilities as at 30 June 2023 are \$82.535 million, an increase of \$33.578 million in 2022–23. The increase is predominantly due to appropriations payable for programmed government priorities, deposits received in advance for the sale of unallocated water for the Rookwood Weir and accrued expenses incurred by Sunwater for the Rookwood Weir Project.

Analysis – operating result administered funds

The department administers, but does not control, certain resources on behalf of the Queensland Government. The main elements of administered assets are property, plant and equipment mainly land held for future dam site water management. Liabilities mainly relate to payables for Community Service Obligations to Seqwater and Sunwater; as well as Rural Water Charges and revenue payable to consolidate funds for water license fees and riverine quarry material royalties.

Table 8: Operating result administered funds

	2022–23 \$'000	2021–22 \$'000	Variance \$'000
Total income	111,038	41,534	69,504
Total expenses	112,050	41,907	70,143
Operating result	(1,012)	(373)	(639)

The operating result for 2022–23 being a loss of \$1.012 million, relates to impairment losses, depreciation and revaluation decrements on non-current assets.

Statement of financial position administered funds – assets and liabilities

Table 9: Assets and liabilities administered funds

	2023 \$'000	2022 \$'000	Variance \$'000
Total Current Assets	72,677	11,147	61,530
Total Non-Current Assets	214,992	201,879	13,113
Total Assets	287,669	213,026	74,643
Total Current Liabilities	57,301	11,034	46,267
Total Liabilities	57,301	11,034	46,267
Total Equity	230,368	201,992	28,376

Total assets as at 30 June 2023 are \$287.669 million. Total assets increased by \$74.643 million in 2022–23 predominantly due to cash going up by \$59.239 million due to unspent SEQ water bill discounts appropriation monies received, and land assets being revalued with an upward movement of \$14.3 million.

Total liabilities as at 30 June 2023 are \$57.301 million. Total liabilities increased by \$46.267 million in 2022–23 predominantly due to an increase in payables related to unpaid SEQ water bill discount rebate.

Governance

Governance – management

Departmental Leadership Team

The Departmental Leadership Team (DLT) is responsible for the department's overall governance. The DLT is collectively responsible for the efficient and effective operation of the department under the following legislation:

- *Financial Accountability Act 2009*
- Financial and Performance Management Standard 2009
- *Human Rights Act 2019*
- *Information Privacy Act 2009*
- *Public Sector Act 2022*
- *Public Records Act 2002*
- *Public Sector Ethics Act 1994*
- *Right to Information Act 2009*
- *Work Health and Safety Act 2011.*

Subcommittees

The DLT has a number of subcommittees responsible for the governance of particular aspects of the department. These are:

- Information Security, Data and Digital Committee: primary decision-making body for the department's ICT portfolio and digital agenda
- Path to Treaty Committee: responsible for driving the department's response to the Queensland Government's Path to Treaty initiative
- work health and safety regional committees: responsible for monitoring and reporting workplace health and safety risks.

Governance – risk management and accountability

Approach

The department recognises that risk is characterised by both threat and opportunity and manages risk to enhance opportunities and reduce threats that may impact on the department's business plans and strategies. The department's approach to risk management is based on the Australian Risk Management Standard (AS ISO 31000: 2018 Risk Management Guidelines) and *A Guide to Risk Management – Queensland Treasury*.

The department manages its risks through our:

- enterprise risk management framework
- accompanying guidelines
- strategic risk profile, which captures the department's principal risks.

The enterprise risk management framework, which includes the Risk Management Policy and Risk Management Procedure, is reviewed at least every 2 years to ensure that risk management is effective and continues to support organisational performance.

The department's strategic risks are regularly reviewed by the DLT as Risk Sponsors, with the Audit and Risk Management Committee (ARMC) providing independent oversight and advice.

Key achievements in 2022–23 included:

- strengthened quarterly performance reporting to better align with the Queensland Government Performance Management Framework
- improved alignment of the DRDMW Enterprise Risk Framework with the DRDMW *Strategic Plan 2022–26*, including the establishment of a Risk Governance Model and Enterprise Risk Owner Model.

Audit and Risk Management Committee (ARMC)

The ARMC acts as a forum for dialogue between the Director-General, senior management, internal audit and the Queensland Audit Office.

The ARMC operates under an ARMC Charter in accordance with the *Financial and Performance Management Standard 2019* (FPMS) and is directly responsible to the Director-General.

The role and functions of the committee are to:

- provide independent advice and assistance to the Director-General on the department's:
 - risk management, internal control and compliance frameworks
 - external accountability responsibilities as prescribed in the relevant legislation and standards, including annual financial statements
 - integrity framework
- review the implementation of external audit recommendations accepted by management
- provide prompt and constructive reports on its findings to the Director-General, particularly when issues are identified that could present a material risk or threat to the department.

Committee membership in 2022–23 comprised:

- Mr Ian Rodin, Chair and independent external member
- Ms Debbie Best, independent external member
- Ms Lisa Dalton, independent external member.

The committee met 4 times during the year. Total remuneration for committee members during 2022–23 was \$34,000 (excluding GST).

Internal audit

Pursuant to section 29 of the FPMS, DRDMW has an outsourced internal audit function for provision of assessment and evaluation of the effectiveness and efficiency of departmental financial and operating systems, reporting processes and activities. Internal auditing provides an independent, objective assessment and helps DRDMW achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal controls and overarching governance processes.

Internal audit services and operates in accordance with DRDMW's Internal Charter and ethics. The Head of Internal Audit is directly accountable to the Director-General.

In 2022–23, the internal audit function delivered against the planned program of internal audit work set out in the Strategic Internal Audit Plan. The Strategic Internal Audit Plan is the department's risk-based 3-year program of planned internal audit activities which is reviewed each year, endorsed by the ARMC and approved by the Director-General. This approach ensures that the department's internal audit activities provide adequate audit coverage across the department's principal risks within the 3-year period.

In 2022–23, the Head of Internal Audit issued 7 internal audit reports. Reports and recommendations were provided to management for appropriate consideration and action. DRDMW has engaged Ernst & Young to undertake the internal audit function for 2023–24.

External assurance

Independent scrutiny of government performance may be carried out by several external entities.

The Auditor-General conducted 4 whole-of-government audits relevant to the operations of the department during 2022–23:

- *State entities 2022* (Report 11: 2022–23)
- *Managing workforce agility in the Queensland public sector* (Report 6: 2022–23)
- *Improving grants management* (Report 2: 2022–23)
- *Implementing machinery of government changes* (Report 17: 2022–23).

The relevant recommendations have been registered and considered by the department for process improvement.

As at 30 June 2023, there was 1 outstanding recommendation from reports tabled in previous years relating to the department as a public-sector entity. This recommendation from the *Appointing and renewing government boards* (Report 17: 2021–22) will be actioned further, based on the Department of the Premier and Cabinet's delivery of the report's other recommendations.

Information systems and recordkeeping

Information Security Management System

Approach

The department utilises information to deliver a range of services. In compliance with the requirements of the Queensland Government Information Security Policy (IS18:2018), the department has an Information Security Management System (ISMS) in place, which forms the basis of the governance, processes, and controls necessary to ensure risks to systems and information are understood and effectively managed.

Attestation

In 2022–23, during the mandatory annual information security reporting process, the Acting Director-General attested to the appropriateness of the information security risk management within DRDMW to the Queensland Government Chief Information Security Officer, noting that appropriate assurance activities have been undertaken to inform this opinion and the department's information security risk position.

Information Security, Data and Digital Committee

The Information Security, Data and Digital Committee (ISDDC) is the primary oversight and decision-making body for DRDMW's ICT portfolio and digital agenda. It is a subcommittee of the Departmental Leadership Team (DLT).

The ISDDC provides assurance to DLT that:

- the vision and principles of departmental data and digital strategies are understood and adopted across the department
- risks to information, applications and technologies are being managed using an information security management system
- service and system investments are appropriately monitored, maintained and managed throughout their life cycle
- digital initiatives that increase productivity and effectiveness are monitored and operating within guidelines.

In 2022–23, membership of the committee comprised:

Chair:

- Head of Corporate and Agency Security Executive

Members:

- Executive Director, Water Operations and Systems
- Chief Information Officer, ITP
- Executive Director, Water Act Initiatives
- Chief Financial Officer
- Chief Digital Officer
- Director, Manufacturing Development
- Director, Regional Water Infrastructure
- Director, Water Systems, Hydrometrics Support and Monitoring
- Director, Water Monitoring and Compliance North Region.

The committee met 10 times in 2022–23. Key issues discussed at each meeting included information security matters, digital strategy and capability development and progress of digital initiatives.

Minutes were kept of each meeting and approved at the subsequent meeting, with summaries of discussions and outcomes published on the departmental intranet.

Recordkeeping

The department has a comprehensive records management framework that is consistent with the *Public Records Act 2002*, the *Public Sector Act 2022* and the Queensland State Archives (QSA) Records Governance Policy. In addition, departmental policies that allocate responsibilities for recordkeeping are in place.

An end-to-end recordkeeping service supports business areas to develop an effective recordkeeping culture. Digital recordkeeping is enabled through the use of a corporate eDRMS (electronic document and records management system), automated capture of records, and assessment of business systems for records compliance allowing recordkeeping in place.

Along with other agencies who are members of the Information Technology Partnership, DRDMW is rolling out the Strategic Recordkeeping Enhancement (2022–25) project, which focuses on new ways to optimise and automate recordkeeping to minimise user effort and maximise continuity, security, accessibility and use. As part of this, in 2022–23 the department began a project to configure a new interface for the eDRMS.

The department's Digitisation Disposal Policy supports digital recordkeeping by enabling the early disposal of paper records that have been digitised and are managed securely. Key legacy email records are also being identified and captured in the eDRMS. Identification of permanent and high-value records for improved recordkeeping practices and risk mitigation is ongoing.

Records held in the eDRMS have file structures with appropriate security markings and access controls according to the department's Information Security Policy. Regular audits of access controls are in place. There have been no security breaches of this system in 2022–23.

Online training on the eDRMS and records awareness is available for all staff.

DRDMW uses the QSA Archives Gateway to administer retrievals of files and access controls for permanent departmental records held at QSA. Storage and retrieval of paper records held by the department is managed and monitored, with paper files scanned for digital delivery.

Records are retained in accordance with the following approved retention and disposal schedules:

- General Retention and Disposal Schedule (GRDS) – QDAN 415 v.4 (2020)
- Water – QDAN 738 (2016).

There is an active appraisal and disposal program and permanent records are identified for transfer to QSA. Authorised disposal processes and controls are in place for physical and electronic records.

Open data

The dataset relating to consultancies, overseas travel and the Queensland Language Services Policy in 2022–23 has been made available on the Queensland Government's open data website www.data.qld.gov.au and is summarised below.

For the 2022-23 reporting year there were:

- no consultancies in the department
- expenditure on overseas travel for offices of the department was \$12,127.00
- the department expended \$1,140.31 for language services under the Queensland Language Service Policy.

Workforce profile

Workforce profile data for Department of Regional Development, Manufacturing and Water at 30 June 2023²

Table 10: Size and composition

Total staffing	
Headcount	669
FTE	632.08
Occupation types by FTE	
Corporate	13.61%
Frontline and frontline support	86.39%
Appointment type by FTE	
Permanent	90.62%
Temporary	7.23%
Casual	0.00%
Contract	2.15%
Employment status by headcount	
Full-time	84.90%
Part-time	15.10%
Casual	0.00%

Table 11: Gender

Gender	Number (headcount)	Percentage of total workforce (calculated on headcount) ³
Woman	371	55.46%
Man	296	44.25%
Non-binary	<5 ⁴	0.30%

Table 12: Diversity target group data

Diversity groups	Number (headcount)	Percentage of total workforce (calculated on headcount)
Women	371	55.46%
Aboriginal peoples and Torres Strait Islander peoples	7	1.05%
People with disability	38	5.61%
Culturally and Linguistically Diverse – Speak a language at home other than English ⁵	15	2.24%

² MOHRI (Minimum Obligatory Human Resource Information) FTE data for fortnight ending 30 June 2023.

³ Due to rounding, the percentage values shown above may not add up precisely to 100.

⁴ To ensure privacy, where there are less than 5 respondents in a category, specific numbers have been replaced by <5.

⁵ This includes Aboriginal and Torres Strait Islander languages or Australian South Sea Islander languages spoken at home.

Table 13: Target group data for women in leadership roles

Women in leadership roles	Number (headcount)	Percentage of total leadership cohort (calculated on headcount)
Senior Officers (classified and s122 equivalent combined)	26	52.00%
Senior Executive Service and Chief Executives (classified and s122 equivalent combined)	7	46.67%

Early retirement, redundancy and retrenchment

No redundancy, early retirement or retrenchment packages were paid during 2022–23.

Department of Regional Development, Manufacturing and Water Financial Statements For the Year Ended 30 June 2023

TABLE OF CONTENTS

Financial Statements	Statement of Comprehensive Income		Page 3		
	Statement of Comprehensive Income by Major Departmental Services		Page 4		
	Statement of Financial Position		Page 5		
	Statement of Assets and Liabilities by Major Departmental Services		Page 6		
	Statement of Changes in Equity		Page 7		
	Statement of Cash Flows		Page 8		
Notes to the Financial Statements	Section 1 About the department and this financial report	A1	Basis of Financial Statement Preparation	Page 10	
		A1-1	General Information	Page 10	
		A1-2	Statement of Compliance	Page 10	
		A1-3	Presentation	Page 10	
		A1-4	Authorisation of Financial Statements for Issue	Page 10	
		A1-5	Basis of Measurement	Page 11	
		A1-6	The Reporting Entity	Page 11	
	A2	Department Objectives	Page 11		
	Section 2 Notes about our Financial Performance	B1	Revenue		Page 12
			B1-1	Appropriation Revenue	Page 12
			B1-2	User Charges and Fees	Page 12
			B1-3	Grants and Contributions	Page 13
		B1-4	Other Revenue	Page 13	
		B2	Expenses		Page 14
			B2-1	Employee Expenses	Page 14
			B2-2	Supplies and Services	Page 15
	B2-3		Grants and Subsidies	Page 15	
	Section 3 Notes about our Financial Position	C1	Cash and Cash Equivalents		Page 17
			Receivables		Page 17
		C2-1	Impairment of Receivables		Page 18
			Other Current Assets		Page 19
		C4	Property, Plant and Equipment and Depreciation Expense		Page 20
			C4-1	Closing Balances and Reconciliation of Carrying Amount	Page 20
		C4-2	Recognition and Acquisition	Page 21	
		C4-3	Depreciation Expense	Page 21	
		C4-4	Measurement of Property, Plant and Equipment	Page 22	
		C4-5	Impairment	Page 23	
		C5	Payables	Page 23	
	C6	Accrued Employee Benefits	Page 23		
	C7	Other Liabilities	Page 24		
C8	Equity		Page 24		
	C8-1	Contributed Equity	Page 24		
C8-2	Appropriations Recognised in Equity	Page 24			

Department of Regional Development, Manufacturing and Water Financial Statements For the Year Ended 30 June 2023

TABLE OF CONTENTS (continued)

Section 4 Notes about Risks and Other Accounting Uncertainties	D1	Fair Value Measurement		Page 25
	D1-1	Accounting Policies and Inputs for Fair Values		Page 25
	D1-2	Basis for Fair Value Measurement		Page 25
	D1-3	Categorisation of Assets Measured at Fair Value		Page 26
	D2	Financial Risk Disclosures		Page 26
	D2-1	Financial Instruments Categories		Page 26
	D2-2	Financial Risk Management		Page 27
	D2-3	Credit Risk Disclosures		Page 28
	D2-4	Liquidity Risk Contractual Maturity of Financial Liabilities		Page 28
	D3	Contingencies		Page 28
	D4	Commitments		Page 29
	D5	Events After the Balance Date		Page 29
Section 5 Notes about our Performance compared to Budget	E1	Budgetary Reporting Disclosures		Page 30
	E1-1	Explanation of Major Variances Comprehensive Income	Statement of	Page 30
	E1-2	Explanation of Major Variances Financial Position	Statement of	Page 31
	E1-3	Explanation of Major Variances Cash Flows	Statement of	Page 31
Section 6 What we look after on behalf of whole- of-Government and Third parties	F1	Administered Activities		Page 33
	F1-1	Schedule of Administered Revenue and Expenses		Page 33
	F1-2	Reconciliation of Payments from Consolidated Fund		Page 34
	F1-3	Schedule of Administered Assets and Liabilities		Page 35
	F1-4	Property, Plant and Equipment and Depreciation Expense		Page 36
	F1-5	Administered Activities Budget to Actual Comparison and Variance Analysis		Page 37
Section 7 Other Information	G1	Key Management Personnel Disclosures		Page 39
	G2	Related Party Transactions		Page 41
	G3	Taxation		Page 42
	G4	Climate Risk Disclosure		Page 42
	G5	First Year Application of New Accounting Standards		Page 43
	G6	Prior Period Errors and Adjustments		Page 44
Certification		Management Certificate		Page 45

Department of Regional Development, Manufacturing and Water
Statement of Comprehensive Income
for the year ended 30 June 2023

		2023	2023	2023	**Restated 2022
	Notes	Actual	Original Budget	Budget variance	Actual
		\$'000	\$'000	\$'000	\$'000
Income from operations					
Appropriation revenue	B1-1	188,516	251,061	(62,545)	172,367
User charges and fees	B1-2	7,315	7,668	(353)	6,419
Grants and contributions	B1-3	9,704	1,779	7,925	4,915
Other revenue	B1-4	3,602	-	3,602	4,462
Total revenue		209,137	260,508	(51,371)	188,163
Gains on disposal and revaluation of assets		-	-	-	7
Total income from operations		209,137	260,508	(51,371)	188,170
Expenses from operations					
Employee expenses	B2-1	80,505	78,938	1,567	70,572
Supplies and services	B2-2	51,661	64,039	(12,378)	40,704
Grants and subsidies	B2-3	74,459	114,231	(39,772)	85,714
Depreciation and amortisation		3,570	2,600	970	3,386
Other expenses	B2-4	2,325	1,259	1,066	2,108
Total expenses from operations		212,520	261,067	(48,547)	202,484
Operating result for the year		(3,383)	(559)	(2,824)	(14,314)
Other comprehensive income					
Items that will not be reclassified to operating result					
Increase in revaluation surplus	C4-1	7,567	-	7,567	4,472
Total other comprehensive income		7,567	-	7,567	4,472
Total comprehensive income / (loss)		4,184	(559)	4,743	(9,842)

* An explanation of major variances is included at Note E1-1

** Refer to note G6

The accompanying notes form part of these statements.

Department of Regional Development, Manufacturing and Water
Statement of Comprehensive Income by Major Departmental Services
for the year ended 30 June 2023

	Grow the Economy		Water Resource Management Services		Total*	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	**Restated 2022 \$'000
Income from operations						
Appropriation revenue	80,735	81,422	107,781	90,945	188,516	172,367
User charges and fees	124	104	7,191	6,315	7,315	6,419
Grants and contributions	6,519	492	3,185	4,423	9,704	4,915
Other revenue	2,925	3,989	677	473	3,602	4,462
Total revenue	90,303	86,007	118,834	102,156	209,137	188,163
Gains on disposal and remeasurement of assets	-	-	-	7	-	7
Total income from operations	90,303	86,007	118,834	102,163	209,137	188,170
Expenses from operations						
Employee expenses	15,313	11,578	65,192	58,994	80,505	70,572
Supplies and services	13,637	13,655	38,024	27,049	51,661	40,704
Grants and subsidies	59,586	62,944	14,873	22,770	74,459	85,714
Depreciation and amortisation	602	573	2,968	2,813	3,570	3,386
Other expenses	686	279	1,639	1,829	2,325	2,108
Total expenses from operations	89,824	89,029	122,696	113,455	212,520	202,484
Operating result for the year	479	(3,022)	(3,862)	(11,292)	(3,383)	(14,314)
Other comprehensive income						
Items that will not be reclassified to operating result						
Increase in revaluation surplus	877	-	6,690	4,472	7,567	4,472
Total other comprehensive income	877	-	6,690	4,472	7,567	4,472
Total comprehensive income	1,356	(3,022)	2,828	(6,820)	4,184	(9,842)

* Refer to note A2

** Refer to note G6

Department of Regional Development, Manufacturing and Water
Statement of Financial Position
as at 30 June 2023

		2023	2023	2023	**Restated 2022
	Notes	Actual	Original Budget	Budget variance*	Actual
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	C1	42,363	7,407	34,956	123,515
Receivables	C2	8,060	11,784	(3,724)	4,949
Other current assets	C3	23,233	1,893	21,340	19,528
Total current assets		73,656	21,084	52,572	147,992
Non-current assets					
Receivables	C2	526	737	(211)	654
Property, plant and equipment	C4	312,767	343,439	(30,672)	202,272
Intangible assets		6,985	1,783	5,202	1,958
Total non-current assets		320,278	345,959	(25,681)	204,884
Total assets		393,934	367,043	26,891	352,876
Current liabilities					
Payables	C5	70,064	16,645	53,419	37,950
Accrued employee benefits	C6	2,560	1,757	803	2,135
Other current liabilities	C7	9,911	669	9,242	1,319
Total current liabilities		82,535	19,071	63,464	41,404
Non-current liabilities					
Other non-current liabilities	C7	-	2,250	(2,250)	7,553
Total non-current liabilities		-	2,250	(2,250)	7,553
Total liabilities		82,535	21,321	61,214	48,957
Net assets		311,399	345,722	(34,323)	303,919
Equity					
Contributed equity		836,050	-	-	831,569
Accumulated surplus (deficit)		(535,763)	-	-	(532,380)
Asset revaluation surplus		11,112	-	-	4,730
Total equity		311,399	-	-	303,919

* An explanation of major variances is included at Note E1-2

** Refer to note G6

The accompanying notes form part of these statements.

Department of Regional Development, Manufacturing and Water
Statement of Assets and Liabilities by Major Departmental Services
as at 30 June 2023

	Grow the Economy		Water Resource Management Services		Total*	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	**Restated 2022 \$'000
Current assets						
Cash and cash equivalents	15,371	93,881	26,992	29,634	42,363	123,515
Receivables	1,808	1,614	6,252	3,335	8,060	4,949
Other current assets	21,107	17,790	2,126	1,738	23,233	19,528
Total current assets	38,286	113,285	35,370	34,707	73,656	147,992
Non-current assets						
Receivables	-	-	526	654	526	654
Property, plant and equipment	274,788	198,183	37,979	4,089	312,767	202,272
Intangible assets	-	-	6,985	1,958	6,985	1,958
Total non-current assets	274,788	198,183	45,490	6,701	320,278	204,884
Total assets	313,074	311,468	80,860	41,408	393,934	352,876
Current liabilities						
Payables	29,800	6,207	40,264	31,743	70,064	37,950
Accrued employee benefits	435	254	2,125	1,881	2,560	2,135
Other current liabilities	8,052	-	1,859	1,319	9,911	1,319
Total current liabilities	38,287	6,461	44,248	34,943	82,535	41,404
Non-current liabilities						
Other non-current liabilities	-	7,553	-	-	-	7,553
Total non-current liabilities	-	7,553	-	-	-	7,553
Total liabilities	38,287	14,014	44,248	34,943	82,535	48,957
Net assets	274,787	297,454	36,612	6,465	311,399	303,919

* Refer to note A2

** Refer to note G6

Department of Regional Development, Manufacturing and Water
Statement of Changes in Equity
for the year ended 30 June 2023

	Notes	2023 \$'000	*Restated 2022 \$'000
Contributed equity			
Balance as at 1 July		831,569	684,659
Transactions with owners as owners:			
Appropriated equity injections/(withdrawals)	C8-2	38,966	146,910
Non-appropriated equity withdrawal		(20,520)	-
Net transfer to other Queensland Government entities (Other)		(13,965)	-
Total contributed equity		836,050	831,569
Accumulated surplus (deficit)			
Balance as at 1 July		(532,380)	(518,066)
Operating result from operations		(3,383)	(14,314)
Total accumulated surplus (deficit)		(535,763)	(532,380)
Asset revaluation surplus			
Balance 1 July		4,730	258
Revaluation increments		6,382	4,472
Total asset revaluation surplus		11,112	4,730
Total equity		311,399	303,919

* Refer to note G6

The accompanying notes form part of these statements.

Department of Regional Development, Manufacturing and Water
Statement of Cash Flows
for the year ended 30 June 2023

		2023	2023	2023	**Restated 2022
	Notes	Actual	Original Budget	Budget variance*	Actual
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Inflows					
Appropriation receipts		215,064	251,061	(35,997)	172,184
User charges and fees		7,299	7,668	(369)	6,065
Grants and contributions		7,501	1,779	5,722	3,441
Interest received		1,044	-	1,044	52
GST input tax credits from Australian Taxation Office (ATO)		8,898	-	8,898	11,236
GST collected from customers		530	-	530	365
Other inflows		2,558	-	2,558	9,780
Outflows					
Employee expenses		(80,700)	(78,938)	(1,762)	(70,485)
Supplies and services		(50,420)	(64,039)	13,619	(39,282)
Grants and subsidies		(78,667)	(114,231)	35,564	(88,911)
GST paid to suppliers		(9,365)	-	(9,365)	(10,917)
GST remitted to ATO		(528)	-	(528)	(296)
Other outflows		(554)	(1,259)	705	-
Net cash provided by/(used in) operating activities		22,660	2,041	20,619	(6,768)
Cash flows from investing activities					
Inflows					
Sales of property, plant and equipment		540	-	540	617
Outflows					
Payments for property, plant and equipment		(110,189)	(119,507)	9,318	(100,253)
Payments for intangibles		(5,028)	-	(5,028)	(1,787)
Loans and advances made		-	101,699	(101,699)	-
Net cash provided by investing activities		(114,677)	(17,808)	(96,869)	(101,423)
Cash flows from financing activities					
Inflows					
Appropriated equity injections	C8-2	45,350	18,100	27,250	146,910
Outflows					
Non-appropriated equity withdrawals		(20,520)	(2,900)	(17,620)	-
Net transfer to other Queensland Government entities		(13,965)	-	(13,965)	-
Net cash provided by financing activities		10,865	15,200	(4,335)	146,910
Net increase/(decrease) in cash and cash equivalents		(81,152)	(567)	(80,585)	38,719
Cash and cash equivalents at beginning of financial year		123,515	7,974	84,796	84,796
Cash and cash equivalents at end of financial year	C1	42,363	7,407	4,211	123,515

* An explanation of major variances is included at Note E1-3

** Refer to note G6

The accompanying notes form part of these statements.

Department of Regional Development, Manufacturing and Water
Statement of Cash Flows
for the year ended 30 June 2023

NOTES TO THE STATEMENT OF CASH FLOW

Reconciliation of operating result to net cash provided by operating activities

	Notes	2023	2022
		\$'000	\$'000
Operating result		(3,383)	(14,314)
Non-cash items included in operating result:			
Depreciation and amortisation expense		3,570	3,386
Assets donated - Infrastructure	C4-1	1,210	(835)
Losses from disposal of property, plant and equipment		753	318
Impairment losses		10	421
Gains on disposal and remeasurement of assets		-	(6)
Other non-cash items		(23)	(1)
Outflows			
Increase/(decrease) in deferred appropriation payable to Consolidated Fund		26,548	(183)
(Increase)/decrease in receivables		(2,599)	(1,402)
(Increase)/decrease in other assets		(3,609)	1,292
Increase/(decrease) in payables		(933)	(332)
Increase/(decrease) in accrued employee benefits		79	86
Increase/(decrease) in other liabilities		1,037	4,802
Net cash provided by/(used in) operating activities		22,660	(6,768)

**Restated

** Refer to note G6

The accompanying notes form part of these statements.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

SECTION 1
ABOUT THE DEPARTMENT AND THIS FINANCIAL REPORT

A1 BASIS OF FINANCIAL STATEMENT PREPARATION

A1-1 GENERAL INFORMATION

The Department of Regional Development, Manufacturing and Water ("the department") is a Queensland Government department established under the *Public Sector Act 2022* and controlled by the State of Queensland, which is the ultimate parent.

The head office and principal place of business of the department is 1 William Street, Brisbane QLD 4000.

A1-2 STATEMENT OF COMPLIANCE

The department has prepared these financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2022.

The department is a not-for-profit entity and these general-purpose financial statements are prepared on an accrual basis (except for the Statement of Cash Flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

A1-3 PRESENTATION

Currency and rounding

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

Comparatives

Comparative information reflects the audited 2021-22 financial statements (except where restated, refer to Note G6) as necessary to be consistent in disclosures for the current reporting period.

Current/non-current classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the department does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

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

A1-4 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements are authorised for issue by the A/Director-General and Chief Finance Officer at the date of signing the management certificate.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

A1-5 BASIS OF MEASUREMENT

Historical cost is used as the measurement basis in this financial report except for the following:

- Land, buildings, and infrastructure which are measured at fair value; and
- Inventories which are measured at the lower of cost and net realisable value.

Historical cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value

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

- *The market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- *The cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.
- *The income approach* converts multiple future cash flows amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Where fair value is used, the fair value approach is disclosed.

A1-6 THE REPORTING ENTITY

The financial statements include all income, expenses, assets, liabilities and equity of the department. The department has no controlled entities.

A2 DEPARTMENT OBJECTIVES

The objective of the department is to drive investment, economic growth and jobs through competitive regional economies, enable an innovative manufacturing sector and make best use of our water resources by delivering sustainable, safe, secure and affordable water state-wide.

The department's major services are:

Grow the Economy

This service area's objective is to create jobs that provide enduring economic benefit by delivering regional economic development opportunities, water infrastructure and support to the manufacturing industry in Queensland.

Water Resource Management Services

This service area's objective is to deliver sustainable management of Queensland's water resources as well as regulation of water service providers and water infrastructure owners.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

SECTION 2
NOTES ABOUT OUR FINANCIAL PERFORMANCE

B1 REVENUE

B1-1 APPROPRIATION REVENUE

Reconciliation of payments from consolidated fund to appropriated revenue recognised in operating Result

	Notes	2023 \$'000	2022 \$'000
Original budget appropriation revenue		251,061	178,725
Treasurer's transfers		(35,997)	(6,541)
Total Appropriation Receipts (cash)		215,064	172,184
Plus: Opening balance of deferred appropriation payable to Consolidated Fund		30,961	31,144
Less: Closing balance of deferred appropriation payable to Consolidated Fund	C5	(57,509)	(30,961)
Appropriation revenue recognised in Statement of Comprehensive Income		188,516	172,367

Accounting Policy – Appropriation Revenue

Appropriations provided under the *Appropriation Act 2022* are recognised as revenue when received. Where the department has an obligation to return unspent (or unapplied) appropriation receipts to Consolidated Fund at year end (a deferred appropriation repayable to Consolidated Fund), a liability is recognised with a corresponding reduction to appropriation revenue, reflecting the net appropriation revenue position with Consolidated Fund for the reporting period. Capital appropriations are recognised as adjustments to equity (refer to Note C8-2).

Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as 'administered' item appropriations (refer to Note F1-1).

B1-2 USER CHARGES AND FEES

	2023 \$'000	2022 \$'000
Fees and permits	4,830	4,129
Property rental	1,823	1,812
Other user charges and fees	662	478
Total	7,315	6,419

Accounting Policy - User Charges and Fees

The department recognises user charges and fees as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This occurs upon delivery of the goods to the customer or completion of the requested services at which time the invoice is raised or payment is received. Accrued revenue is recognised if the revenue has been earned but not yet invoiced (refer to Note C2).

The annual levy for underground water management under the *Water Regulation 2016* is recognised upon issuance of the levy notice.

Accounting Policy – Property rental

Rental revenue is recognised as income on a periodic straight-line basis over the lease term.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

B1-3 GRANTS AND CONTRIBUTIONS

	2023	2022
	\$'000	\$'000
Revenue from contracts with customers		
Commonwealth grants	2,243	1,033
Other grants and contributions		
Funding from external bodies, state governments*	6,000	-
Contributions	1,249	2,361
Other grants and contributions	212	1,521
Total	9,704	4,915

* Contribution from Department of Transport and Main Roads for the Foleyvale Crossing upgrade included as part of the Rookwood Weir project.

Accounting Policy – Grants and contributions

Grants and contributions are non-reciprocal transactions where the department does not directly give approximately equal value to the grantor.

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the department to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied. Otherwise, the grant is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding.

The department has a number of grant arrangements with the Commonwealth's Department of Agriculture, Water and the Environment which have been identified as having sufficiently specific performance obligations under enforceable grant agreements.

Accounting Policy – Goods and services received below fair value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, the amount representing the fair value is recognised as revenue with a corresponding expense for the same amount.

B1-4 OTHER REVENUE

	2023	2022
	\$'000	\$'000
General recoveries	2,233	3,940
Interest	1,044	52
Other revenue	325	470
Total	3,602	4,462

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

B2 EXPENSES

B2-1 EMPLOYEE EXPENSES

	2023	2022
	\$'000	\$'000
Employee benefits		
Salaries and wages	61,847	54,909
Employer superannuation contributions	8,458	7,438
Annual leave levy	7,106	6,095
Long service leave levy	1,619	1,348
Other employee related expenses	1,475	782
Total	80,505	70,572

	2023	2022
Number of full-time equivalent employees:	632	559

Accounting Policy – Wages and salaries

Salaries and wages due but unpaid at the reporting date are recognised at the current salary rates. As the department expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Accounting Policy – Annual leave and Long service leave

Under the Queensland Government's Annual Leave Central Scheme and Long Service Leave Scheme, a levy is made on the department to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave and long service leave are claimed from the scheme quarterly in arrears.

Accounting Policy – Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plan as determined by the employee's conditions of employment.

Defined contribution plans - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined benefit plan - The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the department at the specified rate following completion of the employee's service each pay period. The department's obligations are limited to those contributions paid.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

B2-1 EMPLOYEE EXPENSES (continued)

Accounting Policy – Workers’ compensation premium

The department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees but is not counted in an employee's total remuneration package. It is not employee benefits and is recognised separately as employee related expenses.

Key management personnel and remuneration disclosures are detailed in Note G1.

B2-2 SUPPLIES AND SERVICES

	2023	2022
	\$'000	\$'000
Contractors and consultants	25,618	17,210
Office accommodation	8,758	7,998
Information and communication technology costs	6,695	5,323
Service costs to other government agencies and shared service providers	3,044	1,649
Travel	1,806	893
Motor vehicles	1,581	1,374
Marketing and public relations	650	3,158
Other	3,509	3,099
Total	51,661	40,704

Accounting Policy – Distinction between grants and procurement

For a transaction to be classified as supplies and services, the value of goods or services received by the department must be of approximately equal value to the value of the consideration exchanged for those goods or services. Where this is not the substance of the arrangement, the transaction is classified as a grant in Note B2-3.

Office accommodation

Payments for non-specialised commercial office accommodation under the Queensland Government Accommodation Office (QGAO) framework arise from non-lease arrangements with the Department of Energy and Public Works (DEPW), who has substantive substitution rights over the assets used within this scheme. Payments are expensed as incurred and categorised within accommodation costs.

B2-3 GRANTS AND SUBSIDIES

	2023	* Restated
	\$'000	2022
		\$'000
Grants		
Queensland and local government	50,484	27,619
Industry attraction	21,865	57,645
Assets donated - Infrastructure	1,210	-
Contributions - subsidies	900	450
Total	74,459	85,714

* Refer to note G6

Accounting policy – Grants and subsidies

Grants and contributions are recognised in accordance with the relevant funding agreement between the department and the recipient and are non-reciprocal. Grants are treated as an expense when the recipient can control the use of the resources or when the department's obligation for a transfer arises at that time.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

B2-4 OTHER EXPENSES

	2023	2022
	\$'000	\$'000
Losses from disposal of property, plant and equipment	753	318
Insurance premiums - QGIF	527	490
Land access payments	390	-
Queensland Audit Office - external audit fees for the audit of the financial statement	279	247
Special payments	-	253
Goods received below fair value	50	638
Other expenses	326	162
Total	2,325	2,108

Audit fees

Total audit fees quoted by the Queensland Audit Office relating to the 2022-23 financial statements are \$0.275 million (2022: \$0.247 million).

Losses of public property

Certain losses of public property are insured with the Queensland Government Insurance Fund (QGIF). The claims made in respect of these losses have yet to be assessed by QGIF and the amount recoverable cannot be estimated reliably at reporting date. Upon notification by QGIF of the acceptance of the claims, revenue will be recognised for the agreed settlement amount and disclosed as 'Other revenue - Insurance compensation from loss of property'. Under the QGIF, the department would be able to claim back the amounts paid for claims, less \$10,000 deduction.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

SECTION 3
NOTES ABOUT OUR FINANCIAL POSITION

C1 CASH AND CASH EQUIVALENTS

	2023	2022
	\$'000	\$'000
Cash at bank	37,740	29,356
Agency funds held in trust*	4,623	94,159
Total	42,363	123,515

* The department controls cash for the Rookwood Weir project as it is acting as the principal in the delivery of Weir construction.

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked at 30 June as well as deposits at call with financial institutions.

C2 RECEIVABLES

	2023	2022
	\$'000	\$'000
Current		
Trade debtors	4,591	2,699
Accrued revenue	480	74
	5,071	2,773
Less: Allowance for impairment loss	(467)	(456)
	4,604	2,317
Annual leave claim receivable	1,659	1,344
GST input tax receivable	1,348	908
Long service leave receivable	406	375
Other receivables	43	5
Total current receivables	8,060	4,949
Non-Current		
Trade debtors	526	654
Total non-current receivables	526	654
Total	8,586	5,603

Accounting Policy – Receivables

Receivables are measured at amortised cost which approximates their fair value at reporting date. Trade debtors are recognised at the amounts due at the time of sale or service delivery, i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

Disclosure - Receivables

The closing balance of receivables arising from contracts with customers at 30 June 2023 is \$0.858 million (2022: \$1.589 million).

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

C2-1 IMPAIRMENT OF RECEIVABLES

Accounting Policy – Impairment of Receivables

The loss allowance reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information, including forecast economic changes expected to impact the department's debtors, along with relevant industry and statistical data, where applicable.

Receivables from Queensland Government agencies or Australian Government agencies have no loss allowance recorded on the basis of materiality. Refer to Note D2-2 for the department's credit risk management policies.

Where the department has no reasonable expectation of recovering an amount owed, the amount owed is written off by directly reducing the receivable against the loss allowance. This occurs when the department determines that an amount owing to the department has become uncollectible (after an appropriate range of debt recovery actions). If the amount written off exceeds the loss allowance, the excess is recognised as an impairment loss.

Disclosure - Credit Risk Exposure of Receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. No collateral is held as security and there are no other credit enhancements relating to the department's receivables.

The department has determined that groupings used for measuring expected credit losses (both controlled and administered) are in line with the department's major revenue streams. The revenue streams are water sales revenue and other departmental revenue.

For the water sales revenue, the department uses a provision matrix to measure the expected credit losses on water billing debtors. The calculations reflect historical observed default rates based on credit losses experienced on past sales transactions during the last five years preceding 30 June 2023 for each ageing band. Actual credit losses over the five years preceding 30 June 2023 have been correlated against reasonable and supportable forward-looking changes in environmental factors and based on those results, the historical default rates are adjusted in line with expected changes to that indicator.

As the department has very few other departmental revenue transactions, receivables for this revenue stream are assessed individually to measure the expected credit losses. Amounts outstanding are assessed for probability of default and loss given default. The probability of default incorporates historical observed default rates for each debtor. In addition, reasonable and supportable forward-looking information for expected economic changes that affect the future recovery of receivables have been considered.

Set out below is the credit risk exposure on the department's trade debtors broken down by revenue streams and by ageing band.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

C2-1 IMPAIRMENT OF RECEIVABLES (continued)

Impairment – Departmental revenue

Ageing	2023			2022		
	Gross receivables	Loss rate	Expected credit losses	Gross receivables	Loss rate	Expected credit losses
	\$'000	%	\$'000	\$'000	%	\$'000
Current	1,080	-	-	2,861	0.91	13
1 to 30 days overdue	63	3.22	5	-	-	-
31 to 60 days overdue	-	-	-	5	14.78	1
61 to 90 days overdue	-	-	-	71	39.65	27
91 to 270 days overdue	-	-	-	-	-	-
>270 days	462	100.00	462	415	100.00	415
Total	1,605		467	3,352		456

Disclosure – Movement in loss allowance for trade debtors

	2023 \$'000	2022 \$'000
Loss allowance as at 1 July	456	35
Increase/(decrease) in allowance recognised in operating result	11	123
Amounts written off during the year	-	298
Loss allowance as at 30 June	467	456

C3 OTHER CURRENT ASSETS

	2023 \$'000	*Restated 2022 \$'000
Advances	20,950	17,440
Inventories	1,823	1,254
Prepayments	460	834
Total	23,233	19,528

* Refer to note G6

Accounting Policy – Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is assigned on a weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition, except for training costs which are expensed as incurred.

Disclosure – Advances

Sunwater Limited ("Sunwater") is the lead agent of the Rookwood Weir project. Advances include unspent funding provided to the lead agent for the Rookwood Weir project as at 30 June 2023.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

C4 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE

C4-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

	Land \$'000	Buildings \$'000	Infrastructure \$'000	Plant and Equipment \$'000	**Restated Work in Progress \$'000	**Restated Total \$'000
30 June 2023						
Gross	5,598	28,375	28,699	11,889	272,134	346,695
Less: Accumulated depreciation	-	(11,978)	(15,723)	(6,188)	-	(33,889)
Less: Accumulated impairment losses	-	-	(39)	-	-	(39)
Carrying amount at 30 June 2023	5,598	16,397	12,937	5,701	272,134	312,767

Represented by movements in carrying amount

Carrying amount at 1 July	6,091	15,540	8,832	4,816	166,992	202,271
Acquisitions	-	-	-	867	108,016	108,883
Disposals	(100)	(1,151)	(69)	(18)	-	(1,338)
Grant to other Government department	-	-	-	-	(1,210)	(1,210)
Transfer between classes	-	-	349	1,315	(1,664)	-
Net revaluation increments in revaluation surplus	(393)	2,861	5,099	-	-	7,567
Depreciation	-	(853)	(1,274)	(1,279)	-	(3,406)
Carrying amount at 30 June 2023	5,598	16,397	12,937	5,701	272,134	312,767

	Land \$'000	Buildings \$'000	Infrastructure \$'000	Plant and Equipment \$'000	**Restated Work in Progress \$'000	**Restated Total \$'000
30 June 2022						
Gross	6,091	30,521	16,134	11,054	166,992	230,792
Less: Accumulated depreciation	-	(14,981)	(7,263)	(6,238)	-	(28,482)
Less: Accumulated impairment losses	-	-	(39)	-	-	(39)
Carrying amount at 30 June 2022	6,091	15,540	8,832	4,816	166,992	202,272

Represented by movements in carrying amount

Carrying amount at 1 July	4,801	12,040	9,657	5,390	68,213	100,101
Acquisitions	899	573	69	416	99,380	101,337
Disposals	-	(612)	-	(318)	-	(930)
Transfer between classes	-	63	-	496	(601)	(42)
Adjustment to Water balances	(39)	-	-	-	-	(39)
Net revaluation increments in operating result	-	13	-	-	-	13
Net revaluation increments in revaluation surplus	430	4,042	-	-	-	4,472
Depreciation	-	(579)	(894)	(1,168)	-	(2,641)
Carrying amount at 30 June 2022	6,091	15,540	8,832	4,816	166,992	202,272

* The department has a contractual arrangement with a lead agent, who has responsibility to ensure decisions made are in line with the agreed project plan and milestones in relation to construction of the Rookwood Weir Project.

** Refer to note G6

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

C4-2 RECOGNITION AND ACQUISITION

Recognition thresholds for Property, Plant and Equipment

Items of property, plant and equipment with a historical cost or other value equal to or in excess of the following thresholds in the year of acquisition are reported as property, plant, and equipment in the following classes:

Buildings (including land improvements)	\$10,000
Infrastructure	\$10,000
Land	\$1
Plant and equipment	\$ 5,000

Items with a lesser value are expensed in the year of acquisition.

Land improvements undertaken by the department are included with buildings or infrastructure based on the proximity of the asset to which they relate.

Acquisition of assets

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for the department. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

Historical cost is used for the initial recording of all property, plant, and equipment acquisitions. Historical cost is determined as the value given as consideration and costs incidental to the acquisition, plus all other costs incurred in getting the assets ready for use.

Where assets are received free of charge from another Queensland Government entity (whether as a result of a MoG change or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the other entity immediately prior to the transfer.

Capital work in progress: Work in progress is recognised at cost. All costs relating to items of property, plant and equipment constructed in-house are recorded as work in progress until completion of the project using all direct and indirect costs, where the latter are reliably attributable. Work in progress performed under external contracts is recorded using the invoice amount supplied by the vendor.

C4-3 DEPRECIATION EXPENSE

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

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

Key judgement: Straight line depreciation is used as that is consistent with the even consumption of service potential of these assets over their useful life to the department.

Assets under construction (work in progress) are not depreciated until construction is completed and the asset is put to use or is ready for its intended use, whichever is earlier. These assets are then reclassified to the relevant class within 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.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

C4-3 DEPRECIATION EXPENSE (continued)

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

For the department's depreciable assets, the estimated amount to be received on disposal at the end of their useful life (residual value) is determined to be zero.

Key Estimate: Depreciation rates are assessed annually, and the following useful life ranges are used for each class of depreciable assets:

Physical asset class	Useful life
Buildings	15 – 67 years
Infrastructure	15 – 120 years
Plant and equipment	5 – 20 years

C4-4 MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT

Plant and equipment is measured at historical cost in accordance with Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*. The carrying amounts for such assets are not materially different from their fair value.

Land, buildings and infrastructure assets are measured at fair value as required by Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses where applicable.

The cost of items acquired during the financial year has been judged to materially represent their fair value at the end of the reporting period.

Comprehensive revaluations

The department comprehensively values its land and building annually. Infrastructure assets are assessed using a rolling revaluation program which ensures all material assets are valued by independent professional valuers at least once every three years.

The fair values reported by the department are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs. Materiality is considered in determining whether the difference between the carrying amount and the fair value of an asset is material (in which case a revaluation is warranted). Refer Note D1-2.

Where assets have not been specifically appraised through onsite inspections, their previous valuations are kept up to date via the application of online desktop valuations.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

C4-4 MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT (continued)

Accounting for Changes in Fair Value

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

The department's building and infrastructure assets are revalued using a current replacement cost valuation approach. Revaluations are recorded using the 'gross method' meaning accumulated depreciation is adjusted to equal the difference between the gross amount and the carrying amount, after considering accumulated impairment losses.

C4-5 IMPAIRMENT

All non-current physical assets are assessed for indicators of impairment on an annual basis or, where the asset is measured at fair value, for indicators of a change in fair value/service potential since the last valuation was completed. Where indicators of a material change in fair value or service potential since the last valuation arise, the asset is revalued at the reporting date under AASB 13 *Fair Value Measurement*. If an indicator of possible impairment exists, the department determines the asset's recoverable amount under AASB 136 *Impairment of Assets*.

C5 PAYABLES

		2023 \$'000	2022 \$'000
Deferred appropriation/equity payable to the Consolidated Fund	B1-1	57,509	30,961
Equity injection payable to the Consolidated Fund	C8-2	6,384	-
Trade creditors		4,154	1,470
Grants and subsidies payable		772	2,681
Other		1,245	2,838
Total		70,064	37,950

Accounting Policy - Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured.

C6 ACCRUED EMPLOYEE BENEFITS

		2023 \$'000	2022 \$'000
Annual leave levy payable		2,105	1,740
Long service leave levy payable		455	395
Total		2,560	2,135

Accounting policy – Accrued employee benefits

No provision for annual leave or long service leave is recognised in the department's financial statements as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

C7 OTHER LIABILITIES

	2023	2022
	\$'000	\$'000
Current		
Accrued expenses	3,552	-
Deposits held	4,502	-
Unearned revenue	1,604	1,066
Other current liabilities	253	253
Total current liabilities	9,911	1,319
Non-Current		
Accrued expenses	-	3,051
Deposits held	-	4,502
Total non-current liabilities	-	7,553
Total	9,911	8,872

Disclosure – Accrued expenses

Accrued expenses include water allocation sales and marketing expenditure in respect of Rookwood Weir project, which is payable upon the wet commissioning of the weir.

Disclosure – Unearned revenue

The Office of Ground Water Impact Assessment (OGIA) functions are funded by a levy on relevant resource tenure holders in line with the *Water Act 2000*. The prescribed levy is calculated in accordance with the Water Regulation 2016 and revenue is deferred in line with expenditure for the year.

Disclosure – Deposits held

Deposits held were monies received from customers for the future sale of water allocation in respect of Rookwood Weir, which are to be assessed and granted in line with the *Water Act 2000* upon successful commissioning and completion of the Rookwood Weir project.

C8 EQUITY

C8-1 CONTRIBUTED EQUITY

Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* specifies the principles for recognising contributed equity by the department. The following items are recognised as contributed equity by the department during the reporting and comparative years:

- Appropriations for equity adjustments (refer Note C8-2).

C8-2 APPROPRIATIONS RECOGNISED IN EQUITY

	2023	2022
	\$'000	\$'000
Reconciliation of payments from Consolidated Fund to Equity Adjustment		
Budgeted equity adjustment appropriation	18,100	140,000
Treasurer's transfer	27,250	6,910
Appropriated equity injections/(withdrawals)	45,350	146,910
Less: Closing balance of equity adjustment payable	C5 (6,384)	-
Equity adjustment recognised in Contributed Equity	38,966	146,910

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

SECTION 4
NOTES ABOUT RISKS AND OTHER ACCOUNTING UNCERTAINTIES

D1 FAIR VALUE MEASUREMENT

D1-1 ACCOUNTING POLICIES AND INPUTS FOR FAIR VALUES

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

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the department in relation to non-financial assets include, but are not limited to, published sales data for land and general office buildings.

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

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use.

Fair Value Measurement Hierarchy

All assets and liabilities of the department for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

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

None of the department's valuations of assets or liabilities are eligible for categorisation into level 1 or level 2 of the fair value hierarchy.

D1-2 BASIS FOR FAIR VALUE MEASUREMENT

The basis for fair value measurement applies to assets controlled and administered by the department as at 30 June 2023.

Land

The department engaged Australis to undertake comprehensive revaluations on 100% of the total land assets effective 30 June 2023 of which 59% was revalued through on-site inspections and the remaining assets through desktop assessment. The valuation approach was market-based assessment. Australis used publicly available data on sales of similar land in nearby localities in the twelve months prior to the date of the revaluation. Adjustments were made to the sales data to take into account the location, size, street/road frontage and access, and any significant restriction for each individual land parcel. Management have assessed and accepted the revaluation as reasonable.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

D1-2 BASIS FOR FAIR VALUE MEASUREMENT (continued)

Buildings

The department engaged Australis to undertake comprehensive revaluations on 100% of the total building assets effective 30 June 2023 of which 66% was revalued through on-site inspections and the remaining assets through desktop assessment. Building assets are revalued using current replacement cost substantially derived from unobservable inputs (level 3), due to non-availability of an active market for such facilities. Internal records of the original cost are adjusted for contemporary technology and construction approaches. Significant judgement is also used to assess the remaining service potential of the facility, given local climatic and environmental conditions, projected usage, and records of the current condition of the facility.

Infrastructure

The department engaged Australis to undertake comprehensive revaluations on 100% of the total infrastructure assets effective 30 June 2023 of which 13% was revalued through on-site inspections due to inclement weather restricting access to remote locations and the remaining assets through desktop assessment. Infrastructure assets are revalued using current replacement cost substantially derived from unobservable inputs (level 3), due to non-availability of an active market for such facilities. Internal records of the original cost are adjusted for contemporary technology and construction approaches. Significant judgement is also used to assess the remaining service potential of the facility, given local climatic and environmental conditions, projected usage, and records of the current condition of the facility.

D1-3 CATEGORISATION OF ASSETS MEASURED AT FAIR VALUE

All land, building and infrastructure assets held or administered by the department are categorised as level 3 in the fair value hierarchy. There were no transfers of assets between fair value hierarchy levels during the period.

D2 FINANCIAL RISK DISCLOSURES

D2-1 FINANCIAL INSTRUMENTS CATEGORIES

Financial assets and financial liabilities are recognised in the statement of financial position when the department becomes party to the contractual provisions of the financial instrument. The department has the following categories of financial assets and financial liabilities:

CONTROLLED

	Notes	2023 \$'000	2022 \$'000
Financial assets			
Cash and cash equivalents	C1	42,363	123,515
Receivables at amortised cost	C2	6,521	3,884
Total		48,884	127,399
Financial liabilities			
Payables at amortised cost	C5	70,064	37,950
Other liabilities	C7	8,307	7,806
Total		78,371	45,756

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

D2-2 FINANCIAL RISK MANAGEMENT

Risk Exposure

Financial risk management is implemented pursuant to Government and departmental policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the department. All financial risk is managed under approved departmental financial management policies.

The department utilises written principles for overall risk management, as well as policies covering specific areas. The department measures risk exposure using a variety of methods as follows:

Risk Exposure	Definition	Exposure
Credit risk	Credit risk exposure refers to the situation where the department may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	The department is exposed to credit risk in respect of its receivables in Note C2.
Liquidity risk	Liquidity risk refers to the situation where the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	The department is exposed to liquidity risk in respect of its payables in Note C5.
Market risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.	The department is not materially exposed to changes in commodity prices, foreign currency or other price risk.

Risk measurement and management strategies

The department measures risk exposure using a variety of methods as follows:

Risk Exposure	Measurement method	Risk management strategies
Credit risk	Ageing analysis	The department manages credit risk through the use of a credit management policy articulated in the department's Financial and Management Practice Manual. This policy aims to reduce the exposure to credit default by ensuring that the department invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.
Liquidity risk	Sensitivity analysis	The department manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the department has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.
Market risk	Interest rate sensitivity analysis	The department does not undertake any hedging in relation to interest risk and manages its risk as per the department's liquidity risk management strategy articulated in the department's Financial Management Practice Manual.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

D2-3 CREDIT RISK DISCLOSURES

Credit risk management practices

The department considers financial assets that are over 30 days past due to have significantly increased in credit risk and measures the loss allowance of such assets at lifetime expected credit losses instead of 12-month expected credit losses. The exception is trade receivables (Note C2-1) for which the loss allowance is always measured at lifetime expected credit losses.

Receivables from other Queensland Government agencies and Australian Government agencies are considered to have low credit risk. The department assumes that credit risk has not increased significantly for these low credit risk assets.

The department typically considers a financial asset to be in default when it becomes 90 days past due. However, a financial asset can be in default before that point if information indicates that the department is unlikely to receive the outstanding amounts in full. The department assessment of default does not take into account any collateral or other credit enhancements.

The write-off policy is disclosed in Note C2-1.

Credit risk exposure

Credit risk exposure relating to receivables is disclosed in Note C2-1.

D2-4 LIQUIDITY RISK – CONTRACTUAL MATURITY OF FINANCIAL LIABILITIES

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

Financial liabilities

	2023 Payable in			Total \$'000
	< 1year \$'000	1-5 years \$'000	> 5 years \$'000	
Payables at amortised cost	70,064	-	-	70,064
Other liabilities	8,307	-	-	8,307
	78,371	-	-	78,371

	2022 Payable in			Total \$'000
	< 1year \$'000	1-5 years \$'000	> 5 years \$'000	
Payables at amortised cost	37,950	-	-	37,950
Other liabilities	253	7,553	-	7,806
	38,203	7,553	-	45,756

D3 CONTINGENCIES

Contingent assets

Guarantees and undertakings

The department holds bank guarantees and refundable cash bonds in relation to Dam Land Management for financial security against non-conformance of contracts. The total value of bank guarantees held as at 30 June 2023 is \$0.292 million (2022: \$0.324 million).

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

D3 CONTINGENCIES (continued)

Key judgement: No contract performance breaches have occurred, and the department does not expect that the guarantees will be called upon. Consequently, the probability of default is considered remote and no provision for losses has been recognised in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Land agreements

The department and Sunwater share an 8.827 hectare site at Rocklea. Various agreements have been entered into with Sunwater since 2001 regarding the future use and disposal of surplus land. A Deed of Variation to these agreements in 2009 established that, upon subdivision and sale of surplus land a freehold portion is to be transferred to the department at no cost and proceeds arising from the sale of the surplus land are to go to Sunwater. The sale of surplus land is subject to various approvals from Brisbane City Council, leading to uncertainty about the timing of the sale and therefore the time at which the department would receive freehold title. For these reasons, it is not possible to provide a reliable estimate of the value of the land at balance date.

Contingent liabilities

Future transfer of Rookwood Weir ownership

The Operations Agreement between the State of Queensland, as represented by the department, and Sunwater provides for the transfer of Rookwood Weir ownership to Sunwater at fair value. This is scheduled to occur within five years subsequent to the completion of the weir with the option for an earlier transfer upon the State giving Sunwater six months' notice after the completion of the weir.

D4 COMMITMENTS

	2023	2022
	\$'000	\$'000
Capital expenditure commitments		
Commitments for capital expenditure at reporting date (inclusive of non-recoverable GST input tax credits) are payable:		
Not later than one year	1,321	24,200
Total	1,321	24,200

D5 EVENTS AFTER THE BALANCE DATE

To the date of management signing the Financial Statements, no events have occurred subsequent to balance date that would materially impact on these financial statements or would require disclosure under AASB 110 *Events after the Reporting Period*.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

SECTION 5
NOTES ABOUT OUR PERFORMANCE COMPARED TO BUDGET

E1 BUDGETARY REPORTING DISCLOSURES

This section contains explanations of major variances between the department's actual 2022–23 financial results and the original budget presented to Parliament.

E1-1 EXPLANATION OF MAJOR VARIANCES – STATEMENT OF COMPREHENSIVE INCOME

- Appropriation revenue:* Appropriation revenue for 2022-23 is \$62.545 million less than budget for a number of reasons. The majority of the variance (\$62.021 million) is due to changes in program scheduling for Made in Queensland (\$28.175 million), Building our Regions (\$18.687 million), the Manufacturing Hubs Grant Program (\$12.721 million) and the Commonwealth funded Murray-Darling Basin Communities Investment Package (\$6.443 million). These reductions were partly offset by additional funding for the Improving Great Artesian Basin Drought Resilience Program (\$4.005 million), a jointly funded initiative with the Australian Government.
- Grants and contributions:* Grants and contributions for 2022-23 is \$7.925 million greater than budget. The variance is predominantly related to various grants and contributions, which were not originally budgeted for, including contributions for the Foleyvale Bridge upgrade being undertaken as part of Rookwood Weir (\$6 million from Department of Transport and Main Roads) and the Great Artesian Basin Industry Partnership Program (\$1 million).
- Other revenue:* Other revenue for 2022-23 is \$3.602 million greater than budget due to recovery of project costs from Gladstone Area Water Board (GAWB) following the transition of projects from Building Queensland (\$1.8 million) and interest-earned in association with the Rookwood Weir project (\$1.044 million).
- Supplies and services:* Supplies and services for 2022-23 is \$12.378 million underspent due to program scheduling changes for the Commonwealth funded Murray-Darling Basin Communities Investment Package (\$5.080 million) and the Manufacturing Hubs Grant Program (\$9.879 million) (noting the latter was incorrectly budgeted to supplies and services instead of grants and subsidies). These reductions were partly offset by costs incurred in relation to projects transitioned from Building Queensland that were recoverable from GAWB.
- Grants and subsidies:* Grants and subsidies for 2022-23 is \$39.772 million less than budget due to program scheduling changes for Made in Queensland (\$28.389 million) and Building our Regions (\$18.687 million), offset by increased expenditure for improvements to community infrastructure assets as part of the Rookwood Weir project (\$9.196 million).

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

E1-2 EXPLANATION OF MAJOR VARIANCES – STATEMENT OF FINANCIAL POSITION

<i>Cash and cash equivalents:</i>	The variance for cash and cash equivalents (\$34.956 million) is mainly due to increases in payables (\$53.419 million) and a reduction in receivables (\$3.724 million) offset by increased payments made in relation to other current assets (\$21.340 million).
<i>Receivables:</i>	The variance for receivables (\$3.724 million) is primarily due to lower than anticipated input tax credit receivables at 30 June 2023.
<i>Other current assets:</i>	The variance for other current assets (\$21.34 million) primarily relates to funds associated with the Rookwood Weir project. Funds are paid in advance to the lead agent (Sunwater) under a contractual relationship (\$20.949 million).
<i>Property, plant and equipment:</i>	The department's total property, plant and equipment balance is lower than budgeted (\$30.672 million) largely due to a reduction in prior year expenditure recognised as capital WIP as reported in Note G6 (\$30.577 million).
<i>Intangible assets:</i>	The variance for intangible assets (\$5.202 million) is due to the recognition of internally generated software for work undertaken on the Water IQ suite of programs as part of the Rural Water Futures program.
<i>Payables:</i>	The variance for payables (\$53.419 million) is primarily related to unbudgeted appropriation payable of \$57.569 million.
<i>Other current liabilities:</i>	The variance for other current liabilities (\$9.242 million) is primarily related to Rookwood Weir deposits held for water allocations and marketing expenses payable in relation to early water allocation sales.

E1-3 EXPLANATION OF MAJOR VARIANCES – STATEMENT OF CASH FLOWS

<i>Appropriation receipts:</i>	The decrease in cash inflows for appropriation receipts is mainly due to program scheduling changes as outlined in the explanations of major variances for the statement of comprehensive income offset by increased appropriation received for the Mount Morgan Pipeline project (\$18.15 million) that was on hand at 30 June 2023.
<i>Grants and contributions:</i>	The increase to cash inflows for grants and contributions (\$5.722 million) has resulted from unbudgeted receipts as outlined in the explanations of major variances for the statement of comprehensive income.
<i>Supplies and services:</i>	The decrease to cash outflows for supplies and services (\$13.619 million) is mainly due to program scheduling changes as outlined in the explanations of major variances for the statement of comprehensive income.
<i>Grants and subsidies:</i>	The decrease to cash outflows for grants and subsidies (\$35.564 million) is mainly due to program scheduling changes as outlined in the explanations of major variances for the statement of comprehensive income.
<i>Payments for property, plant, and equipment:</i>	The decrease in cash outflows for property, plant and equipment (\$9.318 million) are due to changes made in the value of WIP infrastructure recognised as noted at G6.
<i>Payment to intangible:</i>	The increase in cash outflows for intangible assets (\$5.028 million) is due to the recognition of internally generated software for work undertaken on the Water IQ suite of programs as part of the Rural Water Futures program.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

E1-3 EXPLANATION OF MAJOR VARIANCES – STATEMENT OF CASH FLOWS (continued)

Loans and advances made: The decrease for cash inflows for loans and advances (\$101.699 million) is due to the restatement reported in 2021-22 financial statements (A1-3) to reclassify cash advances for the Rookwood Weir project as cash. This change was made after the 2022-23 Budget was finalised.

Appropriated equity injections: The increase in cash inflows for appropriated equity injections is principally due to funding received to assist Seqwater in the construction of the Toowoomba to Warwick Pipeline (\$20 million) and the balance of funding for Rookwood Weir (\$7.25 million).

Non-appropriated equity withdrawals: The increase in cash outflows for non-appropriated equity withdrawals is principally due to funding provided to Seqwater to assist in the construction of the Toowoomba to Warwick Pipeline (\$20 million).

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

SECTION 6
WHAT WE LOOK AFTER ON BEHALF OF WHOLE-OF-GOVERNMENT AND THIRD PARTIES

F1 ADMINISTERED ITEMS

The department administers, but does not control, certain activities on behalf of the government. In doing so, it has responsibility for administering those activities (and related transactions and balances) efficiently and effectively but does not have the discretion to deploy those resources for the achievement of the department's own objectives.

Accounting policies applicable to administered items are consistent with the equivalent policies for controlled items, unless stated otherwise.

F1-1 SCHEDULE OF ADMINISTERED REVENUE AND EXPENSES

	Notes	Community Service Obligations		Water Regulated Fees		Other Water Resource Management		Total	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Income from operations									
Appropriation revenue		25,175	33,960	-	-	76,027	-	101,202	33,960
User charges and fees		-	-	8,578	6,335	-	-	8,578	6,335
Riverine quarry material royalties		-	-	1,218	1,231	-	-	1,218	1,231
Other revenue		-	-	40	8	-	-	40	8
Total income from operations		25,175	33,960	9,836	7,574	76,027	-	111,038	41,534
Expenses									
Grants and subsidies		25,089	33,960	-	-	75,875	-	100,964	33,960
Transfer of administered income to government		-	-	8,770	6,944	-	-	8,770	6,944
Fees waived		-	-	649	-	-	-	649	-
Administration fees		-	-	400	599	152	-	552	599
Impairment losses	F1-4	-	-	(6)	(62)	365	-	359	(62)
Depreciation	F1-4	-	-	-	373	228	-	228	373
Revaluation decrement		-	-	-	-	419	-	419	-
Other expenses		86	-	23	93	-	-	109	93
Total expenses from operations		25,175	33,960	9,836	7,947	77,039	-	112,050	41,907
Net operating result for the year		-	-	-	(373)	(1,012)	-	(1,012)	(373)

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

F1-2 RECONCILIATION OF PAYMENTS FROM CONSOLIDATED FUND

Reconciliation of Payments from Consolidated Fund to Administered appropriated revenue recognised in operating result

	2023	2022
	\$'000	\$'000
Budgeted administered appropriation revenue	44,357	37,205
Treasurer's transfers	8,747	(369)
Unforeseen expenditure*	70,250	-
Lapsed appropriation	-	(7,815)
Total administered receipts	123,354	29,021
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	1,819	6,758
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(23,971)	(1,819)
Administered appropriation revenue recognised in schedule of administered revenue and expense	101,202	33,960
This is represented by grants and contributions to:		
Grants and contributions to Statutory Authorities	100,964	33,960
Supplies and services	238	-
Total grants and contributions	101,202	33,960

* Unforeseen expenditure related to \$55 water bill discount for eligible South East Queensland households

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

F1-3 SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

		Community Service Obligations		Water Regulated Fees		Other Water Resource Management		Total	
	Notes	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current Assets									
Cash and cash equivalents		12,992	10,056	(147)	(411)	56,040	-	68,884	9,645
Receivables		-	3	3,793	1,499	-	-	3,793	1,502
Total current assets		12,992	10,059	3,646	1,088	56,040	-	72,677	11,147
Non-Current Assets									
Receivables		-	-	511	654	-	-	511	654
Property, plant and equipment		-	-	-	-	214,481	201,225	214,481	201,225
Total non-current Assets		-	-	511	654	214,481	201,225	214,992	201,879
Total assets		12,992	10,059	4,157	1,742	270,521	201,225	287,669	213,026
Current Liabilities									
Payables		7,146	8,240	-	-	22,028	-	29,173	8,240
Payables to government		5,846	1,819	4,157	691	18,125	-	28,128	2,510
Other current liabilities		-	-	-	284	-	-	-	284
Total Current Liabilities		12,992	10,059	4,157	975	40,153	-	57,301	11,034
Total Liabilities		12,992	10,059	4,157	975	40,153	-	57,301	11,034
Net administered Assets		-	-	-	767	230,368	201,225	230,368	201,992

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

F1-4 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE

CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

	Land		Buildings		Infrastructure		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross	208,697	194,429	14,602	14,630	122	117	223,422	209,176
Less: Accumulated depreciation	-	-	(8,558)	(7,948)	(19)	(3)	(8,576)	(7,951)
Less: Accumulated impairment loss	-	-	(365)	-	-	-	(365)	-
Carry amount at 30 June	208,697	194,429	5,680	6,682	104	114	214,481	201,225
Carrying amount at 1 July	194,429	160,335	6,682	7,147	114	116	201,225	167,598
Net revaluation decrements in operating surplus	-	-	(411)	-	(9)	-	(419)	-
Net revaluation increments in revaluation surplus	14,268	34,094	-	(94)	-	-	14,268	34,000
Impairment loss recognised in operating surplus	-	-	(365)	-	-	-	(365)	-
Depreciation	-	-	(227)	(371)	(1)	(2)	(228)	(373)
Carry amount at 30 June	208,697	194,429	5,680	6,682	104	114	214,481	201,225

The accounting policies for administered property, plant and equipment are consistent with those used for assets held by the department (refer to Note C4).

The department administered land is held for future dam site water management and flood mitigation.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

F1-5 ADMINISTERED ACTIVITIES – BUDGET TO ACTUAL COMPARISON AND VARIANCE ANALYSIS

Original budget to actual comparison and variance analysis

	2023	2023	2023
	Actual	Original	Variance
	\$'000	Budget	\$'000
		\$'000	\$'000
Revenue			
Appropriation revenue	101,202	44,357	56,845
User charges and fees	8,578	6,812	1,766
Riverine quarry material royalties	1,218	-	1,218
Other revenue	40	-	40
Total revenue	111,038	51,169	59,869
Expenses			
Grants and subsidies	100,964	44,357	56,607
Fees waived	649	-	649
Administration fees	552	-	552
Impairment losses	359	-	359
Depreciation	228	-	228
Revaluation decrement	419	-	419
Other expenses	109	-	109
Total Expenses	103,280	44,357	58,923
Net operating result before transfers to government	7,758	6,812	946
Transfers of administered revenue to government	8,770	6,812	1,958
Operating result	(1,012)	-	(1,012)
ASSETS AND LIABILITIES			
Current assets			
Cash and cash equivalents	68,884	6,663	62,221
Receivables	3,793	583	3,210
Total current assets	72,677	7,246	65,431
Non-current assets			
Receivables	511	716	(205)
Property, plant and equipment	214,481	167,598	46,883
Total non-current assets	214,992	168,314	46,678
Total assets	287,669	175,560	112,109
Current liabilities			
Payables	29,173	4,567	24,606
Payables to government	28,128	2,477	25,651
Other current liabilities	-	151	(151)
Total current liabilities	57,301	7,195	50,106
Total liabilities	57,301	7,195	50,106
Net assets	230,368	168,365	62,003

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

F1-5 ADMINISTERED ACTIVITIES – BUDGET TO ACTUAL COMPARISON AND VARIANCE ANALYSIS (continued)

Notes explaining major variances for administered activities

<i>Administered appropriation revenue:</i>	The actual appropriation revenue is \$56.846 million greater than the budgeted figure. This is due to unbudgeted payments for SEQ water bill discounts totalling \$67.723 million offset by lower than anticipated community service obligation payments for the Water for Horticulture program (\$10.853 million).
<i>Administered user charges and fee:</i>	The actual user charges and fees is \$1.766 million greater than the budgeted figure. This is primarily due to additional revenue collected for unallocated water releases in the Dawson Valley Water Management Area and GABORA Western Queensland (\$1.848 million).
<i>Administered riverine quarry material royalties:</i>	The actual riverine quarry material royalties is \$1.218 million, which were unbudgeted.
<i>Administered grants and subsidies:</i>	The actual grants and subsidies is \$56.607 million greater than the budgeted figure. This is due to unbudgeted payments for SEQ water bill discounts totalling \$67.723 million offset by lower than anticipated community service obligation payments for the Water for Horticulture program (\$10.853 million).
<i>Administered cash and cash equivalents:</i>	Cash is greater than expected due to the unbudgeted SEQ water bill discounts, revenue payable to government for Riverine quarry material royalties, unrequired community service obligation payments for Water for Horticulture and cash settled between government entities as a result of MoG.
<i>Administered property, plant and equipment:</i>	The actual property, plant and equipment is \$46.883 million more than budgeted. This is mainly due to net revaluation increments not being budgeted for.
<i>Administered payables:</i>	The actual payables are \$24.606 million more than budgeted. This is primarily due to payables for SEQ water bill discounts of \$21.972 million that were unbudgeted.
<i>Payables to government:</i>	The actual payables to government are \$25.651 million more than budgeted. This is primarily due to appropriation received for SEQ water bill discounts (\$18.125 million) and community service obligation payments for Water for Horticulture (\$5.847 million) that was not required in 2022-23 and will be returned to consolidated fund.

SECTION 7
OTHER INFORMATION

G1 KEY MANAGEMENT PERSONNEL DISCLOSURES

Details of Key Management Personnel (KMP)

The department's responsible Ministers are identified as part of the department's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. The department's responsible Ministers are:

- Minister for Regional Development and Manufacturing
- Minister for Water

The details for non-Ministerial KMP can be found in the department's annual report 2022-23.

KMP Remuneration Policies

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

Remuneration policy for the department's key management personnel is set by the Queensland Public Service Commission as provided for under the *Public Sector Act 2022*. Individual remuneration and other terms of employment (including motor vehicle entitlements) are specified in employment contracts.

Remuneration expenses for key management personnel comprise the following components:

Short term employee expenses which include:

- salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied a key management personnel position;
- non-monetary benefits - consisting of provision of car parking together with fringe benefits tax applicable to the benefit.

Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.

Post-employment expenses include amounts expensed in respect of employer superannuation obligations.

Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

The remuneration package for all KMPs do not provide for any performance or bonus payments.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

G1 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

Remuneration Expenses

The following disclosures focus on the expenses incurred by the department attributable to non-Ministerial KMP during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the Statement of Comprehensive Income.

2022-23 Position	Short-term employee expenses		Long-term employee expenses	Post-employment expenses	Total expenses
	Monetary	Non-monetary			
	\$'000	\$'000	\$'000	\$'000	\$'000
Director-General (01/07/2022 - 24/03/2023)	303	4	8	38	353
Acting Director-General (from 27/03/2023) ¹	106	1	3	11	121
Deputy Director-General - Water (from 01/07/2022 - 24/03/2023)	172	3	4	19	198
Acting Deputy Director-General - Water (from 27/03/2023)	67	1	2	6	76
Deputy Director-General, Regional Economic Development	235	4	6	25	270
Head of Corporate ²	215	3	6	23	247
TOTAL	1,098	16	29	122	1,265

¹ Acting Director-General also fulfilled the role between 15 October 2022 to 25 October 2022, 17 February 2023 to 27 February 2023. Remuneration for these periods is also included in the total.

² Head of Corporate fulfilled the role of acting Deputy Director-General - Water between 15 October 2022 to 25 October 2022. Remuneration for this period is also included in the total.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

G1 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

2021-22 Position	Short-term employee expenses		Long-term employee expenses	Post-employment expenses	Total expenses
	Monetary	Non-monetary			
	\$'000	\$'000	\$'000	\$'000	\$'000
Director-General (from 02/08/2021) ¹	289	5	8	40	342
Deputy Director-General - Water Resource Management (from 01/02/2022)	104	2	3	11	120
Acting Deputy Director-General - Water Resource Management (01/07/2021 – 08/10/2021)	80	2	1	6	89
Deputy Director-General, Regional Economic Development (from 16/05/2022) ²	103	3	2	9	117
Acting Deputy Director-General, Regional Economic Development (30/11/2021 – 13/05/2022)	117	1	3	12	133
Acting Deputy Director-General, Regional Economic Development (02/08/2021 – 26/11/2021) ³	105	2	2	12	121
Head of Corporate (from 25/10/2021)	142	4	4	15	165
Acting Head of Corporate (01/07/2021 – 22/10/2021)	57	2	1	6	66
TOTAL	997	21	24	111	1,153

¹ From 1 to 27 August 2022, Queensland Treasury recognised the salaries and wages.

² During the period 11 October 2021 to 31 January 2022, this KMP fulfilled the role of Acting Deputy Director-General - Water, remuneration of \$80,000 is included in the total for this period.

³ During the period 1 to 30 July 2021, the Acting Deputy Director-General, Regional Economic Development fulfilled the role of Acting Director-General, remuneration of \$32,000 is included in the total for this period.

G2 RELATED PARTY TRANSACTIONS

Transactions with other Queensland Government-controlled entities

The department's primary ongoing sources of funding from the Government for services are appropriation revenue (Note B1-1) and equity injections (Note C8-2), both of which are provided in cash via Queensland Treasury (QT).

The department transacts with various Queensland Government agencies on a fee for service basis which are disclosed under Note B2-2. These include:

- Department of Agriculture and Fisheries for information and communication technology services.
- Department of Energy and Public Works for accommodation services, building and asset services and vehicle services (Q-Fleet).
- Queensland Shared Service for operational services such as accounts receivable, payroll management, taxation and telecommunications.
- Department of Resources processed transactions on behalf of the department for the Water Resource Management Services function (July to September 2022)

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

G2 RELATED PARTY TRANSACTIONS (continued)

Queensland Audit Office (QAO) performs the financial audit of the department (refer to Note B2-4).

The department is a member of the Annual Leave Central Scheme (ALCS) and Long Service Leave Scheme (LSLS) which are administered by QT. Annual leave levy and long service leave levy expense is disclosed in Note B2-1.

The department engaged Sunwater, a government owned corporation, as the lead contractor of the Rookwood Weir project (refer to Note C3). The department also provided grants (refer to Notes B2-3) and payments for community service obligations to Sunwater (refer to Note F1).

The department provided payments for community service obligations to SeqWater, a statutory body (refer to Note F1).

Transactions with related parties are within arm's length on normal commercial terms and conditions.

G3 TAXATION

The department is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the department. GST credits receivable from and GST payable to the Australian Taxation Office are recognised (refer to Note C2).

G4 CLIMATE RISK DISCLOSURE

Whole-of-Government climate-related reporting

The State of Queensland, as the ultimate parent of the Sunshine Department, has published a wide range of information and resources on climate change risks, strategies and actions (<https://www.qld.gov.au/environment/climate/climate-change>) including the following key whole-of-Government publications:

- Climate Action Plan 2020-30 (<https://www.des.qld.gov.au/climateaction>)
- Queensland Energy and Jobs Plan (<https://www.epw.qld.gov.au/energyandjobsplan>)
- Climate Adaptation Strategy (<https://www.qld.gov.au/environment/climate/climate-change/adapting/strategy>)
- Queensland Sustainability Report (<https://www.treasury.qld.gov.au/programs-and-policies/esg/>)

The department's climate-related initiative, "Managing climate change risks to water", resulting from the Queensland Climate Action Plan 2020-2030 are published on the department's website at www.rdmw.qld.gov.au

The Queensland Climate Action Plan 2020-2030 incorporates the whole of Government Queensland Climate Adaptation Strategy which provides a framework for ensuring an innovative and resilient Queensland that manages the risks and harnesses the opportunities for a changing climate.

The Queensland Climate Action Plan 2020-2030 which has three key targets:

- Powering Queensland with 50% renewable energy by 2030
- Zero net emissions by 2050, and
- Least 30% emissions reductions below 2005 levels by 2030

The department maintains a strong risk management focus on climate change and the impacts on the agency. The department addresses the financial statement impacts of climate related risks by identifying and monitoring the accounting judgements and estimates that will potentially be affected, including asset useful lives, fair value of assets, provisions or contingent liabilities and changes to future expenses and revenue.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

G4 CLIMATE RISK DISCLOSURE (continued)

The department has identified its potential material climate related risks relate to the expected credit losses of receivables. For the department, environmental and climate factors, such as droughts and cyclones, affects customers and their ability to pay amounts due to the department. The effect of these risk factors is already accounted for in calculating the impairment of receivables (refer to note C2).

During the 2022-23 financial year, the useful life of the department's buildings, infrastructure and plant and equipment were reviewed and no material adjustments to the carrying value of assets were recognised as a result of climate related risks impacting current accounting estimates and judgments. No other transactions have been recognised during the financial year specifically due to climate related risks impacting the department.

The department continues to monitor the emergence of material climate-related risks that may impact the financial statements of the department, including those arising under the Queensland Government Climate Action Plan 2020-2030 and other Government publications or directives.

G5 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS

Accounting standards applied for the first time

No new accounting standards or interpretations that apply to the department for the first time in 2022-23 had any material impact on the financial statements.

No Australian Accounting Standards have been early adopted for 2022-23.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2023

G6 PRIOR PERIOD ERRORS AND ADJUSTMENTS

In preparation of the 2022-23 financial statements, the department identified expenditure relating to Rookwood Weir incorrectly classified as work in progress (WIP) in the 2021-22 and 2020-21 financial statements. This expenditure should have been reported as capital grants expenditure (Grants and Subsidies). The WIP balance included expenses which related to assets that are built for other entities and are not owned by the department. The value of infrastructure WIP and other current assets impacted by this error in 2021-22 was \$10.578 million (2020-21: \$19.999 million).

Comparative numbers reported in the 2021-22 statement of financial position, and comprehensive income at the beginning of the comparative financial year (1 July 2021) have been restated to correct these errors below for the department. The line items affected are as follows:

		2021	2021	2021	2022	2022	2022
Financial Statement line items affected	Notes	Published Financial Statements \$'000	Correction of error \$'000	Restated actuals \$'000	Published Financial Statements \$'000	Correction of error \$'000	Restated actuals \$'000
Statement of financial position (extract)							
Current assets							
Other current assets	C3	20,981	-	20,981	19,708	(180)	19,528
Total current assets		109,397	-	109,397	148,172	(180)	147,992
Non-current assets							
Property, plant and equipment	C4	120,100	(19,999)	100,101	232,668	(30,397)	202,272
Total non-current assets		121,752	(19,999)	101,753	235,280	(30,397)	204,883
Total assets		231,149	(19,999)	211,150	383,452	(30,577)	352,875
Net assets		186,848	(19,999)	166,849	334,495	(30,577)	303,919
Equity							
Contributed equity		684,659	-	684,659	831,569	-	831,569
Accumulated surplus (deficit)		(498,068)	(19,999)	(518,067)	(501,804)	(30,577)	(532,380)
Asset revaluation surplus		258	-	258	4,730	-	4,730
Total equity		186,848	(19,999)	166,849	334,495	(30,577)	303,919
Statement of comprehensive income (extract)							
Expenses from operations							
Grants and subsidies	B2-3				75,136	10,578	85,714
Total expenses from operations					191,906	10,578	202,484
Operating result for the year					(3,736)	(10,578)	(14,314)
Total comprehensive income / (loss)					736	(10,578)	(9,842)

Department of Regional Development, Manufacturing and Water
Management Certificate
for the year ended 30 June 2023

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 38 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:

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of Regional Development, Manufacturing and Water for the financial year ended 30 June 2023 and of the financial position of the department at the end of that year; and

The A/Director-General, as the Accountable Officer of the Department, acknowledges 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.



STEWART SAINI, FCPA
Chief Finance Officer

30 August 2023



LINDA DOBE
A/Director-General

30 August 2023

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of Department of Regional Development, Manufacturing and Water

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Department of Regional Development, Manufacturing and Water.

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position and statement of assets and liabilities by major departmental services as at 30 June 2023, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services for the year then ended, notes to the financial statements including material accounting policy information, and the management certificate.

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 department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of administered land \$208.697 million

Refer to note F1 in the financial report

Key audit matter	How my audit addressed the key audit matter
<p>Land is held for future dam sites.</p> <p>Significant judgement is involved when determining the fair value of administered land due to limited availability of recent sales data for land of similar size with similar use.</p> <p>The department comprehensively revalued land in 2022–23.</p> <p>In making these judgements, the department engaged an external valuation expert to perform the comprehensive revaluation assessments.</p>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • obtaining an understanding of the methodology used with reference to common industry practices and ensuring consistent application thereof • assessing the competence, capability and objectivity of the external valuers • for a sample of land parcels: <ul style="list-style-type: none"> – checking the accuracy and relevance of the recent sales data used by the valuer against supporting evidence – evaluating the reasonableness of the basis documented by the valuer for the impact on fair value of the differences in characteristics between the land recently sold and the land being valued • assessing the adequacy of management’s review of the valuation process.

Responsibilities of the department for the financial report

The Accountable Officer 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 Accountable Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Accountable Officer is also responsible for assessing the department'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 department or to otherwise cease operations.

Auditor’s responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of forming an opinion on the effectiveness of the department's internal controls, but allows me to form an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the department.
- Conclude on the appropriateness of the department's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Officer, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 2023

- 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 department's transactions and account balances to enable the preparation of a true and fair financial report.



31 August 2023

Michelle Reardon
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Appendix A Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	Page ii
Accessibility	Table of contents Glossary	ARRs – section 9.1	Page iii Page 120
	Public availability	ARRs – section 9.2	Page i
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	Page i
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4	Page i
	Information licensing	<i>QGEA – Information Licensing</i> ARRs – section 9.5	Page i
General information	Introductory information	ARRs – section 10	Page 4
Non-financial performance	Government's objectives for the community and whole-of-government plans/specific initiatives	ARRs – section 11.1	Page 12
	Agency objectives and performance indicators	ARRs – section 11.2	Page 6
	Agency service areas and service standards	ARRs – section 11.3	Page 51
Financial performance	Summary of financial performance	ARRs – section 12.1	Page 54
Governance – management and structure	Organisational structure	ARRs – section 13.1	Page 8
	Executive management	ARRs – section 13.2	Page 10
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	Page 115
	Public sector ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	Page 42
	Human rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	Page 53
	Queensland public service values	ARRs – section 13.6	Page 5
Governance – risk management and accountability	Risk management	ARRs – section 14.1	Page 57
	Audit committee	ARRs – section 14.2	Page 58
	Internal audit	ARRs – section 14.3	Page 58
	External scrutiny	ARRs – section 14.4	Page 59
	Information systems and recordkeeping	ARRs – section 14.5	Page 60

Summary of requirement		Basis for requirement	Annual report reference
	Information security attestation	ARRs – section 14.6	Page 59
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	Page 37
	Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	Page 63
Open data	Statement advising publication of information	ARRs – section 16	Page 61
	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	Page 64
	Independent auditor's report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Page 109

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

Appendix B Reports of government bodies relevant to the department

Expenditure Advisory Committee for the Office of Groundwater Impact Assessment	
Act or instrument	<i>Water Act 2000</i>
Functions	Advises the Office of Groundwater Impact Assessment on the preparation of its annual budget and the administration of the annual levy on resource tenure holders in accordance with section 479 of the <i>Water Act 2000</i> .
Achievements	The committee met in November 2022 to undertake a mid-year review for the 2022–23 fiscal year and met in July 2023 to consider the 2023–24 budget.
Financial reporting	Transactions of the entity (such as taxi, travel) are accounted for in the financial statements.
Remuneration – No remuneration is payable.	
No. scheduled meetings/sessions	2
Total out-of-pocket expenses	Nil

Gladstone Foundation Board of Advice

Act or instrument	Trust Deed – Gladstone Foundation
Functions	The purpose of the Gladstone Foundation is to provide a structured approach to address the social infrastructure needs of the people of the Gladstone region in an appropriate way, achieving the best return from all investments in the foundation for social infrastructure.
Achievements	In 2022–23, the Gladstone Foundation Board of Advice achieved: <ul style="list-style-type: none"> Grant Round 6 – Gladstone RSL Sub-Branch (GRSL) – Funding agreement fully executed. (Request for additional funding of \$50,000 to complete the project was approved by The Public Trustee on 12 August 2021).
Financial reporting	Queensland Audit Office (QAO) prepares annual general-purpose statements for the Gladstone Foundation based on financial transactions conducted within the respective financial year. The general-purpose statement is used to provide the financial information annually to the Australian Charities and Not-for-profits Commission (ACNC).

Remuneration

Position	Name	Meetings/sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Timothy Griffin		\$6,000	N/A	N/A
Member	Executive Director Department of Regional Development, Manufacturing and Water		Not entitled to receive annual sitting fees (Ex-officio)	N/A	N/A
Member	Gladstone Regional Council Mayor		Not entitled to receive annual sitting fees (Ex-officio)	N/A	N/A
Member	Bob McCosker		\$3,000	N/A	Chosen not to claim
Member	Robert Gibb		\$3,000	N/A	Chosen not to claim
Member	Karen Leinster		\$3,000	N/A	Chosen not to claim
Member	Maxine Brushe		\$3,000	N/A	Chosen not to claim
Member	Matt Burnett		\$3,000	N/A	Chosen not to claim
No. scheduled meetings/sessions	No formal meetings have been undertaken due to the Gladstone Foundation not undertaking any current grant rounds. Currently, the focus of the Gladstone Foundation Board of Advice is to work with the committed funding proponents to their funded projects through to fruition and serve the needs of the citizens of the Gladstone region. The Gladstone Foundation Board of Advice members have attended the official openings.				
Total out-of-pocket expenses	\$6,575				

Manufacturing Ministerial Council					
Act or instrument	Terms of Reference				
Functions	The role of the Manufacturing Ministerial Council is to identify and provide advice to government on strategic matters in relation to building the manufacturing industry in Queensland to drive economic, regional and employment growth.				
Achievements	Advice has been provided on key issues such as: carbon neutrality and sustainable manufacturing; procurement and other large-scale and emerging industry supply-chain opportunities, including manufacturers supplying to the 2032 Olympic and Paralympic Games; opportunities arising from the Queensland Energy and Jobs Program; supporting the transition to net-zero manufacturing, particularly for small and medium enterprises; the Women in Manufacturing Strategy, Industry Engagement Program workshops and events to assist manufacturers in the transition to Industry 4.0; and showcasing Queensland's manufacturing industry.				
Financial reporting	Transactions of the entity are accounted for in the financial statements and Department of Regional Development, Manufacturing and Water financial records.				
Remuneration: No remuneration is provided to the Chair or members of the Manufacturing Ministerial Council.					
Position	Name	Meetings/sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	The Hon Glenn Butcher MP Minister for Regional Development and Manufacturing and Minister for Water	2	N/A	N/A	N/A
Member	Rebecca Andrews	1*	N/A	N/A	N/A
Member	Christine Bridges-Taylor	2	N/A	N/A	N/A
Member	Shay Chalmers	2	N/A	N/A	N/A
Member	Marina Chambers	2	N/A	N/A	N/A
Member	Cherie Josephson	2	N/A	N/A	N/A
Member	Jane Hunter	1	N/A	N/A	N/A
Member	Brenda Mossel	2	N/A	N/A	N/A
Member	John McLean	0*	N/A	N/A	N/A
Member	Richard Parker	2	N/A	N/A	N/A
Member	Tony Prove	0**	N/A	N/A	N/A
Member	Mitchell Upton	1	N/A	N/A	N/A
Member	Desmond Watkins	1	N/A	N/A	N/A
Member	Rohan Webb	2	N/A	N/A	N/A
No. scheduled meetings/sessions	2 meetings were held in FY2023.				
Total out-of-pocket expenses	Total out-of-pocket expenses for the Chair and all members totals \$13,968.41 including GST. These costs relate primarily to regional members' travel expenses to attend meetings in Brisbane and for members to attend a regional meeting in Townsville.				

* A proxy attended 1 meeting for Rebecca Andrews and 1 meeting for John McLean.

** Mr Tony Prove abstained from Manufacturing Ministerial Council meetings during the Queensland Train Manufacturing Program procurement as Mr Prove's employer, Downer Group, is a shortlisted tenderer for this project.

Ministerial Advisory Council for Flood Mitigation Manuals					
Act or instrument	Section 570 of the <i>Water Supply (Safety and Reliability) Act 2008</i>				
Functions	The functions of the Advisory Council are to provide advice to the Minister under sections 371E and 372 of the Act by independently assessing a referred flood mitigation manual and by producing a report with appropriate advice and recommendations on whether to approve or not approve the manual.				
Achievements	The <i>Flood Mitigation Manual for Wivenhoe and Somerset Dams</i> and <i>Flood Mitigation Manual for North Pine Dam</i> were approved in November 2021 and are valid until 12 November 2024. No manual submissions have been received during 2022–23, therefore meetings of the Ministerial Advisory Council for Flood Mitigations were not required during this period.				
Financial reporting	Included in the Department of Regional Development, Manufacturing and Water's annual report				
Remuneration – Category under the Remuneration Matrix: Regulation, Administration and Advice (Level 2)					
Position	Name	Meetings/sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Dr Diana Day	Include no. attended e.g. 10	\$520 > 4 hours / \$260 < 4 hours	N/A	0
Member	Mr Mark Babister	Include no. attended e.g. 5	\$400 > 4 hours / \$200 < 4 hours	N/A	0
Member	Ms Sarah Zeljko		\$400 > 4 hours / \$200 < 4 hours	N/A	0
Member	Dr Bill Weeks		\$400 > 4 hours / \$200 < 4 hours	N/A	0
Local government Member	Mr Allan Charteris		Not remunerated	N/A	0
Local government Member	Ms Kaye Cavanagh		Not remunerated	N/A	0
Local government Member	Mr Tim Wright		Not remunerated	N/A	0
Local government Member	Luke Hannan		Not remunerated	N/A	0
No. scheduled meetings/sessions	N/A				
Total out-of-pocket expenses	N/A				

Great Artesian Basin Advisory Council (Ministerially appointed)	
Act or instrument	Section 1005 of the <i>Water Act 2000</i>
Functions	To ensure that the Minister responsible for the <i>Water Act 2000</i> is fully advised of the views of industry, communities and other stakeholders of the water resource management issues concerning the Great Artesian Basin and Other Regional Aquifers (GABORA), including the sustainability of the artesian and sub-artesian water resources, the environmental, social and cultural significance of the water, and the impacts of GABORA water resources on the land overlying the basin.
Achievements	The council's term concluded on 28 June 2021. The council did no business during 2022–23 as it was being reconstituted for a further 3-year term.
Financial reporting	Transactions of the entity are accounted for in the financial statements of the Department of Regional Development, Manufacturing and Water

Water Act Referral Panel	
Act or instrument	<i>Water Act 2000</i>
Functions	The Water Act Referral Panel (Panel) provides independent advice and recommendations to the chief executive on a range of water planning matters and to the Minister on moratorium matters, under Chapter 2 of the <i>Water Act 2000</i> .
Achievements	Nil – 0 meetings held
Financial reporting	Accounted for in financial statements of the Department of Regional Development, Manufacturing and Water

Remuneration – Category under the matrix – Regulation, Administration and Advice (Level 1)s

Position	Name	Meetings/sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Member	Ms Fiona Barron		\$500 > 4 hours / \$250 < 4 hrs	N/A	0
Member	Mr Richard James (Jim) Mobbs		\$500 > 4 hours / \$250 < 4 hrs	N/A	0
Member	Ms Claire Rodgers		\$500 > 4 hours / \$250 < 4 hrs	N/A	0
Member	Professor Allan Dale		\$500 > 4 hours / \$250 < 4 hrs	N/A	0
Member	Mrs Cheryl Dalton		\$500 > 4 hours / \$250 < 4 hrs	N/A	0
Member	Ms Alison Dowling		\$500 > 4 hours / \$250 < 4 hrs	N/A	0
Member	Mr Ian Johnson		\$500 > 4 hours / \$250 < 4 hrs	N/A	0
Member	Professor Poh-Ling Tan		\$500 > 4 hours / \$250 < 4 hrs	N/A	0
Member	Yvonne Therese (Georgie) Spreadborough		\$500 > 4 hours / \$250 < 4 hrs	N/A	0
No. scheduled meetings/sessions					
Total out-of-pocket expenses					

Appendix C Glossary

COVID-19	Coronavirus disease of 2019
eDRMS	electronic document and records management system
Field Ops	a system for submitting and recording field and work-related trips to protect travelling employees and provide management with information to react to emergencies if necessary
FTE	Full time equivalent
iLearn	online learning management system
Industry 4.0	Fourth Industrial Revolution. It enables advanced manufacturers to connect big data and analytics with automation and robotics, improving cost, productivity, profitability and operations
Megalitre	metric unit of capacity equal to a million litres
MOHRI	Minimum obligatory human resource information
QDAN	Queensland Disposal Authority Number
Stakeholders	Individuals, groups or organisations with specific interest in and/or influence on the work of the department

