sunwater

Final Statement of Corporate Intent

2023-24

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

The Honourable Cameron Dick MP
Treasurer and Minister for Trade and Investment

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

Commercial-in-Confidence

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Performance agreement

In accordance with Chapter 1, Part 3, Section 7 of the Government Owned Corporations Act 1993 (Qld) (GOC Act), the Statement of Corporate Intent (SCI) represents a formal performance agreement between the Board of Sunwater Limited (Sunwater) and its shareholding Ministers with respect to the financial and non-financial performance targets specified for the financial year. The SCI represents agreement to the major activities, objectives, policies, investments and borrowings of Sunwater for 2023-24.

This SCI is consistent with Sunwater's 2024 – 2028 Corporate Plan, submitted to shareholding Ministers and agreed in accordance with Chapter 3, Part 7 of the GOC Act.

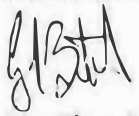
In signing this document, the Board of Sunwater undertakes to achieve the targets proposed in the SCI for 2023-24.

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

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

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

Date 12 September, 2024



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

Date 13 September 2024

Dr Lisa Caffery
Chair, Sunwater Limited

Date: 16 January 2024

Key performance indicators

Performance in 2023-24 will be assessed against the financial and non-financial key performance indicators that have been agreed with shareholding Ministers and departments. Achievements against agreed measures and targets will be reported through quarterly reports and directly through quarterly and annual presentations to shareholder representatives.

Non-financial performance indicators

	2023-24	Q1	Q2	Q3	Q4
All Injury Frequency Rate (AIFR)[1]	<45	<45	<45	<45	<45
Total Recordable Injury Frequency Rate (TRIFR)	<5	<5	<5	<5	<5
Lost Time Injury Frequency Rate (LTIFR)	<1	<1	<1	<1	<1
Compliance with environmental standards and laws	No material breaches	No material breaches	No material breaches	No material breaches	No material breaches
Employee engagement	>65%	-	-	-	>65%
Full Time Equivalent (FTE)[2]	640	-	-	-	640
Customer complaints responded to within 10 business days	100%	100%	100%	100%	100%
Community events[3]	2 open days Rating >80%	-	-	-	2 open days Rating >80%
Customer engagement/advocacy[4] – Irrigation	>15.81	-	-	-	>15.81
Customer engagement/advocacy[4] – Urban	>49.14	-	-	-	>49.14
Customer engagement/advocacy[4] – Industrial	>58.36	-	-	-	>58.36

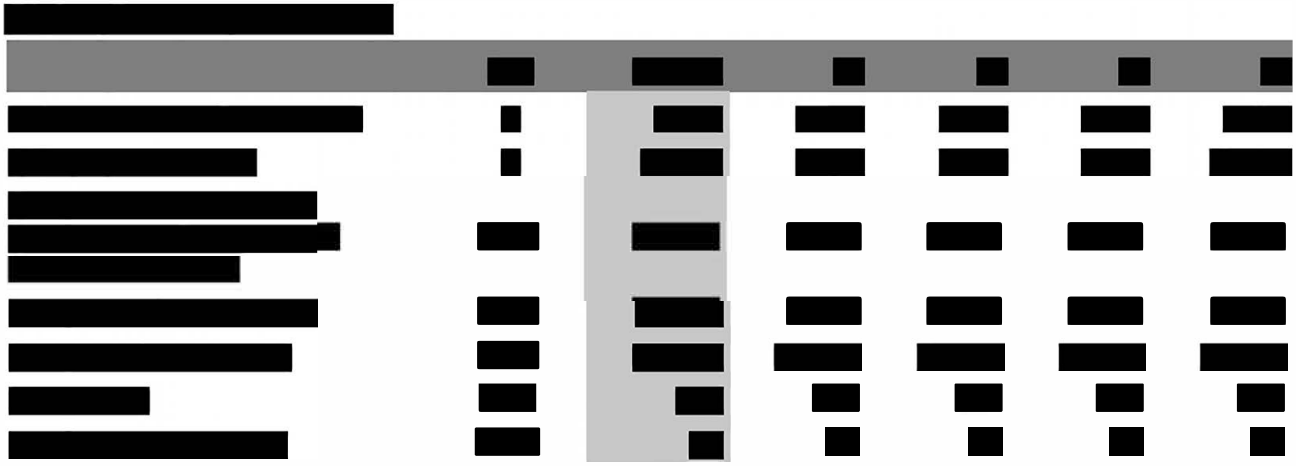
1. All injuries per million hours worked.

2. FTE includes permanent and temporary employees, and contractors engaged in roles "as if" they were part of the longer term Sunwater organisational structure. It does not include contractors engaged by third parties and group training organisations (GTO).

3. At least 80 per cent of attendees surveyed agreed they learnt something new.

4. Based on industry standard and is a measure of the net number of customers who have indicated that they would speak favourably about Sunwater less those who have indicated that they will not.

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



Sustainability and Environment, Social and Governance (ESG)

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

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

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

We recognise that Queensland Treasury is progressing several whole-of-government initiatives to address broad stakeholder expectations for sustainability reporting, enhanced disclosure requirements and to promote consistent external reporting on ESG matters to global financial markets and credit agencies. Sunwater looks forward to progressing these discussions.

Key assumptions

The key assumptions underpinning Sunwater's SCI for 2023-24 include:

Revenue

- Irrigation revenue reflects the Queensland Government's price direction. Any difference between cost-reflective and irrigation prices set by the Queensland Government via the Rural Water Pricing Direction Notice will be made up by the State of Queensland (State) via a Community Service Obligation (CSO) payment.
- The Rural Irrigation CSO of $18.2 million.
- The Cloncurry Urban CSO of $7.0 million.
- Industrial revenue will be consistent with 2022-23, in line with current contractual arrangements.
- Recreation area costs and grant funding of $25 million.
- Project funding phased pro rata to the project costs.

Major projects

- The forward estimate for expenditure on the Rookwood Weir Project reflects an increase against the previously approved spend and revised timing. The expected increase to the Rookwood provision at year end 2022-23 is planned to be fully utilised in 2023-24.
- Sunwater expects to continue the Paradise Dam Improvement Project during 2023-24 returning the dam to its original height with a 2023-24 budget of $116.4 million.
- The Burdekin Falls Dam Improvement and Raising projects are progressing in 2023-24 [redacted]. The next stage of planning includes progressing design, collecting further detailed geotechnical information, procurement planning and consulting with key stakeholders and the community on the environmental impact statement.

People

- Employee expenses have been updated to align with Sunwater's Draft Enterprise Agreement 2022-25 which has received in-principle support and is moving through the formal approval process.
- A phased increase of FTE has been considered and reflected in the numbers.

Economic indices	2023-24
Consumer Price Index (CPI) % [1]	6.75%
Average wage growth % [2]	4.50%
[redacted]	[redacted]
Dividend payout ratio [4]	100%

1. CPI assumption with reference to Reserve Bank of Australia (RBA) Statement of Monetary Policy.

2. Wage growth according to Sunwater's Draft Enterprise Agreement 2022-25

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

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

Key risks

The key risks that may impact Sunwater's ability to meet its financial performance indicators in 2023-24 include:

Labour and materials

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

2011 Queensland Floods Class Action

- In 2020-21, the New South Wales Supreme Court approved a settlement with the plaintiff of the 2011 Queensland Floods Class Action.
- [redacted] Payment of the net $200 million settlement sum was completed in May 2022.
- In respect of further insurance recoveries [redacted], Sunwater had sought to recover funds under its General Liability insurance policy through the New South Wales Courts and the High Court of Australia. The High Court refused Sunwater's application which exhausts Sunwater's appeal rights on this matter.

Dam Improvement Program (DIP) delivery

- Sunwater has a program of DIP projects to ensure regional bulk water assets continue to satisfy current design standards and safety guidelines. The prioritisation of these works has been determined by a Portfolio Risk Assessment (PRA). The PRA relates to our referable (i.e., regulated) assets and prioritises, based on life safety risk, the future sequential approach to mitigating that risk.
- The SCI includes execution costs for assets where there has been approval or there is a well-developed view of the work necessary and cost of completing the remediations required. For 2023-24, $116.4 million is budgeted for the Paradise Dam Improvement Project and [redacted] for the Burdekin Falls Dam Improvement Project. [redacted]

Rookwood Weir Project

- The Rookwood Weir Project experienced a challenging 2022-23 with three inundation events thus far resulting in the revision of the project's expected completion date.

  These inundation events and other factors have resulted in a reforecast and an update to Rookwood Weir Project's provision at year end 2022-23, from $66 million in 2021-22 to $152 million. This provision will be utilised in 2023-24.

Sunwater's role in undertaking "economic benefit" projects

- New bulk water assets in Queensland are at varying stages of advancement in terms of conception, design and business case development and are generally being led by private proponents. Such projects typically seek the involvement of the Queensland and Australian governments for funding, further development, operation and ownership.
- Sunwater is often required to play a role in these projects, whether it be providing consultancy services, or assuming the position of proponent, developer, operator and owner. This category of project is not usually capable of justification on a commercial basis and is often justified based on regional economic benefit. As a result, there is a risk that Sunwater is required to be involved in these projects, at a cost that will significantly exceed any direct revenues that can be generated. In such circumstances, Sunwater assumes that there will be external funding support provided to cover any shortfall.
- It is also noted that Sunwater's involvement in these projects may reduce its ability to progress other priorities.

People

- Availability of appropriately qualified personnel to perform necessary design and construction work on Sunwater's major projects is a risk, given the scale of water and other infrastructure projects being undertaken around Australia.

- Availability of appropriately qualified personnel, more generally, is a potential constraint given the competitive labour market.

Cyber security

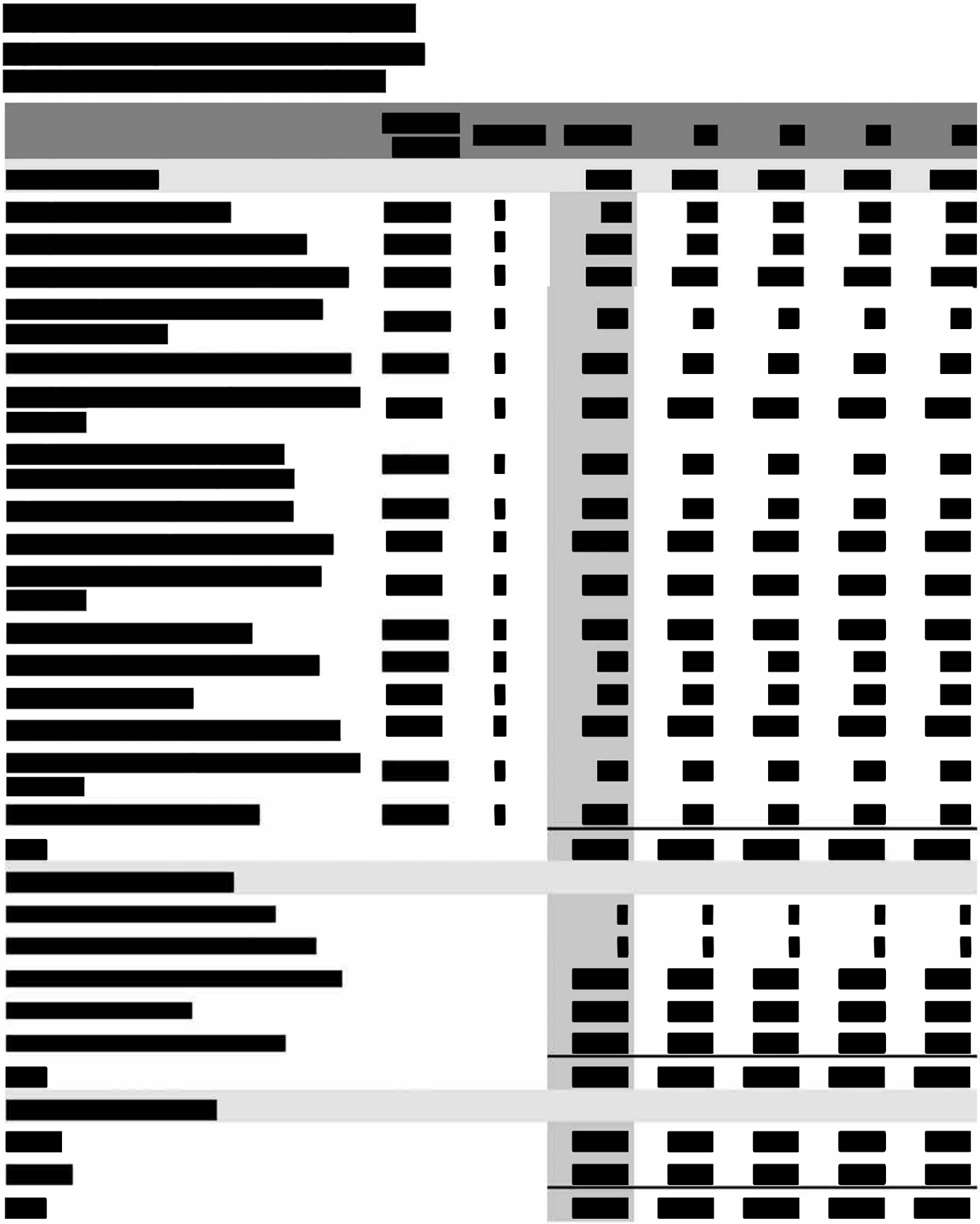
- Acting on advice from security experts and the Australian Cyber Security Centre (ACSC), Sunwater has adopted a position of heightened cyber awareness to strengthen the security of our information, systems and assets. Further detail can be found in Appendix C.

Additional key risks

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

Significant projects

'Significant projects' comprise DIP projects, notable projects on existing scheme assets and other major projects. This excludes the Planned Corrective Maintenance Program.



Capital expenditure

Summary – includes capitalised interest	2023-24 $'000
Infrastructure – Bulk Water	240,255
Infrastructure – Irrigation Systems	7,961
Infrastructure – Industrial Pipelines	5,129
Development & Feasibility Projects	38,484
Non-infrastructure (including digital)	26,164
Total capital expenditure	**317,993**

- Bulk water capital expenditure primarily relates to the DIP and existing asset refurbishment.
- Shareholding Ministers are notified of investments over $10 million and are required to approve investments over $40 million.

Capital structure

	2022-23	2023-24	Change
Facility	**$'000**	**$'000**	**$'000**
1 Portfolio-linked Loan	409,071	409,071	--
2 Working capital	--	55,000	55,000
Total borrowings	**409,071**	**464,071**	**55,000**

There is a $55 million increase to borrowings assumed for 2023-24 to provide short term capacity and support revised project cost estimates and capital program net cash outflows. The increase in borrowings will be through the extension of Sunwater's rolling working capital facility from $50 million to $150 million. The increase will also support target working capital requirements and will be reviewed annually. Sunwater is expected to maintain its existing credit rating in compliance with the requirement to maintain an investment grade credit rating.

Statement of Compliance

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

The Board will ensure Sunwater takes full responsibility, within any constraints associated with shareholders' policy requirements, to ensure prudent financial practices will be applied both within the corporation and within its subsidiaries (whether fully controlled or otherwise).

Consolidated financial statements

Statement of Profit and Loss

	Forecast 2022-23 $'000	Budget 2023-24 $'000	Q1 $'000	Q2 $'000	Q3 $'000	Q4 $'000
Irrigation water distribution services [1]	53,361	54,315	13,100	14,248	13,464	13,503
Industrial water distribution services [2]	224,866	230,841	57,213	57,647	57,599	58,381
Urban water distribution services	15,316	14,461	3,563	3,653	3,591	3,654
CSO – irrigation [3]	17,656	18,188	4,505	4,505	4,505	4,672
CSO – urban	6,602	6,965	1,741	1,741	1,741	1,741
Grants and subsidies [4]	32,524	28,457	5,866	5,866	5,866	10,859
Water entitlement / trading [5]	22,275	37,564	9,387	9,387	9,387	9,402
Consulting [6]	938	5,364	1,385	1,347	1,284	1,347
Facilities management	4,961	13,200	2,989	3,124	3,027	4,060
Other revenue [7]	2,257	2,238	549	554	549	586
Total revenue	**380,755**	**411,594**	100,299	102,073	**101,014**	**108,207**
Expenses						
Salaries, wages and related costs	(84,818)	(96,896)	(24,850)	(23,405)	(23,162)	(25,480)
Contractors	(200,661)	(92,945)	(22,346)	(16,223)	(22,115)	(32,261)
Materials	(11,713)	(14,513)	(2,963)	(3,646)	(2,993)	(4,912)
Electricity	(29,384)	(32,019)	(7,683)	(8,249)	(8,120)	(7,967)
Insurance	(14,422)	(17,945)	(4,486)	(4,486)	(4,486)	(4,486)
Depreciation and amortisation	(47,589)	(48,707)	(12,158)	(12,158)	(12,090)	(12,300)
Other	(10,743)	(6,610)	(2,710)	(685)	(1,127)	(2,087)
Total operating expenditure	(399,329)	**(309,635)**	(77,196)	**(68,853)**	(74,093)	**(89,494)**
Operating (loss)/profit	**(18,574)**	**101,959**	23,104	33,221	26,922	**18,713**
Impairment of assets	(91,069)	(173,552)	(36,229)	(40,543)	(44,411)	(52,369)
Non-operating revenue	4,842	4,245	1,406	941	911	986
Finance costs	(19,268)	(17,816)	(4,541)	(4,575)	(4,851)	(3,849)
Profit/(loss) before income tax	(124,068)	**(85,164)**	(16,260)	(10,957)	(21,429)	(36,518)
Income tax credit/(expense)	(0)	0	0	0	0	0
Profit/(loss) after income tax	(124,068)	**(85,164)**	(16,260)	(10,957)	(21,429)	(36,518)
Dividends	0	0	0	0	0	0
Retained profit (loss) for the period	(124,068)	**(85,164)**	(16,260)	(10,957)	(21,429)	(36,518)

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

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

3. CSOs are subsidies from the Queensland Government.

[redacted]

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

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

7. Other revenue includes drainage and electricity generation services.

Statement of Financial Position

	2022-23 $'000	2023-24 $'000	Q1 $'000	Q2 $'000	Q3 $'000	Q4 $'000
ASSETS						
Current assets						
Cash	107,403	81,497	101,229	69,730	78,954	81,497
Advance to Queensland Treasury	74,643	25,595	24,933	25,152	25,373	25,595
Trade and other receivables	48,147	40,184	51,926	54,674	57,629	40,184
Inventories	3,690	3,763	3,677	3,665	3,653	3,763
Other	3,814	6,027	4,339	4,908	5,487	6,027
Total current assets	**237,697**	**157,068**	186,105	158,130	171,097	157,068
Non-current assets						
Property, Plant and Equipment	681,281	782,329	700,106	726,602	753,231	782,329
Leased assets	18,200	15,935	17,634	17,067	16,501	15,935
Intangibles	28,729	28,728	28,729	28,729	28,729	28,728
Deferred tax assets	8,129	7,530	7,779	7,900	7,747	7,530
Total non-current assets	736,340	834,523	754,248	780,299	806,208	834,523
Total assets	974,037	991,590	940,353	938,429	977,304	991,590
LIABILITIES						
Current liabilities						
Payables	30,105	53,886	43,708	52,380	63,876	53,886
Leasing liabilities	6,592	6,687	6,687	6,687	6,687	6,687
Provisions	166,619	9,518	119,100	64,570	16,869	9,518
Other (including deferred revenue)	15,121	15,121	15,121	15,121	15,121	15,121
Total current liabilities	**218,437**	**85,213**	184,616	138,759	102,553	85,213
Non-current liabilities						
Borrowings	409,071	464,071	409,071	419,071	454,071	464,071
Leasing liabilities	15,733	12,094	14,752	13,866	12,980	12,094
Provisions	2,137	2,137	2,667	2,491	2,314	2,137
Deferred tax liabilities	8,129	7,530	7,779	7,900	7,747	7,530
Other (including deferred revenue)	144,658	151,738	144,581	144,505	144,428	151,738
Total non-current liabilities	579,729	637,570	578,851	587,832	621,540	637,570
Total liabilities	798,166	722,784	763,467	726,592	724,093	722,784
Net assets	175,871	268,807	176,886	211,837	253,211	268,807
EQUITY						
Contributed equity	238,162	416,262	255,438	301,346	364,149	416,262
Retained earnings	(62,291)	(147,455)	(78,552)	(89,509)	(110,937)	(147,455)
Total equity	175,871	268,807	176,886	211,837	253,211	268,807

Statement of Cash Flows

	2022-23 $'000	2023-24 $'000	Q1 $'000	Q2 $'000	Q3 $'000	Q4 $'000
Cash flows from operating activities						
Receipts from customers	326,096	371,933	85,762	88,384	87,815	109,972
Payments to suppliers and employees	(279,826)	(408,425)	(102,065)	(106,253)	(102,616)	(97,490)
Net receipts	46,271	(36,492)	(16,304)	(17,869)	(14,801)	12,482
Government grants	32,524	28,457	5,866	5,866	5,866	10,859
Community service obligations	24,258	25,153	6,247	6,247	6,247	6,414
Deferred income receipts	8,938	14,290	1,726	1,726	1,726	9,112
Interest received	0	0	0	0	0	0
Income taxes received/(paid)	(2,334)	0	0	0	0	0
GST recovered	0	0	0	0	0	0
Net cash inflow from operating activities	109,657	31,408	(2,465)	(4,031)	(963)	38,867
Cash flows from investing activities						
Payments (to)/from advance facility	0	50,000	50,000	0	0	0
Payments for property, plant and equipment	(81,717)	(317,993)	(65,883)	(77,869)	(81,802)	(92,439)
Interest received	413	3,236	1,086	713	682	755
Proceeds from sale of property, plant and equipment	0	0	0	0	0	0
Net cash (outflow) from investing activities	(81,305)	(264,758)	(14,798)	(77,156)	(81,120)	(91,684)
Cash flows from financing activities						
Dividends paid	0	0	0	0	0	0
Drawdown of borrowings	40,000	55,000	0	10,000	35,000	10,000
Proceeds from increase in contributed equity[1]	1,815	178,100	17,276	45,908	62,803	52,113
Interest paid on financing activities	(15,008)	(19,064)	(4,538)	(4,572)	(4,848)	(5,105)
Principal elements of lease payments	0	0	0	0	0	0
Interest paid on leasing liabilities	0	0	0	0	0	0
Repayments of borrowings	(4,334)	(6,592)	(1,648)	(1,648)	(1,648)	(1,648)
Net cash (outflow) from financing activities	22,474	207,444	11,090	49,687	91,307	55,360
Net (decrease) increase in cash and cash equivalents	50,826	(25,906)	(6,173)	(31,499)	9,224	2,543
Cash and cash equivalents at the beginning of the financial year	56,576	107,403	81,497	75,323	43,824	53,049
Cash and cash equivalents at the end of the financial year	107,403	81,497	75,323	43,824	53,049	55,591

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

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

Activity	Actual 2021–22 ($)	Forecast 2022–23 ($)	Budget 2023–24 ($)
Sponsorships			
Regional sponsorships	10,509	15,000	15,000
Corporate sponsorships[1]	N/A	N/A	72,000
TOTAL (1)	**10,509**	**15,000**	**87,000**
Corporate entertainment			
Employee (value improvement) awards ceremony	14,060	11,363	15,000
Office Christmas celebrations	18,745	21,000	24,000
Other (total of meetings and events below $5,000)	6,210	10,000	10,000
TOTAL (2)	**39,015**	**42,363**	**49,000**
Advertising			
Wet season advertising campaign[2]	107,853	83,332	100,000
Public safety advertising campaign[3]	0	250,000	0
TOTAL (3)	**107,853**	**333,332**	**100,000**
Total (1)+(2)+(3)	**157,377**	**390,695**	**223,000**

1. Combined sponsorship budget for events and activities associated with Sunwater's corporate memberships.

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

3. Bi-annual campaign focused on a specific public safety issue that Sunwater wishes to address with the community (for FY23 the theme was safety in and around Sunwater channel systems).

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

Category	Assumptions
E&IR Philosophy / Direction	The E&IR philosophy and direction aligns with Sunwater's strategic goals by providing conditions for a safe high-performance culture, employment security, labour cost certainty and flexibility to support our business operations. This is reinforced through fair and transparent processes where performance in Sunwater is measured by both the results our people achieve and the demonstration of our values. As a GOC, Sunwater is governed by the *Fair Work Act 2009* (Cth) and Queensland provisions of the Government Owned Corporations Wages and Industrial Policy 2015. Redundancy is managed by a Redundancy Procedure and the conditions within the Sunwater Enterprise Agreement. Sunwater complies with the Superannuation Guarantee legislation for its employees. Sunwater also currently provides a co-contribution scheme to its employees as per the Superannuation (State Public Sector) Deed 1990 (Qld).

Award / Agreement	Scope	Reference	Expiry date
Draft Sunwater Enterprise Agreement 2022-2025	Intended to cover all Sunwater employees as per classification schedule of the Agreement (subject to Queensland Government endorsement, employee access period, voting and submission to the Fair Work Commission)	-	30 June 2025
Sunwater Enterprise Agreement 2018-2022	Covers all Sunwater employees as per classification schedule of the Agreement	AG2020/3391	Nominal expiry date 30 June 2022
Annualised Salary Arrangements (Sunwater Enterprise Agreement)	Covers some employees under classifications SW08 – SW10 of the Enterprise Agreement	N/A	N/A
Common Law Contracts	Offered to employees where the position evaluation is outside Enterprise Agreement coverage	N/A	N/A
Fair Work Act 2009 (Cth)	All employees	N/A	N/A
Water Industry Award	Most employees (except Executives and some Common Law Contract employees)	MA 000113	N/A

Significant and emerging issues

Issue	Assumptions
Draft Sunwater Enterprise Agreement 2022-2025	Sunwater commenced negotiations in Q3 2021-22 and reached "In principle" agreement in December 2022. Implementation of the new agreement will occur in 2022-23, subject to Queensland Government and Fair Work Commission approvals.
Major projects	The Queensland Procurement Policy and amendments, including the Ethical Mandate Supplier Guidelines, continue to be monitored. Sunwater passes the requirements to Alliance Partners and Principal Contractors and reviews their performance for compliance. The majority of Sunwater employees are covered by employment conditions contained in the Enterprise Agreement. The Agreement contains conditions of employment that are no less favourable than the National Employment Standards (NES) and/or the Modern Award (Water Industry Award). Sunwater regularly monitors amendments to the *Fair Work Act 2009 (Cth)*, Modern Industry Award and NES to ensure compliance with relevant legislation.
Reporting	Sunwater will provide regular reports on the implementation and progress of the productivity initiatives included in Sunwater's Enterprise Agreement to shareholding Ministers through its quarterly reports. Sunwater will actively track savings and benefits realised through the Enterprise Agreement. Workforce management and strategic workforce planning are in place to ensure the targets are achieved. Employee Relations leader training will also continue in 2022-23 to provide a consistent approach when managing to the objectives of the Enterprise Agreement.

Assumptions

Category	Assumptions
Employment (FTE) and Workforce Planning	Sunwater has completed a detailed Strategic and Operational Workforce Plan for 2024-28, resulting in an increase in FTE. The increase will support the delivery of upcoming programs of work (including major projects and the planned corrective maintenance program) and manage Sunwater's workforce retirement risks. A vacancy factor of five per cent has been applied across 2023-24 as well as an adjustment to reflect recruitment phasing of vacant roles. Based on these assumptions, the forecast total approved FTEs against positions for 2023-24 is 640 (excluding contractors engaged by third parties and GTO). Within these approved FTEs are several new positions for which the nature (permanent, fixed term or casual) has not yet been determined and will depend on the availability of skills in the market.
GOC's remuneration arrangement for Chief Executive Officer and Senior Executives	The Chief Executive Officer and Senior Executives are remunerated in line with the GOC Chief and Senior Executive Employment Arrangements Policy. The Executive employment contract states that in the event the executive's employment is terminated through redundancy, redundancy pay will be made in accordance with the *Fair Work Act 2009 (Cth)*.

Employment category	As at February 2023
Permanent	512
Temporary	40
Executive	7
Apprentice inhouse	7
Cadet	2
Trainee	0
Casual	1
Total Directly Employed	**569**
Apprentice indirect[1]	0
Trainee indirect[1]	0
Contractor (trade/technical)	0
Contractor (all other)	59
TOTAL Workforce[2]	**628**

1. Hired through GTO

2. Total workforce is the total number of people filling open positions including permanent and temporary positions, and contractors engaged in roles "as if" they were part of the longer term Sunwater organisational structure. It does not include contractors engaged by third parties.

Employment category	2023-24 Forecast
Senior executive positions	7
Common law contract positions (excluding senior executives)	38
General positions[1]	696
Casual positions	7
TOTAL SCI[2]	**735**
Additional workforce (non-permanent)	
Contractor positions[3]	54
Apprentices/trainee positions	0
TOTAL Workforce positions	**802[4]**

1. This includes positions planned for 2023-24 and is the numbers covered by the EA being the industrial instrument which includes EA and ASA categories.

2. Total approved positions including all permanent or fixed term positions planned for 2023-24. These positions may be filled with full or part-time positions. This does not include the five percent vacancy rate. This includes agency contractors who fill a vacant position in the business but excludes contractors engaged by third parties and GTO shown under the Additional workforce heading. This equates to 640 FTE.

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

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

Position	Remuneration Payable [1]
Chief Executive Officer	$693,768
Chief Financial Officer	$434,928
Chief Development Officer	$486,385
Chief People Officer	$362,469
EGM Operations	$357,432
EGM Customer and Stakeholder Relations	$339,357
EGM Engineering and Water Resources	$372,750

1. These figures are representative of total fixed remuneration only for 2022-23 and are subject to Sunwater's remuneration review processes to be finalised in August 2023. These figures have been rounded and are unaudited.

Appendix C | Cyber security

Cyber reporting	Response
What cyber security framework does Sunwater report against?	Sunwater is aligned with Queensland Government Information Security Policy (IS18) and has obtained ISO27001:2013 certification. Sunwater also applies controls at level 2 (in some cases level 3) of the Australian Cyber Security Centre's Essential 8 Maturity Strategies.

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