

2018–2019
ANNUAL
REPORT



Letter of compliance

19 August 2019

The Honourable Mark Bailey MP
Minister for Transport and Main Roads
GPO Box 2454
BRISBANE Qld 4001

Dear Minister Bailey

I am pleased to submit for presentation to the Parliament, the Annual Report 2018-2019 and financial statements for Gold Coast Waterways Authority.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the Financial and Performance Management Standard 2009, and
- the detailed requirements set out in the Annual report requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements can be found in Appendix C of this annual report.

Yours sincerely



Mara Bún
Chair
Gold Coast Waterways Authority



Hal Morris
Chief Executive Officer
Gold Coast Waterways Authority

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Additional information to accompany this annual report can be accessed at <https://gcwa.qld.gov.au/about/our-publications/>

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Chair and CEO Message

Our waterways are at the heart of our city. They provide a space where people live, work and play. Home to diverse plant and animal life our waterways support thousands of jobs in tourism, recreational activities, marinas, boat servicing and building.

The social, environmental and economic value of the Gold Coast waterways drives our vision to deliver balanced and sustainable management of this wonderful community asset now and into the future.

Under our 4-year rolling *Gold Coast Waterways Management Program* we are working to sustain waterways access and maintain navigation channels to adequate depths and widths.

We are pleased to report that 2018-19 marked the commissioning of our largest project to date under that Program – our \$10.3 million Coomera Dredged Sediment Management Facility and the associated dredging campaign in the upper and lower Coomera River.

This Facility has been purpose-built to enable dredged material that is unsuitable for beach nourishment or offshore placement to be managed in an economical and environmentally friendly way.

It's a game-changer for the Gold Coast because it will maintain safe and navigable access to the river for all types of vessels, including superyachts up to 60 metres in length. It also supports the Gold Coast Marine Industry Precinct – one of the main centres for boat building and servicing on Australia's east coast.

Another high point was the intensive consultation process for The Spit Master Plan. We were delighted to work with the Department of State Development, Manufacturing, Infrastructure and Planning, the City of Gold Coast and other stakeholders to deliver The Spit Master Plan. The final Master Plan was released by the Premier in May 2019 with a \$60 million commitment from the Queensland Government to commence implementation. GCWA looks forward to supporting the implementation of the Plan and the next phase in the evolution of The Spit.

Our Board has identified resilience planning and congestion as emerging issues we need to address in order to protect the social, economic and environmental values of our waterways.

In 2018-19 we completed the *Assessment of Congestion and Conflicting Use Management for the Gold Coast Waterways*. The study is the first serious attempt, as far as we are aware, to understand patterns of use on the city's 260 kilometres of navigable waterways and pinpoint areas where access and usage could come under pressure.

It builds on our work completed in 2017 as part of our Scientific Research and Management Program, which assessed the natural capital value of the waterways at \$26 billion. By using research to build our understanding of the waterways we are moving towards a more evidence-based approach to management. Our aim is to adopt best practice and become a leader in this area.

Over the coming year we'll be using these studies to help us build a better picture of the impact population growth and increasing boat ownership will have on our waterways so that we can have more productive conversations with our community about waterways planning and management.

Our day-to-day operations continue to make an important contribution to enhancing our waterways. For instance, the Sand Bypass System continues to reliably operate, keeping the Seaway open. This year it shifted 664,847 cubic metres of sand north along the coastline. Without it, the Gold Coast's tourism and boating industries wouldn't be what they are today.

Our Waterways team continues to ensure our navigation aids operate day and night, servicing more than

2,000 beacons, buoys and marine signs. They've also monitored 884 vessels for compliance with anchoring and mooring restrictions to ensure fair access to the waterways and worked with Maritime Safety Queensland on the *War on Wrecks* program by removing 41 abandoned vessels from our waterways.

The *War on Wrecks* and associated funding has changed the way we manage this problem and we will continue to work with Government to deliver on our commitments and to being locally responsive.

This is not always easy, as our speed limit trial on the Coomera River (South Branch) has demonstrated. The 12-month trial which began on 1 July 2018 attracted a diverse range of opinions from waterside residents, waterways users, businesses and community groups. At the time of writing this report, we were still evaluating the information gathered, and feedback received from the community during the trial. In making a decision on future speed limits we will balance the needs of all stakeholders with our evidence-based approach to problem-solving.

Our *Meet the Board* sessions are also an important way of connecting with the community to ensure their views are captured in waterways management. In the past 12 months we've had three *Meet the Board* sessions where we've had conversations with the community about everything from the Coomera speed limit trial to dredging to planning for population growth.

In 2018-19 we saw a changing of the guard with Gold Coast Waterways Authority Board. We farewelled three long-standing Board members - Professor Rodger Tomlinson, Martin Winter and Mike Bartlett. We thank them for their commitment and service to the waterways and the community and wish them well for the future. Our new board members – Annaliese Battista, Daniel Ware and Elizabeth Hay bring with them a blend of industry and academic experience that will ensure we continue to serve the needs of our community.

In 2019-20 our focus will continue to be on supporting the economic, social and environmental value of our waterways. We will do this by investing in dredging the West Crab Island Channel and South and South Wavebreak Island channels to keep these aquatic arteries safe and navigable.

We will continue with our track record of innovation by commissioning our pilot solar power system and upgrading the jetty deck at the Sand Bypass System. The jetty deck upgrade will improve maintenance capabilities so we can keep the system pumping.

We will adopt new technology to improve waterways management in areas like water quality monitoring for dredging projects and assessing the integrity of infrastructure like pontoons and aids to navigation. This will complement the work we're undertaking on the impacts of climate change and storm surges with our academic partners at the Coastal Engineering Research Facility Station (CERFS.)

We look forward to further supporting The Spit Master Plan process and we'll use our review of our *Gold Coast Waterways Management Strategy 2014-2023* to keep having important and courageous conversations with the community about waterways use, access and management.



Mara Bún
Chair
Gold Coast Waterways Authority



Hal Morris
Chief Executive Officer
Gold Coast Waterways Authority

About Gold Coast Waterways Authority

Gold Coast Waterways Authority was created through assent to the *Gold Coast Waterways Authority Act 2012* on 1 December 2012.

We are a statutory authority led by a decision-making board of seven members and Chief Executive Officer Hal Morris. The board is appointed by the Governor-in-Council and is accountable to the Minister for Transport and Main Roads, the Honourable Mark Bailey MP.

Under the *Gold Coast Waterways Act 2012*, Gold Coast Waterways Authority is tasked with planning, managing and protecting the Gold Coast's waterways.

Our area of responsibility includes five rivers, 260 kilometres of navigable waterways, more than 750 hectares of lakes and dams as well as interests in the associated Crown reserves of Doug Jennings Park, Wavebreak Island and the southern tip of South Stradbroke Island.

We are also responsible for managing the Gold Coast's Sand Bypass System, which plays a critical role in coastal management and maintaining safe navigational access to the Seaway, Broadwater and waterways beyond.

Gold Coast Waterways Authority is required to prepare a 10-year Waterways Management Strategy and a 4-year rolling Waterways Management Program.

Ministerial approval of the 10-year strategy was granted on 5 March 2014 and the latest Waterways Management Program 2018-22 was tabled with the Minister on 1 August 2018.

Our Vision

A waterways network (and relevant facilities and reserves) that is sustainably managed to reflect and support an appropriate balance between the recreational, tourism, environmental, economic development and commercial aspirations and objectives of the Gold Coast community and visitors.

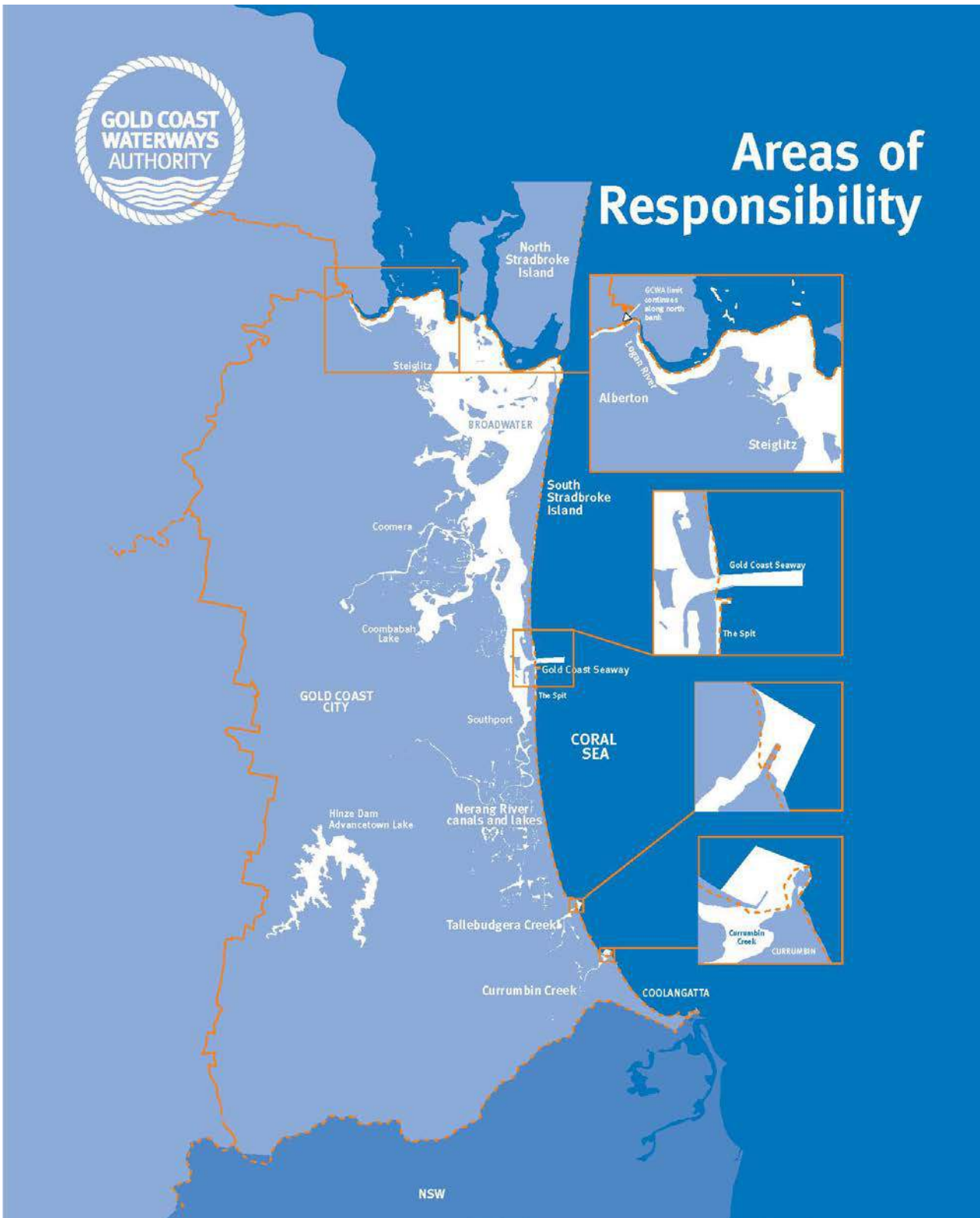
Our Purpose

Gold Coast Waterways Authority is tasked with delivering the best possible management of the Gold Coast's waterways. It seeks to achieve this by:

- planning for and facilitating the development and management of the Gold Coast waterways over the long term in a way that is sustainable and considers the impact of development on the environment
- improving and maintaining navigational access to the Gold Coast waterways
- developing and improving public marine facilities relating to the Gold Coast waterways
- promoting and managing the sustainable use of the Gold Coast waterways for marine industries, tourism and recreation.



Areas of Responsibility



Non-Financial Performance

Objectives and performance indicators

The Gold Coast Waterways Management Strategy 2014-2023 (the Strategy) was developed in consultation with the Gold Coast community and the City of Gold Coast and has regard to the requirements of state and federal legislation and agencies.

The Strategy provides a clear direction for the best possible management of Gold Coast waterways over 10 years to facilitate their long-term sustainable development.

The Strategy is intended to provide certainty for industry and include a statement of specific achievable objectives, proposed navigational access and boating infrastructure projects, general investment and prioritisation criteria.

The overarching objectives of the Strategy are to Sustain, Enhance and Promote the waterways.

In addition to the objectives set out in the Strategy, the Gold Coast Waterways Management Program includes performance targets for the fiscal year and following three years. In accordance with the Act, Gold Coast Waterways Authority is also required to provide quarterly and annual reports to the Minister.

Our objectives

Gold Coast Waterways Authority's work program is strongly aligned to meeting its strategic objectives:

- Strategic Objective 1: Enjoyment of waterways is sustainable, safe and efficient.
- Strategic Objective 2: Investment in improved waterways access balances diversity of use and protects environmental values.
- Strategic Objective 3: Decisions flowing from the Strategy are informed by sound research and are guided by consultation with stakeholders and by future demand while also meeting investment criteria.
- Strategic Objective 4: Plans and actions for the waterways are coordinated with, and responsive to, other related activities.

Our achievements

Gold Coast Waterways Authority had a robust delivery plan in place for 2018-19 that was reflective of its purpose and designed to help meet the organisation's strategic objectives.

Against this delivery plan, Gold Coast Waterways Authority achieved the following in 2018-19 :

Economic



- \$10.3 million investment in Coomera Dredged Sediment Management Facility and associated Coomera River dredging
- Sand Bypass System pumped 664,847 cubic metres of sand north of Seaway to keep waterways safe and navigable

Waterways City



- Maintained more than 2000 buoys, beacons and signs
- Completed Paradise Point pontoon upgrade

Environment & Sustainability



- Dredged material used for beach nourishment on Gold Coast and at Slipping Sands, North Stradbroke Island
- Completed waterways users and uses study for future planning
- Responded to more than 28 reports of vessel-based oil pollution

Waterways Innovation



- Supported launch of 'Big Bird' research buoy under research partnership

Community



- Social media engagement increased
- 535 submissions received on Coomera River (South branch) speed limit trial and 986 online surveys completed

Arts & Culture



- *Water Songs* partnership with Bleach* festival to promote waterways

Our achievements 2018-2019

Dredging program underpins major industries

Dredging plays a key role in waterways management guaranteeing safe, navigable access to the channels that wind their way through the Gold Coast.

These channels are more than transport routes. The tourism, marine and recreation industries depend on them for access to the water, as do the thousands of people who work in these industries and the people who live around and play on our waterways.

In 2018-19 Gold Coast Waterways Authority completed its biggest capital project to date, the \$10.3 million Coomera Dredged Sediment Management Facility and associated Coomera River dredging program.

This is a major investment in the future of these industries and the Gold Coast Marine Industry Precinct, which is one of the key boat building and servicing centres on Australia's east coast.

The Coomera facility has enabled the Authority to dredge the upper Coomera River. It has not undertaken this work in the past because there was no way to deal with the silt found in that part of the river in an economical and environmentally friendly way.

The principal problem was that the material being dredged is too fine and silty to use for beach nourishment or offshore disposal. The alternative was to transport it to somewhere like Brisbane which would've been prohibitively expensive.

Dredging will also improve water flow for flood mitigation.

The Coomera Dredged Sediment Management Facility is the first of its kind on the Gold Coast. It consists of three cells including a 6-hectare settling pond and a 2-hectare area where the sediment will be dried out before being available for reuse as topsoil or non-structural fill.

The facility will not only take material dredged under the GCWA's dredging program but also enables the environmentally sound disposal of river and canal sediment for the City of Gold Coast, businesses in the marine precinct and managers of residential areas like Hope Island and Sanctuary Cove.

The project which was completed by south east Queensland firm Synergy Resource Management created 26 direct and indirect jobs during the construction phase.

The City of Gold Coast contributed over \$1 million to the dredging of the Coomera River.

The target date for completing dredging of the river between Sanctuary Cove and the Marine Precinct is September 2019.

Other navigation channels dredged during 2018-19 were the Canaipa Passage, a vital link between Moreton Bay and the Gold Coast, and the Labrador Channel.

Image 1: Dredge operating near the Gold Coast Marine Industry Precinct, May 2019



Creating open spaces linking the water's edge to the waterways

Doug Jennings Park at the top of The Spit creates a public open space linking the land to our waterways.

The completion of Stage 4 of the Park's revitalisation brings Gold Coast Waterway's Authority's investment in this popular day trip destination to \$5.7 million.

The works include a major upgrade to the road between Seaworld Drive and Moondarewa Spit, additional marked parking spaces, a shared footpath around the park perimeter, landscaping, native shade trees, more picnic tables and park benches.

Throughout all four stages of the upgrades Gold Coast Waterways Authority engaged with community groups and members of the public to make sure the projects delivered what Gold Coasters really wanted.

Previous stages have delivered a new amenities block, two sets of emergency access stairs to the Seaway, refurbishment of the existing Seaway Kiosk toilet block, rehabilitation of Moondarewa Spit and the upgrade and completion of the ring road and footpaths around Doug Jennings Park.

The park is a popular setting for everything from family picnics to weddings, music festivals and sporting events.

Doug Jennings Park will undergo further changes as implementation of The Spit Master Plan progresses, enhancing its link with the waterways and encouraging more people to get out and about and enjoy them.

Image 2: Doug Jennings Park Stage 4, December 2018



Cleaning up with the *War on Wrecks*

The ability to access funding under the \$20 million state-wide *War on Wrecks* has enabled Gold Coast Waterways Authority to step up its efforts to remove abandoned vessels and property from the waterways, keeping them safe and navigable.

Since the *War on Wrecks* program commenced in July 2018, Gold Coast Waterways Authority has removed more than 41 abandoned vessels from the water.

This has included a yacht, a timber fishing trawler, tinnies and a personal watercraft..

These vessels were abandoned by their owners or the owners were either unable or unwilling to fulfil their responsibilities.

Where it can, Gold Coast Waterways Authority tries to sell abandoned vessels and other property to recover some of its costs. However, in the case of vessels removed under the *War on Wrecks*, these vessels aren't usually considered seaworthy and can't be sold, which means the only option is to destroy them.

The vessels and abandoned property have come from various locations around the waterways – The Broadwater, Paradise Point, Marine Stadium, Labrador Channel, Moondarewa Spit and some local canals.

Image 3: Vessel being destroyed as part of the *War on Wrecks* program, April 2019



Research partnerships support future planning and management

Meet Big Bird – this buoy is helping Gold Coast Waterways Authority improve its understanding of the impacts of wild weather and climate change on the Gold Coast.

Big Bird is funded through the Coastal Engineering Research Facility Station (CERFS), a partnership between Griffith University, the University of Queensland, University of Newcastle, Gold Coast Waterways Authority and the City of Gold Coast.

The CERFS team is undertaking studies which will help planners ‘future proof’ the Gold Coast’s iconic beaches and waterways against the impacts of climate change and extreme storms.

Work at this scale isn’t being done anywhere else in the Southern Hemisphere.

The CERFS partners are using a range of technology to gather information about what’s happening in the surf zone and near the coast particularly if climate change causes sea levels to rise and storm surges increase.

Big Bird is monitoring ocean currents, water temperature, sediment movement and water quality off South Stradbroke Island. The information will be used to support the development of better computer modelling to predict coastal erosion.

Gold Coast Waterways Authority is proud to be supporting research which will benefit the community by providing the tools needed to improve future planning.

For the first time, we’ll have access to real-time information which will give us a better picture of things happening offshore which are likely to impact access to our coastal inland waterways.

This includes sediment flow which can create events such as shoaling at the Seaway.

If we have better information about what’s going on in the offshore environment, we can fine tune the vital work we do to ensure our waterways remain open for boats.

This is part of Gold Coast Waterways Authority’s wider investment in scientific research.

Image 4: ‘Big Bird’ being launched at The Spit, May 2019



2019 – 2020 Look Ahead

Project and description	Expected completion	Planned investment
Coomera River Dredging <i>Complete dredging between Shipper Driver and Gold Coast Marine Industry Precinct.</i>	Spring 2019	\$1.685 million
South Wavebreak Island channel dredging <i>Keeping navigation channels and destinations network safe</i>	December 2019	\$0.935 million
West Crab Island channel dredging <i>Keeping navigation channels and destinations network safe dredging CH2700 to CH6200</i>	June 2020	\$0.660 million
Sand Bypass System Jetty Deck Upgrade <i>Structural upgrades to support safe routine maintenance</i>	June 2020	\$4.05 million
Sand Bypass System Renewable Energy Climate Resilience Project. <i>Complete 100kw solar array</i>	July 2019	\$0.350 million
Sand Bypass System high voltage switching gear upgrade <i>Upgrading the high voltage electrical equipment</i>	June 2020	\$1.03 million
Alberton Pontoon <i>Improve waterways access</i>	July 2019	\$0.200 million
Jacobs Well boat ramp upgrade	Dec 2020	\$0.070 million FY20 \$0.750 million

Queensland Government objectives for the community

Gold Coast Waterways Authority's Strategy and delivery supports the following Queensland Government objectives for the community:

- Create jobs in a strong economy
- Keep Queenslanders healthy
- Keep communities safe
- Be a responsive government

The waterways of the Gold Coast are a wonderful resource with a natural capital value of \$26 billion*. They deliver many social and economic benefits supporting jobs and development in the marine, tourism and recreation industries.

Gold Coast Waterways Authority continues to work collaboratively with industry, the community and other government agencies to deliver new marine infrastructure to support individuals and businesses using the waterways.

The waterways offer many recreational opportunities that help keep Queenslanders of all ages fit and healthy.

As well as promoting the waterways and associated outdoor spaces such as Doug Jennings Park to encourage their use, Gold Coast Waterways Authority works to ensure the waterways continue to be safe and navigable.

Gold Coast Waterways Authority is a locally based and responsive organisation and works closely with the local community through engagement and consultation.

* Socio-economic uses and economic value study of the Gold Coast Waterways, NCEconomics, September 2017

Service areas, service standards and other measures

Service Area Objective

To provide better management of, and access to, the Gold Coast waterways.

Service Area Description

The Authority will deliver services to support the safe, sustainable and efficient use and enjoyment of the Gold Coast waterways, including dredging of channels, improving and maintaining navigational access and public marine facilities, management of development and planning approvals, authorisation of aquatic events, and promoting the value of the waterways to Gold Coast residents, visitors and businesses.

Performance Information

Service Standards	2018-19 Target/est.	2018-19 Actual	Notes
<i>Effectiveness measures</i>			
Percentage of customer enquiries relating to the better management of and access to the waterways are responded to within customer service standards	85	98	1
Percentage of community's overall satisfaction with Gold Coast Waterways Authority's implementation of the 10-year Waterways Management Strategy	80	75	2
<i>Efficiency measures</i>			
Cost per cubic metre of operating the Gold Coast Sand Bypass System	\$1.75	\$1.84	3
Average annual cost to manage and maintain each navigation aid in the Gold Coast waterways	\$342	\$346	4

Notes:

- Customer service standards are published and outline the quality, timeliness and level of support provided by the Authority when addressing enquiries. Feedback from stakeholders is used to effectively plan and deliver better management of and access to the waterways.
- Since the Authority's establishment in 2012, this effectiveness measure has been based on stakeholder satisfaction feedback which is collected every second month via 'Meet the Board' community consultation sessions, boat show surveys, Facebook and includes measures on quality, staff, outcomes and overall satisfaction. A biennial client satisfaction survey was conducted in the late part of 2018-19 (results are being assessed) in accordance with the Better Practice Guideline for Measuring Customer Experience, published by the Department of the Premier and Cabinet, and included questions on timeliness, quality, access, staff, outcomes and overall satisfaction.
- Includes all costs to operate the Gold Coast Sand Bypass System, including salaries, maintenance, electricity and any other ancillary costs and is based on 664,847 m³ (actual) movement of sand for 2018-19.
- Includes costs to manage and maintain 2,001 aids to navigation located in the Gold Coast waterways including salaries, inventory, associated vessel costs and any other ancillary costs.

Other performance measures

In accordance with Section 9 of the Financial and Performance Management Standard 2009, Gold Coast Waterways Authority is required to develop a 4-year Strategic Plan. The Gold Coast Waterways Authority Strategic Plan (2017-21) is included at Appendix B and sets out Gold Coast Waterways Authority's vision, purpose, contribution to Government's objectives for the community, objectives, performance indicators, strategies and strategic risks and opportunities.

The Gold Coast Waterways Management Program 2018-22 discusses the issues and investment criteria relevant to GCWA. The Gold Coast Waterways Management Strategy 2014-2023 covers a longer time span than the Program (10 years versus 4 years) and takes a broader view by focusing on the overall management of the waterways. Parts of the Strategy will be addressed by future programs and parts are primarily the responsibility of other entities. The Program investments are more focused towards those areas where Gold Coast Waterways Authority has sole or lead responsibility. The Program is largely, but not exclusively, focused on projects that are achievable in the short term.

In developing the Program, Gold Coast Waterways Authority prioritised investments to improve navigational access, including dredging and marine facilities – for a sustainably managed waterways network that balances community demands. Issues and investment opportunities are presented, as well as relevant performance measures.

Summary of financial performance

The Financial Statements cover Gold Coast Waterways Authority which has no controlled entities. Gold Coast Waterways Authority is a Queensland Government statutory body (within the meaning given in the Financial Accountability Act 2009), which operates under the Gold Coast Waterways Authority Act 2012, and is controlled by the State of Queensland, which is the ultimate parent.

A description of the nature of Gold Coast Waterways Authority's operations and its principal activities is included in the notes to the Financial Statements. The Authority controls various marine and land-based non-current physical assets which are described in Note 10 of the Financial Statements. In addition to the disclosed "Property Plant and Equipment" assets, the Authority values and acknowledges our natural assets.

Funding to meet organisational requirements is received from the Queensland Government (and is shown as "User Charges" in the Statement of Comprehensive Income in the Financial Statements) and from minimal own sourced revenue.

The Financial Statements which follow, provide an overview of our financial activities for 2018-19. These statements have been reviewed by the Queensland Audit Office who have provided an unmodified auditor's report.

In 2018-19, Gold Coast Waterways Authority's operational income was \$13.61 million, and expenditure was \$13.47 million, against a budget of \$13.15 million (which includes Agency Transaction revenue and expenses as outlined in Note 16), resulting in a surplus of \$0.14 million.

Delivery on the capital program of \$6.1 million against a budget of \$8.7 million means that \$2.6 million will be carried forward to the 2019-20 financial year. The capital program carryover is primarily due to delays in completion of a major navigation access project and the flow-on effect to dependent dredging projects planned in 2018-19, which will now be delivered in 2019-20.

Governance – Management and Structure

Boards and Committees

Gold Coast Waterways Authority is a statutory authority governed by a decision-making Board of seven members. The Board is led by Chair Mara Bún and is accountable to the Minister for Main Roads and Transport.

In accordance with the *Gold Coast Waterways Authority Act 2012* (the Act), the Board includes the Mayor of City of Gold Coast (or a delegate) and six members with expertise in one or more areas specified in the Act. All members bring an injection of new ideas, and diverse priorities and perspectives. Members of the Board are all Gold Coast residents and leaders of the local community with strong breadth and depth of knowledge on waterways issues.

The Board has three sub-committees; the Audit and Risk Committee, the Science and Innovation Advisory Committee (previously the Scientific Advisory Committee) and the Waterways Projects Committee. The Board Charter and Committee Terms of Reference are published on GCWA's website.

Members of the Gold Coast Waterways Authority Board are appointed by Gazette and are as follows:

Current Chair	Mara Bún (01/12/15 – current)
Current Member	Tom Tate (Mayor of City of Gold Coast) or delegate (01/12/12 – current)
Current Member	Annaliese Battista (15/02/19 – current)
Current Member	Elizabeth Hay (15/02/19 – current)
Current Member	Loretta Lynch (23/02/18 – current)
Current Member	Leslie Shirreffs (01/12/15 – current)
Current Member	Daniel Ware (15/02/19 – current)
Past Member	Michael Bartlett (13/12/12 – 14/02/19)
Past Member	Professor Rodger Tomlinson (13/12/12 – 14/02/19)
Past Member	Martin Winter (13/12/12 – 14/02/19).

The Chief Executive Officer and Executive Support Officer (minute taker) attend Board meetings. Members of the Executive Management team and Gold Coast Waterways Authority officers also attend meetings as required to present papers on specific topics. Minutes reflect this attendance.

During the period 1 July 2018 until 30 June 2019, Gold Coast Waterways Authority held 10 ordinary Board meetings and 12 Board sub-committee meetings.

Board and committee membership, meeting attendance and remuneration is outlined in the table below.

Board Remuneration

Gold Coast Waterways Authority Board was appointed by Gazette No. 109 dated 21 December 2012, No. 63 dated 27 November 2015, No. 34 dated 23 February 2018 and No. 31 dated 15 February 2019. Board Remuneration is governed by the Department of the Premier and Cabinet publication 'Remuneration Procedures for Part-Time Chairs and Members of Queensland Government Bodies'. The Board falls under 'Regulation, Administration & Advice - Level 1'. From 15/02/19, the Board was gazetted to receive annual fees as opposed to daily fees. Information about Board appointments is detailed under section 44 of the *Gold Coast Waterways Authority Act 2012*.

Position	Name	Board	Sub Committees
Current Chair	BÚN, Mara	10	3
Current Member	Mayor of City of Gold Coast (or delegate) ¹	10	0
Current Member	BATTISTA, Annaliese	1	1
Current Member	HAY, Elizabeth Hay	2	1
Current Member	LYNCH, Loretta	10	4
Current Member	SHIRREFFS, Leslie	10	4
Current Member	WARE, Daniel	2	1
Past Member	BARTLETT, Michael	5	2
Past Member	TOMLINSON, Rodger	2	2
Past Member	WINTER, Martin	3	1

- The above table is to be read in conjunction with Financial Statement Note 23.
 - Payment periods: 01/07/18 - 30/06/19.
 - Pages 22-24 of Gold Coast Waterways Annual Report 2018-19 outlines membership of GCWA sub-committees.
1. As at 12/07/18, Wayne Moran, Chief of Staff, Office of the Mayor Tom Tate is the delegate of the Mayor of City of Gold Coast. Previously, Councillor Gary Baildon AM, Division 7 from 15/09/17 – 11/05/18 and Darren Scott, Director of Economic Development and Major Projects for the City of Gold Coast from 27/11/15 – 14/09/17.

Sub committees

Audit and Risk Committee

The Audit and Risk Committee is responsible for providing assurance that:

- The credibility, appropriateness and objectivity of internal and external reporting is enhanced and remains appropriate
- Corporate governance responsibilities are addressed
- Internal control frameworks are appropriate
- Laws and regulations are complied with
- A risk management framework of policy, systems and processes is operative
- Business systems and processes operate efficiently and effectively and are designed to minimise the potential for fraud
- The internal and external audit process and external reporting is effective
- Best practice is adopted where cost effective and feasible.

The Audit and Risk Committee reports to the Board and provides appropriate advice and recommendations on matters it considers need action or improvement. The Audit and Risk Committee is scheduled to meet four times per year.

Committee Member	Position
Loretta Lynch	Chair
Mara Bún	Member
Maurie Burke	Member
Gold Coast Waterways Authority Staff	
Hal Morris	Chief Executive Officer
Cynthia Turner – Manager, Business Services	Gold Coast Waterways Authority Liaison

Science and Innovation Advisory Committee

The role of the Science and Innovation Advisory Committee is to provide:

- strategic advice related to scientific, technical and innovation directions for Gold Coast Waterways Authority, including the implementation of the Scientific Research and Management Program.
- oversight to the implementation of programs under the Sand Management Plan for managing sand resources in Gold Coast waterways and other matters related to the management of Gold Coast waterways.

Members bring expertise across the fields of coastal management, marine ecology, planning, climate adaptation, environmental economics, tourism and natural resource management.

The Science and Innovation Advisory Committee reports to the Board and is scheduled to meet four times per year.

Committee Member	Position
Leslie Shirreffs	Chair
Kathy Baker	Member
Rod Connolly	Member
Aysin Dedekorkut-Howes	Member
Mark Gibbs	Member
Kylie Pitt	Member
Mike Raybould	Member
Rodger Tomlinson	Member
Gold Coast Waterways Authority Staff	
Hal Morris	Chief Executive Officer
Jessica Bourner – Manager, Planning and Innovation	Gold Coast Waterways Authority Liaison

Waterways Projects Committee

The role of the Waterways Project Committee is to provide advice (as required) to the Board on issues and considerations in relation to successful delivery of the Waterways Management Program – Capital and Operational Projects.

The committee reviews, considers and advises on all tasks necessary to ensure that all Gold Coast Waterways Authority projects:

- are carried out within the budget allowance approved by the Board
- are completed within a time frame approved by the Board
- meet the organisational objectives and investment criteria set by Gold Coast Waterways Authority Waterways Management Strategy.

The Waterways Project Committee reports to the Board and is scheduled to meet four times per year.

Committee Member	Position
Daniel Ware	Chair
Annaliese Battista	Member
Elizabeth Hay	Member
Gold Coast Waterways Authority Staff	
Hal Morris	Chief Executive Officer
Daniel Dray – Manager, Program Delivery	GCWA Liaison

Organisational Structure

Work Units

Gold Coast Waterways Authority is comprised of four work units; Program Delivery, Waterways, Business Services and Planning and Innovation.

Each work unit is responsible for the delivery of a set of functions and supports either the Board, a Board sub-committee or another committee through provision of support, liaison or advisory services.

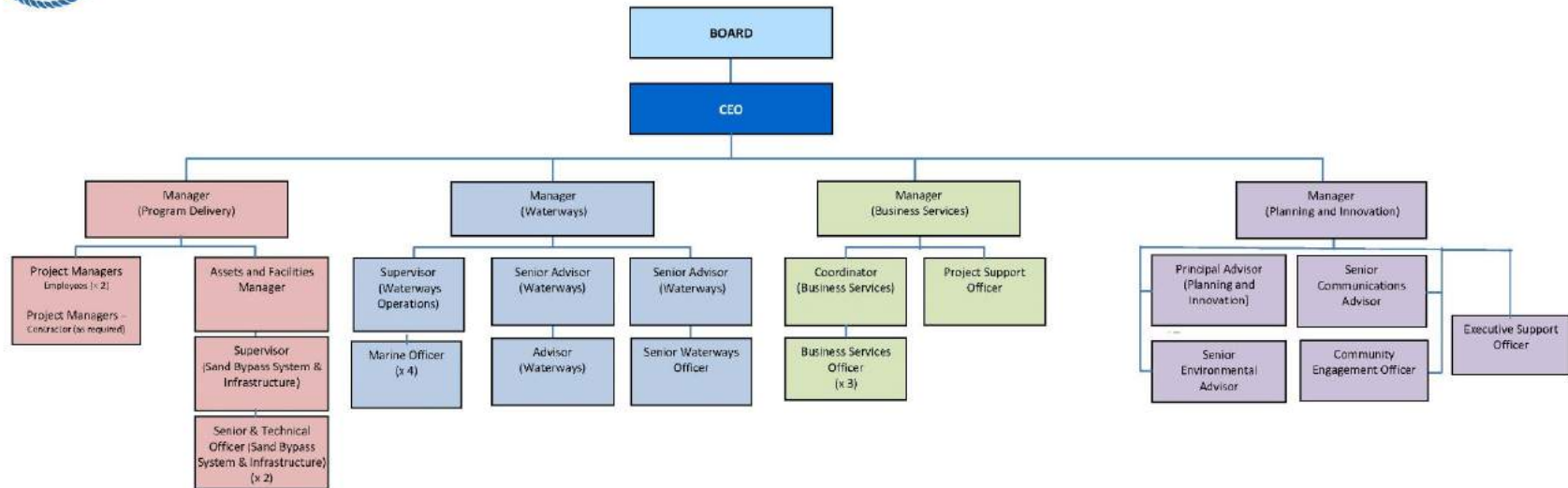
A description of the current work units including their functions and support roles is included below:

Work Unit	Responsible Officer	Description
Program Delivery	Daniel Dray Manager, Program Delivery	The Program Delivery unit is responsible for the delivery of the Waterways Management Program through the Project Management Office
Planning and Innovation	Jessica Bourner Manager, Planning and Innovation	The Planning and Innovation unit is responsible for long term planning, innovation, communications and executive support.
Waterways	Peter Kleinig Manager, Waterways	The Waterways unit is responsible for improving the management of the waterways.
Business Services	Cynthia Turner Manager, Business Services	The Business Services unit is responsible for all facets of corporate support within the organisation.

Organisational Structure



Gold Coast Waterways Authority Organisational Structure



Public Sector Ethics Act 1994

Gold Coast Waterways Authority is committed to ensuring a high professional standard of conduct. Gold Coast Waterways Authority has adopted the Queensland Government Public Service Commission Code of Conduct to provide staff with direction and guidance in making better decisions and promoting ethical values and behaviours. To support this, Gold Coast Waterways Authority provides Code of Conduct training to all new employees as part of their induction process. Biennial Code of Conduct training is provided to all staff to refresh awareness and reinforce employee obligations.

Queensland Public Service Values

In addition to the organisational values, as identified in the Strategic Plan, Gold Coast Waterways Authority is committed to achieving the Government's objectives for the community through implementation of the five public service values:



Customers first

- Know your customer
- Deliver what matters
- Make decisions with empathy



Ideas into action

- Challenge the norm and suggest solutions
- Encourage and embrace new ideas
- Work across boundaries



Unleash potential

- Expect greatness
- Lead and set clear expectations
- Seek, provide and act on feedback



Be courageous

- Own your actions, successes and mistakes
- Take calculated risks
- Act with transparency



Empower people

- Lead, empower and trust
- Play to everyone's strengths
- Develop yourself and those around you

Governance – Risk Management and Accountability

Risk Management

Gold Coast Waterways Authority is committed to a robust Risk Management system which guides the organisation's risk culture, appetite and tolerance, risk management policies and processes.

A Risk Management Policy, Framework and Risk Appetite Statement is in place, along with a Risk Register. The risk management system optimises the Authority's ability to achieve its strategic objectives and support good governance and decision-making. An appropriate framework of business controls is monitored, maintained and controlled to cover operational, technical, commercial, financial and administrative activities, and the Risk Management Register is periodically reviewed by management, the Audit and Risk Committee and the Board, in accordance with the Governance Calendar.

External Scrutiny

In accordance with the Auditor-General Act 2009, the Auditor-General is required to undertake an audit of Gold Coast Waterways Authority each financial year. An unmodified auditor's report for Gold Coast Waterways Authority's financial statements for the period 1 July 2018 to 30 June 2019 was issued on 19 August 2019. The Financial Statements and Independent Auditor's Report are included in this report as Appendix A.

Audit and Risk Committee

Gold Coast Waterways Authority has an Audit and Risk Committee consisting of Loretta Lynch (Chair), Mara Bún (Chair of Gold Coast Waterways Authority Board) and Maurie Burke (external member) and met four times in 2018-19. The Chief Executive Officer and Manager (Business Services) also attend the Audit and Risk Committee in an advisory role. The committee abides by its Terms of Reference and is guided by the Queensland Treasury's Audit Committee guidelines.

Internal Audit

Internal audit is an integral part of the corporate governance framework by which the Gold Coast Waterways Authority maintains effective systems of accountability and control at all levels. The role of the internal audit function includes:

- The appraisal of Gold Coast Waterways Authority's financial administration and its effectiveness having regard to the functions and duties imposed under Section 61 of the Financial Accountability Act 2009;
- The provision of value-added audit services and advice to Gold Coast Waterways Authority, the Audit and Risk Committee and management on the effectiveness, efficiency, appropriateness, legality and probity of Gold Coast Waterways Authority's operation. This responsibility includes advice on the measures taken to establish and maintain a reliable and effective system of internal control.

Given the size of Gold Coast Waterways Authority, it was decided not to establish its own internal audit function and to engage the Corporate Administration Agency to undertake the internal audit function.

An Internal Audit Charter has been endorsed by the Board, together with a Gold Coast Waterways Authority Internal Audit Plan 2018-21, which outlines the Annual Audit Plan. In 2018-19, internal audit reviews were conducted on:

- Compliance with *Gold Coast Waterways Authority Act 2012*
- IT Security (IS18)
- Use of ICT Facilities and Devices (IS38)
- Gifts and Benefits
- Imprest Accounts – Petty Cash and Floats

Information Systems and Recordkeeping

Gold Coast Waterways Authority maintains information technology and cyber security controls and awareness through measures such as security updates, education and online training. This is done in conjunction with the Corporate Administration Agency who, under a Service Level Agreement, provide information technology systems, along with other services, to Gold Coast Waterways Authority. Under the Service Level Agreement, CAA maintains mandatory security requirements (Essential 8 Level 1) of Information Standard 18 (IS18:2018).

The following measures were continued in 2018-19:

- ongoing multi factor authentication for the Office 365 environment
- ongoing email 'PhishAlarm' testing and reporting to identify suspected phishing emails and monitoring of staff awareness
- providing staff education, on-line training and displaying information flyers which outline the importance of maintaining vigilant information and cyber security practices to minimise risk exposure.

During 2018-19, Gold Coast Waterways Authority continued to use the HPE Content Manager records management system which incorporates a business classification scheme used to create and manage containers. All staff are provided training in this system and are aware of their records management responsibilities.

In line with legislation and government standards, Gold Coast Waterways Authority keeps and maintains proper records of its activities. Under section 26 of the Public Records Act 2002, the Maritime Safety Sector Retention and Disposal Schedule is approved for use by Gold Coast Waterways Authority to dispose of core business records. This disposal schedule is used in conjunction with the General Retention and Disposal Schedule for the disposal of common and administrative public records.

Fraud and Corruption Control Policy

Gold Coast Waterways Authority has a zero tolerance towards fraud and corruption and is committed to the prevention of fraud and corruption in its operations. To support this, Gold Coast Waterways Authority has in place a Fraud and Corruption Control Policy to assist in the prevention, detection, reporting and reduction of risks and exposures to any fraud. Awareness training is provided to staff on a periodic basis.

Governance – Human Resources

Strategic workforce planning and performance

As at 30 June 2019, Gold Coast Waterways Authority employed 30 full-time equivalent employees, which is an increase of 1 from 2017-18. Our workforce, while relatively small, is comprised of a mix of skills ranging from employees with maritime and/or trade certificates and professional and administration skills. The permanent staff retention rate was 93.3%, compared to 99.0% in 2017-18.

Gold Coast Waterways Authority's workforce is diverse with females representing 36% of the total workforce and 50% of management-level positions.

Gold Coast Waterways Authority is committed to attracting and retaining a highly skilled workforce to achieve its set objectives. Proactive promotion of health, safety and wellbeing considerations are delivered to support and enhance organisational effectiveness and contribute to workforce planning, attraction and retention and providing a skilled, diverse and agile workforce:

- Training and development for staff to ensure maximum benefits to staff and knowledge and efficiency across the organisation.
- Participation in Performance and Development planning to understand strategic organisational objectives, understand linkages between organisational objectives and team responsibilities, address conduct, work priorities and expectations and provide an opportunity to review and improve performance through feedback and support. This also provides an opportunity to develop leadership capabilities of staff.
- Participation in the annual whole-of-government confidential employee opinion survey, Working for Queensland, including an analysis of results which is used to inform workforce planning, promote a positive organisational culture, and provide an environment which encourages innovative solutions.
- Flexible work arrangements are available to help achieve a quality work-life balance and to support the management of an agile work environment.
- Access to confidential counselling for employees and their families through an employee assistance program.
- Awareness programs regarding support for employees impacted by domestic and family violence.
- Provision of health and wellness initiatives, including on-line health and wellbeing information, flu vaccinations and office ergonomic assistance.
- The majority of the staff continue to be employed under the TMR Enterprise Bargaining Certified Agreement 2016, following the transition from Department of Transport and Main Roads to Gold Coast Waterways Authority in 2012.

Early retirement, redundancy and retrenchment

No redundancy/early retirement/retrenchment packages were paid during the period.

Appendix A

Financial Statements



Gold Coast Waterways Authority Financial Statements

for the financial year ended 30 June 2019

Gold Coast Waterways Authority

Financial Statements 2018-19

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Gold Coast Waterways Authority

Statement of Comprehensive Income for the year ended 30 June 2019

		2019 Actual	2018 Actual	2019 Original Budget	Budget Variance*
	Notes	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations					
User charges	2	12,152	10,646	13,064	(912)
Grants and other contributions	3	1,284	-	-	1,284
Interest		182	151	89	93
Other revenue	4	-	184	-	-
Total Revenue		13,618	10,981	13,153	465
Total Income from Continuing Operations		13,618	10,981	13,153	465
Expenses from Continuing Operations					
Employee expenses	5	3,476	3,254	3,387	89
Supplies and services	6	5,682	3,396	4,650	1,032
Grants and subsidies		-	150	-	-
Depreciation	10	3,972	3,801	3,985	(13)
Amortisation	11	61	46	-	61
Other expenses	7	284	270	1,131	(847)
Total Expenses from Continuing Operations		13,475	10,917	13,153	322
Operating Result from Continuing Operations		143	64	-	143
Operating Result for the Year		143	64	-	143
Other Comprehensive Income					
<i>Items that will not be reclassified to operating result</i>					
Increase in asset revaluation surplus	15	9,315	8,202	-	9,315
Total Other Comprehensive Income		9,315	8,202	-	9,315
Total Comprehensive Income		9,458	8,266	-	9,458

*An explanation of variances is located at note 22(a)

The accompanying notes form part of these statements.

Gold Coast Waterways Authority

Statement of Financial Position as at 30 June 2019

		2019 Actual	2018 Actual	2019 Original Budget	Budget Variance*
	Notes	\$'000	\$'000	\$'000	\$'000
Current Assets					
Cash and cash equivalents	8	7,541	7,594	4,029	3,512
Receivables	9	364	167	235	129
Inventories		163	154	139	24
Total Current Assets		8,068	7,915	4,403	3,665
Non Current Assets					
Property, plant and equipment	10	218,971	207,558	204,749	14,222
Intangible assets	11	841	898	500	341
Total Non Current Assets		219,812	208,456	205,249	14,563
Total Assets		227,880	216,371	209,652	18,228
Current Liabilities					
Payables	12	1,719	1,186	1,212	507
Accrued employee benefits	13	416	439	434	(18)
Other liabilities	14	63	21	45	18
Total Current Liabilities		2,198	1,646	1,691	507
Total Liabilities		2,198	1,646	1,691	507
Net Assets		225,683	214,725	207,961	17,722
Equity					
Contributed equity		181,178	179,678		
Accumulated surplus		(326)	(469)		
Asset revaluation surplus	15	44,831	35,516		
Total Equity		225,683	214,725		

*An explanation of variances is located at note 22(b)

The accompanying notes form part of these statements.

Gold Coast Waterways Authority

Statement of Changes in Equity for the year ended 30 June 2019

		2019	2018
	Notes	\$'000	\$'000
Contributed Equity			
Balance as at 1st July		179,678	178,281
Transactions with Owners as Owners			
• Non-Appropriated Equity Injections		5,485	5,010
• Non-Appropriated Equity Withdrawals		(3,985)	(3,613)
Balance as at 30 June		<u>181,178</u>	<u>179,678</u>
Accumulated Surplus			
Balance as at 1st July		(469)	(533)
Operating Result from Continuing Operations		143	64
Balance as at 30 June		<u>(326)</u>	<u>(469)</u>
Asset Revaluation Surplus			
Balance as at 1st July		35,516	27,314
Increase in asset revaluation surplus		9,315	8,202
Balance as at 30 June	15	<u>44,831</u>	<u>35,516</u>

The accompanying notes form part of these statements.

Gold Coast Waterways Authority

Statement of Cash Flows

for the year ended 30 June 2019

		2019 Actual	2018 Actual	2019 Original Budget	Budget Variance*
	Notes	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
<i>Inflows:</i>					
Grants and other contributions		1,284	-	-	1,284
User charges		12,047	10,625	13,064	(1,017)
Interest		183	149	89	94
GST collected from customers		166	25	-	166
GST input tax credits from ATO		1,042	755	-	1,042
Other revenues		-	184	-	-
<i>Outflows:</i>					
Employee expenses		(3,491)	(3,246)	(3,387)	(104)
Supplies and services		(5,157)	(3,344)	(4,650)	(507)
Grants and contributions		-	(150)	-	-
GST paid to suppliers		(1,112)	(772)	-	(1,112)
GST remitted to ATO		(156)	(25)	-	(156)
Purchase of inventories		-	(14)	-	-
Other expenses		(262)	(180)	(1,131)	869
Net cash provided by operating activities		4,544	4,007	3,985	559
Cash flows from investing activities					
<i>Inflows:</i>					
Sales of property, plant and equipment		22	19	-	22
<i>Outflows:</i>					
Payments for property, plant and equipment		(6,115)	(3,826)	(7,990)	1,875
Payments for intangibles		(4)	(444)	-	(4)
Net cash used in investing activities		(6,097)	(4,251)	(7,990)	1,893
Cash flows from financing activities					
<i>Inflows:</i>					
Non-appropriated Equity Injections		5,485	5,010	1,500	3,985
<i>Outflows:</i>					
Non-appropriated Equity Withdrawal		(3,985)	(3,613)	-	(3,985)
Net cash provided by financing activities		1,500	1,397	1,500	(0)
Net increase/(decrease) in cash held		(53)	1,153	(2,505)	2,452
Cash and cash equivalents at beginning of financial year		7,594	6,441	6,534	1,060
Cash and cash equivalents at end of financial year	8	7,541	7,594	4,029	3,512

*An explanation of variances is located at note 22(c)

The accompanying notes form part of these statements.

Gold Coast Waterways Authority

Statement of Cash Flows for the year ended 30 June 2019

Notes to the Statement of Cash Flow

	2019	2018
	\$'000	\$'000
Reconciliation of Operating Result to Net Cash from Operating Activities		
Operating surplus	143	64
Non-Cash items included in operating results:		
Loss on sale of asset	22	90
Depreciation expense	3,972	3,801
Amortisation expense	61	46
Changes in assets and liabilities:		
Increase in trade receivables	(139)	(1)
Increase in GST receivables	(69)	(17)
(Increase)/decrease in interest receivables	1	(2)
Increase in inventories	(9)	(14)
Decrease in other assets	-	4
Increase in payables	535	48
Increase in GST payable	9	-
Increase/(decrease) in employee benefits	(23)	13
Increase/(decrease) in other current liabilities	41	(25)
Net cash provided by operating activities	4,544	4,007

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

Section 1:	How We Operate - Our Authority's Objectives and Activities
Note 1:	Objectives and Principal Activities of the Gold Coast Waterways Authority
Section 2:	Notes about our Financial Performance
Note 2:	User Charges
Note 3:	Grants and Other Contributions
Note 4:	Other Revenue
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Note 6:	Supplies and Services
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Section 3:	Notes about our Financial Position
Note 8:	Cash and Cash Equivalents
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Note 22:	Budgetary Reporting Disclosures
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Note 25:	First Year Application of New Accounting Standards of Change in Policy
Note 26:	Taxation
Note 27:	Accounting Estimates and Judgements
Note 28:	Events after the balance date

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

General Information

The Gold Coast Waterways Authority (the Authority) is a Queensland Government Statutory Authority which operates under the *Gold Coast Waterways Authority Act 2012* and is controlled by the State of Queensland, which is the ultimate parent.

The head office and principal place of business of the Authority is 40-44 Seaworld Drive, Main Beach, Queensland.

Statement of Compliance

The Authority has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2018.

With respect to compliance with Australian Accounting Standards and Interpretations, the Authority has applied those requirements applicable to not-for-profit entities, as the Authority is a not-for-profit entity.

The Reporting Entity

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of the Authority. The Authority does not have any controlled entities.

Basis of Measurement

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

- Land, buildings, infrastructure and major plant and equipment assets, which are measured at fair value;
- 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 the 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.

Net Realisable Value

Net realisable value represents the amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal.

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

Presentation Matters

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 2017-18 financial statements.

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' when 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 of the reporting date or the Authority does not have an unconditional right to defer settlement beyond 12 months after the reporting date.

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

Implementation of the Shared Services Initiative

The Corporate Administration Agency (CAA) provides the Gold Coast Waterways Authority with corporate services under the "Shared Services Provider" model. The fees and terms of the services are agreed through a Service Level Agreement, negotiated annually and include:

- Financial services
- Human resources recruitment and payroll
- Information systems and support

Authorisation of financial statements for issue

The financial statements are authorised for issue by the Chairperson and Chief Executive Officer at the date of signing the Management Certificate.

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

SECTION 1

HOW WE OPERATE - OUR OBJECTIVES AND ACTIVITIES

1. Objectives and Principal Activities of the Gold Coast Waterways Authority

The Authority has responsibility for providing the best possible navigational access, boating infrastructure and management of the Gold Coast waterways at a reasonable cost while keeping regulation to a minimum. The Gold Coast Waterways Management Strategy 2014-2023 sets out a vision and objectives to sustain, enhance and promote the waterways and is supported by a four year rolling Waterways Management Program.

The Authority focuses on the following objectives as outlined in the Gold Coast Waterways Authority Strategic Plan 2017-21 (reviewed 2018):

- Promote the safe, sustainable, and efficient use and enjoyment of Gold Coast waterways;
- Improve access to Gold Coast waterways through investments that balance diversity of use with consideration to the protection of environmental values;
- Provide localised decision-making that is guided by genuine community engagement;
- Take an innovative approach to the long-term sustainable management of Gold Coast waterways to ensure resilience.

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

SECTION 2 NOTES ABOUT OUR FINANCIAL PERFORMANCE

	2019 \$'000	2018 \$'000
2. User Charges		
Revenue for service delivery outsourced by other agencies*	11,826	10,537
Other	326	109
Total	12,152	10,646

The increase reflects a shift in the base funding to include an increased level of maintenance for capital works delivered in prior years.

* User Charges represents the State funding which the Authority is dependent on to operate. Funding is received on a quarterly basis, following the raising of a tax invoice to the respective department.

Accounting policy

User charges and fees controlled by the Authority are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This involves either invoicing for related goods/services and/or the recognition of accrued revenue.

3. Grants and Other Contributions

Grants and other contributions	1,284	-
Total	1,284	-

Represents contributions from City of Gold Coast towards capital and operational works associated with dredging and the boating infrastructure program.

Accounting policy

Grants, contributions, donations and gifts are non-reciprocal in nature and are recognised as revenue in the year in which the Authority obtains control over them.

4. Other Revenue

Insurance Claims Recovery	-	184
Total	-	184

As a result of damage incurred to navigational aids from a severe weather event in 2016-17 and a collision by a vessel during 2017-18, the Authority received \$184,543 insurance compensation from Queensland Government Insurance Fund in the 2017-18 year.

5. Employee Expenses

Employee Benefits

Wages and salaries	2,577	2,324
Annual leave expense	251	245
Employer superannuation contributions	364	318
Termination payments	-	89
Long service leave levy	60	55

Employee Related Expenses

Workers' compensation premium	17	18
Payroll tax	168	150
Other employee related expenses	38	55

Total	3,476	3,254
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Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

5. Employee Expenses (contd)

	2019	2018
Full-time equivalent employees:	30	29

The Authority also engages employment agency contractors, as required, to enable the delivery of the Authority's objectives. Any associated costs are included in Note 6 in the "Consultants and Contractors" total costs.

Accounting policy

Wages, Salaries, Annual Leave and Sick leave

Wages, salaries and annual leave due but unpaid at reporting date are recognised in the Statement of Financial Position as a current liability at the current salary rates.

As the Authority expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

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

Long Service Leave

Under the Queensland Government's long service leave scheme, a levy is made on the Authority to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

No provision for long service leave is recognised in the Authority's financial statements, the liability being 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*.

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 Authority at the specified rate following completion of the employee's service each pay period. The Authority's obligations are limited to those contributions paid.

Workers' Compensation Premium

The Authority 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 an employee benefit and is recognised separately as an employee related expense.

Key management personnel and remuneration disclosures are detailed in Note 23.

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

	2019	2018
	\$'000	\$'000
6. Supplies and Services		
Building services	845	868
Corporate service charges	455	379
Telecommunications	61	69
Consultants and contractors*	3,221	1,041
Materials and running costs	214	237
Advertising	22	39
Motor vehicle running costs	68	72
Vessels running costs	149	92
Repairs and maintenance	203	171
Navigation aids maintenance	269	270
Consumables	12	1
Operating lease rentals	85	84
Staff travel	13	5
Computer costs	32	40
Other	34	28
Total	5,682	3,396

* Consultant and contractor payments includes payments made to external parties of \$2,472,383 (2018: \$449,696) to carry out contractual works on navigation dredging projects and the painting of the Gold Coast Seaway sand bypass jetty.

7. Other Expenses

Insurance	83	92
Audit fees*	21	19
Loss on sale of assets	22	90
Bad debts expense	16	9
Sponsorship	43	-
Environmental fees and offsets	100	60
Total	284	270

* Total audit fees payable to the Queensland Audit Office relating to the 2018-19 financial statements are quoted to be \$20,500 (2018 \$19,000). There are no non-audit services included in this amount.

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

SECTION 3 NOTES ABOUT OUR FINANCIAL POSITION

	2019 \$'000	2018 \$'000
8. Cash and Cash Equivalents		
Cash on hand	1	1
Cash at bank	7,310	7,365
Investment account	231	228
Total	7,541	7,594

Interest earned on cash held with the Commonwealth Bank earned between 0.50% and 2.05% in 2018-19 (between 0.50% to 2.00% in 2017-18).

Accounting policy

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

9. Receivables

Trade Debtors	172	26
Long Service Leave reimbursements	8	16
	181	42
GST receivable	265	195
GST payable	(93)	(83)
	172	112
Interest Receivable	12	13
Total	364	167

Accounting policy

Receivables

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.

Impairment of Receivables

The Authority considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and forecasts that affect the expected collectability of the receivables.

The Authority has assessed that credit losses are negligible. Consequently, the Authority will not allow for any loss allowances for trade receivables on the basis that any impairment would be insignificant.

The Authority's other receivables are from Queensland Government agencies, Australian Government agencies and the Commonwealth Bank. No loss allowance is recorded for these receivables on the basis of materiality.

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 no credit enhancements relate to receivables held by the Authority.

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

10. Property Plant and Equipment and Depreciation Expense

Closing balances and reconciliation of carrying amount

	Land		Buildings		Infrastructure		Major P&E		P&E		WIP		Total	
	At fair value		At fair value		At fair value		At fair value		At cost		At cost			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Gross	43,276	40,635	2,521	2,455	230,337	219,583	1,062	1,038	562	531	6,962	2,684	284,721	268,928
Less: accumulated depreciation	-	-	(716)	(906)	(64,449)	(58,331)	(291)	(208)	(295)	(223)	-	-	(65,750)	(59,368)
Carrying amount at 30 June	43,276	40,635	1,805	1,849	165,888	161,252	771	830	268	308	6,962	2,684	218,971	207,558
<i>Represented by movements in carrying amount.</i>														
Carrying amount at 1 July	40,635	37,800	1,849	1,560	161,252	155,992	830	918	308	338	2,684	2,831	207,558	199,439
Plus Purchases	-	-	-	-	-	-	-	-	102	74	6,013	3,751	6,115	3,826
Less Disposals	-	-	-	-	(4)	(80)	-	-	(40)	(28)	-	-	(45)	(108)
Transfers	-	-	-	341	1,735	3,557	-	-	-	-	(1,735)	(3,898)	-	-
Revaluation increments	2,641	2,835	48	30	6,608	5,348	18	(11)	-	-	-	-	9,315	8,202
Depreciation for period	-	-	(92)	(82)	(3,702)	(3,586)	(78)	(77)	(102)	(76)	-	-	(3,972)	(3,801)
Carrying amount at 30 June	43,276	40,635	1,805	1,849	165,888	161,252	771	830	268	308	6,962	2,684	218,971	207,558

The Authority's land and building assets are geographically located at "The Spit" land area situated 2.5 kilometres north along Seaworld Drive from Main Beach, Queensland. The buildings are specialised assets including pump buildings and a kiosk. There are three land assets, two of which are situated at "The Spit" land area, and the third parcel within the Gold Coast Seaway and known as Wave Break Island.

A specific appraisal of assets has been undertaken at 30 June 2015 by a registered valuer who undertook physical inspections of the specified land, building, infrastructure and major plant and equipment assets.

During 2018-19 the fair values of these assets were reviewed using appropriate and relevant indices, which were confirmed by registered valuers, AssetVal Group. For building, infrastructure and major plant and equipment assets, appropriate indices were aligned to rates published by the Queensland Government's Statistician Office or the Australian Bureau of Statistics. In the case of infrastructure assets, these were assessed against 4 indexation categories, being civil, mechanical, electrical and steel, with the judgements based on what the influencing factors would be to drive cost movements. The index rates for these asset classes were then applied to the previous specific appraisal amount for each asset class. The Authority's land value was reviewed and updated using appropriate indices obtained by the registered valuer. The indexation percentage was derived from a number of sources including local real estate agents, other valuation work done in the area, analysis of land sales that have sold and re-sold during the indexation period and sources such as The Department of Natural Resources and Mines (QLD) and PDS Live. AssetVal Group then analysed the information and applied their professional opinion. The index rate was then applied to the previous specific appraisal amounts.

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

10. Property Plant and Equipment and Depreciation Expense (contd)

Accounting Policy

Basis of Capitalisation and Recognition Thresholds

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

Buildings	\$10,000
Infrastructure	\$10,000
Land	\$1
Major Plant and Equipment	\$5,000
Plant and Equipment	\$5,000
Other (including heritage and cultural)	\$5,000

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

Land improvements undertaken by the Authority are included either in the class with Buildings or Infrastructure based on their proximity to the asset to which they relate.

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for the Authority. 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 restores original service potential (lost through ordinary wear and tear) is expensed.

The Authority has an annual maintenance program for its major plant and equipment and infrastructure assets.

Cost of Acquisition and Construction of Assets

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 (such as architects' fees and engineering design fees), 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 machinery-of-Government change or other involuntary transfer), the acquisition cost is recognised as the carrying amount in the books of the other entity immediately prior to the transfer.

Assets acquired at no cost or for nominal consideration, other than from another Queensland Government entity, are recognised at their fair value at date of acquisition.

Where assets are constructed by the Authority, the recorded value of the asset reflects the cost of construction of the asset including all costs directly related to specific contracts, any costs that are specifically chargeable to the Authority under the terms of the contract or which the Authority specifically incurs in relation to the asset.

Measurement Using Historical Cost

Plant and equipment, (excluding major plant and equipment) is measured at historical cost in accordance with the Non-Current Asset Policies. The carrying amounts for such plant and equipment is not materially different from their fair value.

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

10. Property Plant and Equipment and Depreciation Expense (contd)

Measurement Using Fair Value

Land, buildings, infrastructure, and major plant and equipment 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 by management of the Authority to materially represent their fair value at the end of the reporting period.

Property, plant and equipment classes measured at fair value are revalued on an annual basis either by appraisals undertaken by an independent professional valuer or internal expert, or by the use of appropriate and relevant indices. For financial reporting purposes, the revaluation process is managed by a team in the Authority's Business Services unit, who determine the specific revaluation practices and procedures.

The building and infrastructure assets are regarded as Level 3 inputs being specialised assets and have been valued on the basis of Current Replacement Cost (CRC). CRC reflects the cost to acquire the service potential embodied in an asset, then adjusted to reflect the asset's present condition/physical deterioration, functionality and technological and/or economic obsolescence. Where the remaining service potential from an asset is assessed as having changed, this is taken into account in the revaluation.

The Authority has Major Plant and Equipment assets, comprising of two (2) vessels. Market value is used in the valuation of this asset class.

Use of Specific Appraisals

Revaluations using an independent professional valuer or internal expert appraisals are undertaken at least once every five years. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal. This will be arranged by the Business Services unit after consultation with the Audit and Risk Committee.

Materiality is considered in determining whether the difference between the carrying amount and the fair value of an asset is material (in which case revaluation is warranted).

The fair values reported by the Authority are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs.

Use of Indices

Where assets have not been specifically appraised in the reporting period, their previous valuations are kept up-to-date via the application of relevant indices. The Authority ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. For 2018-19, registered Valuers, AssetVal Group supplied the indices used for the various types of assets. Such indices are either publicly available, or are derived from market information available to AssetVal Group. AssetVal Group provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Through this process, which is undertaken annually, management assesses and confirms the relevance and suitability of indices provided by a registered valuer based on the Authority's own particular circumstances.

Accounting for Changes in Fair Value

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation reserve 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 reserve relating to that class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

10. Property Plant and Equipment and Depreciation Expense (contd)

Fair Value Measurement

What is 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.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the Authority 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 Authority include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the Authority's assets/liabilities, internal records of recent construction costs (and/or estimates of such costs), assets' characteristics/functionality, 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 takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair Value Measurement Hierarchy

All assets and liabilities of the Authority 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 Authority's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy. There were no transfers of assets between fair value hierarchy during the period.

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

10. Property Plant and Equipment and Depreciation Expense (contd)

Fair Value Measurement (contd)

Basis for Fair Values of Assets and Liabilities

Land

Effective date of Last Specific Appraisal: 30 June 2015 by APV Valuers and Asset Management

Valuation Approach: Market approach

Inputs: Level 2 valuation inputs were used to value land using the market approach. Determining the replacement cost involved detailed analysis of a hypothetical highest alternative land use. Typically this included estimating the number of potential residential or commercial lots that could be developed on the site. These are observable based on existing Town Planning rules. The most significant inputs into this valuation approach is price per square metre. The third input into the valuation process is the developer's interest which effectively is the rate of return the developer requires based on the existing market conditions. This requires the valuers to exercise professional judgement and accordingly has been classified as a level 3 input.

Buildings

Effective date of Last Specific Appraisal: 30 June 2015 by APV Valuers and Asset Management

Valuation Approach: Cost approach

Inputs: Level 2 inputs used included the design and construction, average cost of construction, condition and consumption scores for each component. These inputs are supported by observable evidence obtained via inspection and market evidence. Specialised buildings were valued by estimating the replacement cost for each building by disaggregating the building into different components and for each component determining a value based on the interrelationship between a range of factors. These factors included the level 2 inputs referred to above and other inputs such as estimates of residual value, pattern of consumption and its relationship to the assessed level of remaining service potential. These unobservable inputs are classified as level 3 inputs and required extensive professional judgement. This impacted significantly on the final determination of fair value.

Infrastructure

Effective date of Last Specific Appraisal: 30 June 2015 by APV Valuers and Asset Management

Valuation Approach: Cost approach

Inputs: The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on cubic or square metres or similar capacity could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

10. Property Plant and Equipment and Depreciation Expense (contd)

Fair Value Measurement (contd)

Basis for Fair Values of Assets and Liabilities (contd)

Key Judgement: During the year there were a number of new projects completed (new assets, renewals and refurbishments of assets) where the actual cost was recorded and the impact of depreciation at year end was negligible. While these could be classified as valued at level 2 given the low proportion of the total portfolio that these represented and the likelihood that in future valuations they would most likely be valued at level 3 we have adopted a policy that all such infrastructure assets are deemed to be valued at level 3.

Depreciation expense

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

Buildings, infrastructure and plant and equipment are depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset progressively over its estimated useful life to the Authority.

For depreciable assets, residual value is determined to be zero reflecting the estimated amount to be received on disposal at the end of their 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 Authority.

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

Separately identifiable components of complex assets are depreciated according to the useful lives of each component, as doing so results in a material impact on the depreciation expense reported.

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 Authority.

Key Estimates: Depreciation rates for each class of depreciable asset:

Class	Rate
Buildings	2% - 10%
Infrastructure	1% - 10%
Major plant and equipment	7% - 11%
Plant and Equipment	7% - 58%

Impairment

All building, infrastructure and plant and equipment 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. If an indicator of possible impairment exists, the Authority determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Recoverable amount is determined as the higher of the asset's fair value less costs to sell and current replacement cost.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

When an asset is revalued using either a market or income valuation approach, any accumulated impairment losses at that date are eliminated against the gross amount of the asset prior to restating for the revaluation.

For assets measured at cost, an impairment loss is recognised immediately in the statement of comprehensive income.

Gold Coast Waterways Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

11. Intangibles and amortisation expense

Closing balances and reconciliation of carrying amount

	Software at cost		WIP at cost		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Gross	975	875	-	96	975	971
Less: Accumulated amortisation	(134)	(73)	-	-	(134)	(73)
Carrying amount at 30 June	841	802	-	96	841	898

Represented by movements in carrying amount:

Carrying amount at 1 July	802	500	96	-	898	500
Plus Purchases	-	-	5	444	5	444
Transfers between asset classes	101	348	(101)	(348)	-	-
Amortisation	(61)	(46)	-	-	(61)	(46)
Carrying amount at 30 June	841	802	0	96	841	898

Recognition and Measurement

Accounting Policy

Intangible assets of the Authority comprise an internally developed sand management plan, tidal works information system and iGCWA Shoal Reporting App and ArcGIS Mapping Platform. Intangible assets with a historical cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed. Any training costs are expensed as incurred.

It has been determined that there is not an active market for the Authority's intangible assets. As such, the assets are recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses.

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the internal development of the intangible assets is capitalised and amortised under the amortisation policy below.

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

11. Intangibles and amortisation expense (contd)

Amortisation Expense

Accounting Policy

All intangible assets of the Authority have finite useful lives and are amortised on a straight line basis over their estimated useful life to the Authority. Straight line amortisation is used reflecting the expected consumption of economic benefits on a progressive basis over the intangible's useful life. The residual value of the Authority's intangible assets is zero.

Amortisation Rates

All intangible assets of the Authority have finite useful lives and are amortised on a straight line basis. The rates used are 5.45% for the Sand Management Plan, 6.67% for the Tidal Works Information System and 10% for the iGCWA Shoal Reporting App and ArcGIS Mapping Platform.

Impairment

Accounting Policy

All intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Authority determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

	2019 \$'000	2018 \$'000
12. Payables		
Trade creditors	420	569
Purchase card clearing	92	122
Accrued expenses	1,207	495
Total	1,719	1,186

The increase in accrued expenses occurred because of work on the Coomera River dredging projects undertaken in the latter part of the financial year.

Accounting Policy

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.

13. Accrued Employee Benefits

Current

Salary and wages outstanding	65	64
Long service leave levy payable	16	15
Annual leave payable	327	365
Superannuation payable	7	7
Paid Parental Leave	-	(12)
Total	416	439

Accounting Policy

No provision for long service leave is recognised in the Authority'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*.

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

	2019 \$'000	2018 \$'000
14. Other Current Liabilities		
Security Bond	63	21
Total	63	21

Represents security deposits held associated with project related contract administration and/or trustee land permits.

15. Asset Revaluation Surplus by Class

	Land \$000	Buildings \$000	Infrastructure \$000	Major P&E \$000	Total \$000
Balance at 1 July 2017	10,166	265	16,758	128	27,314
Revaluation increments	2,835	30	5,348	(11)	8,202
Balance at 30 June 2018	13,001	295	22,106	117	35,516
Balance at 1 July 2018	13,001	295	22,106	117	35,516
Revaluation increments	2,641	48	6,608	18	9,315
Balance at 30 June 2019	15,642	343	28,714	135	44,831

Accounting Policy

The asset revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value.

	2019 \$'000	2018 \$'000
16. Schedule of Agency Transactions		
Statement of Agency funds collected on behalf of Government		
Administered collections		
Fees	923	870
Rent	111	113
Total Administered Collections	1,034	983
Transfers to Government		
Administered Revenue Transferred to Queensland Treasury	1,034	988
Total Agency funds transferred to Government	1,034	988

The Authority collects fees, principally for marina owner levies, which are transferred to Queensland Treasury.

Accounting Policy

Taxes, fees and fines collected, but not controlled by the Authority, are reported as agency transactions.

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

SECTION 4

NOTES ABOUT RISK AND OTHER ACCOUNTING UNCERTAINTIES

17. Commitments for Expenditure

(i) Commitments

Commitments contracted for at reporting date (inclusive of non-recoverable GST input tax credits) but not recognised in the accounts totalled \$875,902 (2018: \$1,123,359) and are anticipated to be paid within the next 12 months.

(ii) Capital Expenditure Commitments

Capital expenditure commitments (inclusive of non-recoverable GST input tax credits) contracted for at reporting date but not recognised in the accounts totalled \$1,802,680 (2018: \$3,828,051). They are all due to be paid not later than one year.

18. Contingencies

There are no material legal or any other contingencies that are known to the Authority at 30 June 2019 (2018: Nil).

19. Economic Dependency

Gold Coast Waterways Authority is dependent on State funding of \$11.88 million and a \$1.85 million equity injection for the 2019-20 financial year.

20. Financial Risk Disclosures

Financial Instrument Categories

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Authority becomes party to the contractual provisions of the financial instrument. The Authority has the following categories of financial assets and financial liabilities:

Category	Note	2019 \$'000	2018 \$'000
Financial Assets			
Cash and cash equivalents	8	7,541	7,594
Receivables	9	181	42
Total Financial Assets		7,722	7,636
Financial Liabilities			
Financial liabilities measured at amortised cost:			
Payables	12	420	569
Total Financial Liabilities at amortised cost		420	569

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

No financial assets were past due or impaired as at 30 June 2019 (2018: Nil).

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

20. Financial Risk Disclosures (contd)

Financial Risk Management

(a) Risk Exposure

Financial risk management is implemented pursuant to Government and Authority policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the Authority.

All financial risk is managed by management under policies approved by the Authority. The Authority provides written principles for overall risk management, as well as policies covering specific areas.

The Authority's activities expose it to a variety of financial risks as set out in the following table:

Risk Exposure	Definition	Measurement method
Credit Risk	Credit risk exposure refers to the situation where the Authority may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	The Authority is exposed to credit risk in respect of its receivables (Note 9).
Liquidity Risk	Liquidity risk refers to the situation where the Authority may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	The Authority is exposed to liquidity risk in respect of its payables (Note 12).
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. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.	The Authority does not trade in foreign currency and is not materially exposed to commodity price changes or other market changes. The Authority is exposed to interest rate risk through its cash deposited in interest bearing accounts (Note 8).

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

20. Financial Risk Disclosures (contd)

Financial Risk Management (contd)

(b) Risk Measurement and Management Strategies

The Authority measures risk exposure using a variety of methods as follows;

Risk Exposure	Measurement method	Risk Management Strategy
Credit Risk	Ageing analysis, earnings at risk	The Authority manages credit risk through the use of management reports. This strategy aims to reduce the exposure to credit default by ensuring that the Authority 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	<p>The Authority manages liquidity risk through the use of management reports. This strategy aims to reduce the exposure to liquidity risk by ensuring the Authority has sufficient funds available to meet employee and supplier obligations as they fall due.</p> <p>The liquidity risk of the financial liabilities held by the Authority is limited to obligations with a maturity of less than one year and value of \$420,000 (2018: \$569,000). The maturity has been calculated using undiscounted cash flows relating to the liabilities as at reporting date.</p>
Market Risk	Interest rate sensitivity analysis	The Authority does not undertake any hedging in relation to interest risk and manages its risk as per the Authority's liquidity risk management strategy.

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

21. Future Impact of Accounting Standards Not Yet Effective

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future effective dates are set out below:

AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

The transition date for both AASB 15 and AASB 1058 is 1 July 2019. Consequently, these standards will first apply to the Authority when preparing the financial statements for 2019-20. The Authority has reviewed the impact of AASB 15 and AASB 1058 and as a result have confirmed that it has not received any revenue subject to performance obligations. The Authority has determined that there is no material impact to the financial statements for 2018-19 and no impact to the statements is expected, however, the Authority will continually assess all contracts as they are entered into to ensure compliance with the standards where applicable.

AASB 16 Leases

This standard will first apply to the Authority from its financial statements for 2019-20. When applied, the standard supersedes AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation 115 Operating Leases – Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Impact for Lessees

Under AASB 16, the majority of operating leases (as defined by the current AASB 117) will be reported on the statement of financial position as right-of-use assets and lease liabilities.

The Authority has completed its review of the impact of adoption of AASB 16 on the statement of financial position and statement of comprehensive income and has identified the following major impacts which are outlined below:

1. The Authority occupies office accommodation under a sub-lease that is held by the Department of Transport and Main Roads (DTMR) but has no control over the facility. From 2019-20 onwards, associated costs for these services will continue to be expensed as supplies and services when incurred (Note 6).
2. The Authority holds a peppercorn lease arrangement with DTMR for the land the Coomera Dredge Sediment Management Facility is built on. AASB 16 has been amended to provide temporary relief to not for profit entities from being required to measure at fair value any peppercorn or/concessionary lease arrangements. This allows not for profit entities to elect to initially measure the right of use from peppercorn leases at either fair value or at cost. Until otherwise instructed by Queensland Treasury, the Authority has been advised that, effective from 1 July 2019, right of use from concessionary leases will be recognised at cost on initial recognition.
3. The Authority has also been advised by Queensland Treasury and the Department of Housing and Public Works (DHPW) that, effective 1 July 2019, motor vehicles provided under DHPW's QFleet program will be exempt from lease accounting under AASB 16. This is due to DHPW holding substantive substitution rights for vehicles provided under the scheme. From 2019-20 onward, costs for these services will continue to be expensed as supplies and services expense when incurred. Existing QFleet leases were not previously included as part of non-cancellable operating lease commitments.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the Authority's activities, or have no material impact on the Authority.

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

SECTION 5

NOTES ON OUR PERFORMANCE COMPARED TO BUDGET

22. Budgetary Reporting Disclosures

This section contains explanations of major variances between the Authority's actual 2018-19 financial results and the original budget presented to Parliament.

(a) Explanations of major variances - Statement of Comprehensive Income

<i>User charges and fees:</i>	Original budget includes Administered (agency transactions) projected revenue with actuals being reported as "agency transactions" - refer Note 16.
<i>Grants and other contributions:</i>	Represents contributions from City of Gold Coast towards capital and operational works associated with dredging and the boating infrastructure program. In line with AASB 104 and FRR 3B, such payments are recognised as revenue/income.
<i>Interest:</i>	Increase in interest is due to increased cash assets primarily aligned to capital program carryover funding due to delays in construction of a major navigation access project and flow-on effect to a dependent dredging project.
<i>Supplies and Services:</i>	Increase in supplies and services is primarily related to contractor costs incurred to undertake dredging works, with these costs being offset by revenue received as a contribution from the City of Gold Coast.
<i>Amortisation:</i>	Variance is aligned to nil budget being assigned at budget development stage, as associated intangible asset being a work in progress.
<i>Other Expenses:</i>	Administered (agency transactions) included in other expenses budget, with actuals being reported as "agency transactions" - refer Note 16.
<i>Asset Revaluation Surplus:</i>	The result of an indices valuation by a registered valuer which reviewed and updated Land asset class by 6.5% index rate, Building asset class by 2.7% index rate, Infrastructure asset class by 1.8 - 4.2% index rate and Major Plant and Equipment asset class by 2.3% index rate.

(b) Explanations of major variances - Statement of Financial Position

<i>Cash and Cash Equivalents:</i>	Increase in cash assets is a result of capital program carryover funding due to delays in construction of a major navigation access project and the flow-on effect to a dependent dredging project.
<i>Receivables:</i>	Increase due to timing of invoices outstanding at end of financial year.
<i>Property, plant and equipment:</i>	The result of an indices valuation by a registered valuer which reviewed and updated Land asset class by 6.5% index rate, Building asset class by 2.7% index rate, Infrastructure asset class by 1.8 - 4.2% index rate and Major Plant and Equipment asset class by 2.3% index rate.
<i>Intangible assets:</i>	Increase is associated with the development of an internally generated intangible asset being the iGCWA Shoal Report App/ArcGIS Map Platform which was not budgeted for.
<i>Payables:</i>	Increase in payables is related to increased volume of waterways management program related works invoices held as liabilities at end of financial year.
<i>Other Current Liabilities:</i>	Variance is due to a higher level of actual security deposits for contracts being held until completion.
<i>Asset Revaluation Surplus:</i>	The result of an indices valuation by a registered valuer which reviewed and updated Land asset class by 6.5% index rate, Building asset class by 2.7% index rate, Infrastructure asset class by 1.8 - 4.2% index rate and Major Plant and Equipment asset class by 2.3% index rate.

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

22. Budgetary reporting disclosures (contd)

(c) Explanations of major variances - Statement of Cash Flows

<i>User Charges and Fees:</i>	Original budget includes Administered (agency transactions) projected revenue with actuals being reported as "agency transactions" - refer Note 16.
<i>Grants and Other Contributions:</i>	Represents contributions from City of Gold Coast towards capital and operational works associated with dredging and the boating infrastructure program. In line with AASB 104 and FRR 3B, such payments are recognised as revenue/income.
<i>Interest:</i>	Increase in interest is due to increased cash assets primarily aligned to capital program carryover funding due to delays in construction of a major navigation access project and flow-on effect to dependent dredging projects.
<i>GST collected from customers and GST remitted to ATO:</i>	GST collected from customers variance primarily due to budget assumption of GST received would be offset by GST remitted to ATO.
<i>GST input tax credits and GST paid to suppliers:</i>	GST paid to suppliers variance primarily due to budget assumption of GST paid would be offset by GST input tax credits from ATO.
<i>Supplies and Services:</i>	Increase in supplies and services is primarily related to contractor costs incurred to undertake dredging works, with these costs being offset by revenue received as a contribution from the City of Gold Coast.
<i>Other expenses:</i>	Administered (agency transactions) included in other expenses budget, with actuals being reported as "agency transactions" - refer Note 16.
<i>Payments for Property, plant and equipment:</i>	Decrease is primarily attributed to a construction delay associated with a significant project. Project delivery is committed, with delivery to be finalised in 2019-20.

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

SECTION 6 OTHER INFORMATION

23. Key Management Personnel (KMP) Disclosures

Details of key management personnel

The following details for non-Ministerial KMP reflect those positions that had authority and responsibility for planning, directing and controlling the activities of the Authority during 2018-19 and 2017-18. Further information can be found in the Authority's Annual Report under the section relating to Governance - Management and Structure.

Position	Position Responsibility
Chief Executive Officer	The Chief Executive Officer's responsibilities include: Strategy development and implementation; Stakeholder relations; Financial management; Managing the operations of the Authority; Providing leadership and staff management.

KMP Remuneration Policies

The remuneration and other terms of employment for the key executive management personnel are specified in their employment contract. *Gold Coast Waterways Authority Act 2012* section 60 contract provides for other benefits including motor vehicles, with the remuneration policy detailed in Schedule 1 of the Contract for the Chief Executive Officer.

Remuneration expenses for key management personnel comprise of the following components:-

Short term employee expenses including:

- 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 KMP position.
- non-monetary benefits - consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.

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

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

Termination payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

Performance Payments

No performance payments were made to the key management personnel of the Authority.

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

23. Key management personnel (KMP) disclosures (contd)

Remuneration Expenses

The following disclosures focus on the expenses incurred by the Authority that is 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.

1 July 2018 – 30 June 2019

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary Benefits	\$'000	\$'000	\$'000	\$'000
	\$'000	\$'000				
Chief Executive Officer	213	-	4	23	-	240
Total Remuneration	213	-	4	23	-	240

1 July 2017 – 30 June 2018

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary Benefits	\$'000	\$'000	\$'000	\$'000
	\$'000	\$'000				
Chief Executive Officer	205	-	4	22	-	231
Total Remuneration	205	-	4	22	-	231

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

23. Key Management Personnel and Remuneration (contd)

Authority Board Remuneration

Authority Board fees totalled \$45,869 (2018: \$45,250). Other fees such as superannuation, payroll tax, professional services and meeting refreshments totalled \$13,690 (2018: \$7,438). The total cost of the Authority's Board operations is \$59,559 (2018: \$66,738).

Board remuneration amounts paid are based on:

- Prior to 15 February 2019 - fees and allowances set out in the Remuneration for Part-Time Chairs and Members of Queensland Government Bodies - Remuneration Matrix;
- From 15 February 2019 - an annual fee payment in line with Queensland Government Gazette No. 31 issued Friday, 15 February 2019

Name:	Appointment Date:	Date Resigned or Ceased:	2019 \$	2018 \$
Mara Bún (Chairperson)	1-Dec-2015		12,854	15,450
Michael Bartlett	1-Dec-2012	30-Nov-2018	3,900	5,800
Annaliese Battista	15-Feb-2019		2,952	-
Elizabeth Hay	15-Feb-2019		2,850	-
Richard Holliday	1-Dec-2015	30-Nov-2017	-	1,500
Loretta Lynch	1-Mar-2018		8,167	2,000
Leslie Shirreffs	1-Dec-2015		8,588	8,750
Tom Tate (Mayor of City of	1-Dec-2012		-	-
Rodger Tomlinson	1-Dec-2012	30-Nov-2018	1,750	6,500
Daniel Ware	15-Feb-2019		3,058	-
Martin Winter	1-Dec-2012	30-Nov-2018	1,750	5,250
Total remuneration paid to all members :			45,869	45,250

24. Related Party Transactions

Transactions with people/entities related to KMP

There are no related party transactions to disclose during the year.

Transactions with other Queensland Government-controlled entities

The Authority transacts with other Queensland Government controlled entities consistent with normal day-to-day business operations provided under normal terms and conditions, including the payment of workers compensation and insurance premiums. Where transactions with other Queensland Government controlled entities are considered individually significant or material, these have been disclosed as related party transactions in the relevant notes as follows:

Note 5: Employee Expenses

Note 7: Other Expenses

Note 9: Receivables

Note 16: Schedule of Agency Transactions

Note 19: Economic Dependency

Gold Coast Waterways Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2018-19

25. First Year Application of New Accounting Standards of Change in Policy

Changes in Accounting Policy

The Authority did not change any of its accounting policies during 2018-19.

Accounting Standards adopted early

No Australian Accounting Standards have been early adopted for 2018-19.

Accounting Standards applied for the first time

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments, Recognition and Measurement*. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

When adopting AASB 9, the Authority has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 July 2018.

The adoption of AASB 9 has not had any material impact on the Authority.

No other accounting standards that apply to the Authority for the first time in 2018-19 have any material impact on the financial statements.

26. Taxation

The Authority 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 Authority. GST credits receivable from, and GST payable to the ATO, are recognised (refer to Note 9).

27. Accounting Estimates and Judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

- Valuation of Property, Plant and Equipment - Note 10
- Depreciation - Note 10
- Valuation of Intangible Assets - Note 11
- Amortisation - Note 11

28. Events after the balance date

No matters or circumstances have arisen since the end of the financial year and the date of signing these financial statements.

**Management Certificate
for Gold Coast Waterways Authority**

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

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; 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 Gold Coast Waterways Authority for the financial year ended 30 June 2019 and of the financial position of the Authority at the end of that period; and

We acknowledge responsibility under section 8 and section 15 of the *Financial and Performance Management Standard 2009* 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.



Chairperson
Gold Coast Waterways Authority



Chief Executive Officer
Gold Coast Waterways Authority

Date: 19 August 2019

Date: 19 August 2019

INDEPENDENT AUDITOR'S REPORT

To the Board of Gold Coast Waterways Authority

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Gold Coast Waterways Authority.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2019, 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 2009* and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 of Queensland Auditing Standards*.

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

Other information

Other information comprises the information included in the Gold Coast Waterways Authority's annual report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon.

The board is responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the board for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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, but not for expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity'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 entity'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 entity 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 Board 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.

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

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



Bhavik Deoji
as delegate of the Auditor-General

22 August 2019
Queensland Audit Office
Brisbane

Appendix B Strategic Plan

 								
<h2>Strategic Plan 2017-21</h2> <p>(Reviewed 2019)</p>								
Our Vision	Our Purpose							
Sustain, Enhance and Promote the waterways of the Gold Coast to showcase this wonderful asset to our community and visitors	To provide the best possible management of the Gold Coast waterways at a reasonable cost to the community and government while keeping regulation to a minimum							
Our Objectives								
Promote the safe, sustainable, and efficient use and enjoyment of Gold Coast waterways	Improve access to Gold Coast waterways through investments that balance diversity of use with consideration to the protection of environmental values							
	Provide localised decision-making that is guided by genuine community engagement							
	Take an innovative approach to the long-term sustainable management of Gold Coast waterways to ensure resilience							
Our Strategies to support Our Objectives	Our Risk, Consequences and Opportunities	Our Contribution to the Government's Objectives for the community						
<ul style="list-style-type: none"> Gold Coast Waterways Management Strategy 2014-2023 Gold Coast Waterways Management Program¹ Speed Limits and Behaviour Management Strategy Buoy Mooring Management Strategy Scientific Research and Management Strategy 	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Risks</th> <th style="width: 33%;">Consequences</th> <th style="width: 33%;">Opportunities</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> Gold Coast waterways are not sustainably managed over the long-term Communication activities and stakeholder/community relationships are ineffective/break down A workforce that lacks agility and is unable to adapt to changing waterways management requirements Business planning with regards to service delivery inadequate </td> <td> <ul style="list-style-type: none"> Loss of economic and environmental values linked to the waterways Organisational reputation is critically damaged Poor business performance Service delivery fails to meet stakeholder expectations leading to loss of economic and environmental values and reputational damage </td> <td> <ul style="list-style-type: none"> Promoting safe and sustainable use of Gold Coast waterways using appropriate strategic management tools and research Apply best practice communications and engagement strategies to maintain relationships and meet community expectations Workforce management planning including capability assessments and training for staff regularly undertaken. Where vacancies arise recruit staff with appropriate skill sets Developing and implementing strategic plans and policies aligned with GCWA's purpose </td> </tr> </tbody> </table>	Risks	Consequences	Opportunities	<ul style="list-style-type: none"> Gold Coast waterways are not sustainably managed over the long-term Communication activities and stakeholder/community relationships are ineffective/break down A workforce that lacks agility and is unable to adapt to changing waterways management requirements Business planning with regards to service delivery inadequate 	<ul style="list-style-type: none"> Loss of economic and environmental values linked to the waterways Organisational reputation is critically damaged Poor business performance Service delivery fails to meet stakeholder expectations leading to loss of economic and environmental values and reputational damage 	<ul style="list-style-type: none"> Promoting safe and sustainable use of Gold Coast waterways using appropriate strategic management tools and research Apply best practice communications and engagement strategies to maintain relationships and meet community expectations Workforce management planning including capability assessments and training for staff regularly undertaken. Where vacancies arise recruit staff with appropriate skill sets Developing and implementing strategic plans and policies aligned with GCWA's purpose 	<p><i>Our Future State: Advancing Queensland's Priorities</i></p> <p>Create jobs in a strong economy: Improve access to Gold Coast waterways through investments that balance diversity of use with consideration to the protection of environmental values</p> <p>Take an innovative approach to the long-term sustainable management of Gold Coast waterways to ensure resilience</p> <p>Be a responsive Government Provide localised decision-making that is guided by genuine community engagement</p> <p>Keep communities safe: Promote the safe, sustainable, and efficient use and enjoyment of Gold Coast waterways</p>
Risks	Consequences	Opportunities						
<ul style="list-style-type: none"> Gold Coast waterways are not sustainably managed over the long-term Communication activities and stakeholder/community relationships are ineffective/break down A workforce that lacks agility and is unable to adapt to changing waterways management requirements Business planning with regards to service delivery inadequate 	<ul style="list-style-type: none"> Loss of economic and environmental values linked to the waterways Organisational reputation is critically damaged Poor business performance Service delivery fails to meet stakeholder expectations leading to loss of economic and environmental values and reputational damage 	<ul style="list-style-type: none"> Promoting safe and sustainable use of Gold Coast waterways using appropriate strategic management tools and research Apply best practice communications and engagement strategies to maintain relationships and meet community expectations Workforce management planning including capability assessments and training for staff regularly undertaken. Where vacancies arise recruit staff with appropriate skill sets Developing and implementing strategic plans and policies aligned with GCWA's purpose 						
Our Values	Measures of Success							
<ul style="list-style-type: none"> Be successful Benefit the community Work collaboratively Embrace diversity 	<ul style="list-style-type: none"> Percentage of community's overall satisfaction with Gold Coast Waterways Authority's delivery of its 10-year strategy Waterways and navigational channels are maintained and free from hazards and environmental values are protected Research demonstrates understanding of waterways values (environmental and economic) and is actively incorporated into waterways management Navigation aids are maintained, reliable and adequate 							

¹Section 19 of the Gold Coast Waterways Authority Act 2012: Before the start of each financial year, the authority must develop for the Minister's approval a Gold Coast waterways management program for the year and the following 3 years.
 Note: In addition to core responsibilities for Gold Coast waterways, the Gold Coast Waterways Authority also has responsibilities under the Land Act 1994 for several parcels of trust land, including Doug Jennings Park on the northern tip of the Gold Coast Spit.

Appendix C

Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	2
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	3 N/A
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	2
	<ul style="list-style-type: none"> Interpreter service statement 	Queensland Government Language Services Policy ARRs – section 9.3	N/A
	<ul style="list-style-type: none"> Copyright notice 	Copyright Act 1968 ARRs – section 9.4	2
	<ul style="list-style-type: none"> Information Licensing 	QGEA – Information Licensing ARRs – section 9.5	N/A
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10.1	4
	<ul style="list-style-type: none"> Machinery of Government changes 	ARRs – section 31 and 32	N/A
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 10.2	6
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 10.3	4
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community 	ARRs – section 11.1	15
	<ul style="list-style-type: none"> Other whole-of-government plans / specific initiatives 	ARRs – section 11.2	N/A
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.3	8
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.4	15-17
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	18
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	24
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	24
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	N/A
	<ul style="list-style-type: none"> Public Sector Ethics Act 1994 	Public Sector Ethics Act 1994 ARRs – section 13.4	26
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.5	26
	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1	27

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	• Audit committee	ARRs – section 14.2	27
	• Internal audit	ARRs – section 14.3	27
	• External scrutiny	ARRs – section 14.4	27
	• Information systems and recordkeeping	ARRs – section 14.5	28
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	29
	• Early retirement, redundancy and retrenchment	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i> Directive No.16/16 <i>Early Retirement, Redundancy and Retrenchment</i> (from 20 May 2016) ARRs – section 15.2	29
Open Data	• Statement advising publication of information	ARRs – section 16	N/A
	• Consultancies	ARRs – section 33.1	N/A
	• Overseas travel	ARRs – section 33.2	N/A
	• Queensland Language Services Policy	ARRs – section 33.3	N/A
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	Appendix A
	• Independent Auditor’s Report	FAA – section 62 FPMS – section 50 ARRs – section 17.2	Appendix A

