



# Annual Report

2014-2015

Letter of compliance

21 September 2015

The Honourable Mark Bailey MP  
Minister for Main Roads, Road Safety and Ports  
GPO Box 2644  
BRISBANE Qld 4001

Dear Minister Bailey

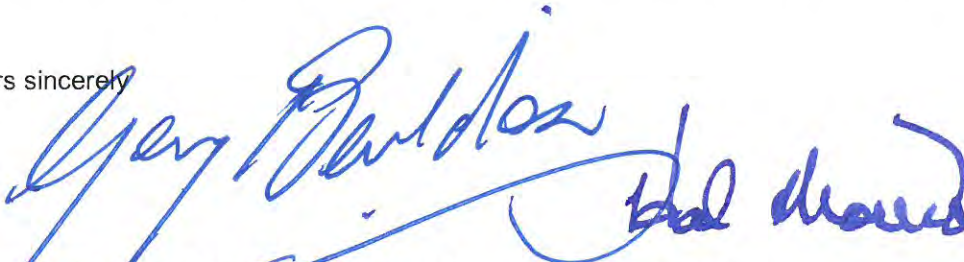
I am pleased to present the Annual Report 2015-2016 and financial statements for Gold Coast Waterways Authority.

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 D of this annual report.

Yours sincerely



**Gary J Baidon AM. KStJ. DUniv (Griffith)**  
**Chairman**  
**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 [www.gcwa.qld.gov.au/annualreport](http://www.gcwa.qld.gov.au/annualreport)

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# About the GCWA

## Introduction

The Gold Coast is renowned for its laidback lifestyle, stretches of white sandy beaches, kilometres of waterways and amazing climate. It is these elements that form the heart of the region's recreation and tourism industries.

As a significant contributor to the local economy, the waterways must be managed and maintained so that they continue to enrich the lives of residents and attract new ones. The Gold Coast Waterways Authority (GCWA) has responsibility to strategically plan for, facilitate and manage the development and use of the waterways so they remain clean, safe and accessible now and into the future. The GCWA manages the waterways south of the Logan River to the New South Wales border.

The Gold Coast Waterways Authority was created through assent to the *Gold Coast Waterways Authority Act 2012* (the Act) on 1 December 2012. The main purpose of the Act is to deliver the best possible management of the Gold Coast waterways at reasonable cost to the community and government, while keeping regulation to a minimum.

### Other purposes of the Act are to do the following:

- Plan for and facilitate the development of the Gold Coast waterways over the long term in a way that is sustainable and considers the impact of development on the environment;
- Improve and maintain navigational access to the Gold Coast waterways;
- Develop and improve public marine facilities relating to the Gold Coast waterways;
- Promote and manage the sustainable use of the Gold Coast waterways for marine industries, tourism and recreation

To achieve these purposes, the Act established the Gold Coast Waterways Authority to strategically plan for, facilitate and manage the development and use of the Gold Coast waterways.

## Role and Functions

The GCWA's interests relate to the waterways within the Gold Coast Local Government area, essentially those inland from the coast and lying between Currumbin Creek and Jumpinpin. Assets include the Gold Coast Seaway and Sand Bypass System, including interests in the associated Crown reserves of Doug Jennings Park, Wave Break Island and the southern tip of South Stradbroke Island – and a recognised network of 33 channels with a combined length of approximately 160 km.

GCWA may publish "Waterways Notices" to foster effective and efficient management of and access to waterways. These can be used to control vessel and operator activities, including marine tourism such as jet boat rides. These notices can also be used to manage anchoring, mooring, marinas, congestion and to maintain navigational access. The notices carry enforceable penalties.

The Gold Coast Waterway Authority is required to prepare and publish a 10 year Waterways Management Strategy (the Strategy). The 2013-2023 Strategy was released on 5 March 2014 after extensive community consultation.

GCWA is also required to annually provide a 1+3 year Waterways Management Program (the Program) that specifies investments and projects to implement the Strategy. The Program for 2014-2018 was approved by the Minister for Transport on 14 August 2014.



## Operating Environment

The Gold Coast Waterways Authority is a statutory authority, with a Chief Executive Officer and officers governed by a decision making Board. More information about GCWA's Board and Committees can be found below. GCWA's head office and principal place of business is:

40-44 Seaworld Drive  
Main Beach, Queensland

A description of the nature of GCWA's operations and its principal activities is included in the notes to the financial statements.

## Boards and Committees

The Gold Coast Waterways Authority is a statutory authority led by Chairman Gary Baidon AM and Chief Executive Officer Hal Morris and governed by a decision-making Board of seven members. The Board is accountable to the Minister for Main Roads, Road Safety and Ports, the Honourable Mark Bailey MP.

The Board includes Chairman Gary Baidon, the Mayor of the Gold Coast, Mayor Tom Tate (or a delegate) and five members with expertise in one or more areas specified in the *Gold Coast Waterways Authority Act*, centred on sustainable planning and development. 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 members are shown in the table below. The Chief Executive Officer and Executive Coordinator (minute taker) also attend Board meetings as requested by the Board. Members of the Executive Management team and GCWA officers also attend meetings as required to present papers on specific topics. Minutes reflect this attendance.

During the period 1 July 2014 until 30 June 2015, 12 Board meetings were held. **The names, positions and appointment terms for members of the Board are outlined in the following table.**

Name	Position	Appointment date	Duration of appointment *
Gary Baidon AM	Chairman**	1 December 2012	3 years
Mayor of the City of Gold Coast (or delegate) ***	Member	1 December 2012	n/a
Michael Bartlett	Member**	1 December 2012	3 years
Raymond James	Member**	1 December 2012	3 years
Professor Rodger Tomlinson	Member**	1 December 2012	3 years
William Turner	Member**	1 December 2012	3 years
Martin Winter	Member**	1 December 2012	3 years

\* Refer section 46 of the *Gold Coast Waterways Authority Act 2012*

\*\* Appointed member – Refer section 44 of the *Gold Coast Waterways Authority Act 2012*

\*\*\* Darren Scott, Director of Economic Development and Major Projects for the City of Gold Coast is the delegate of the Mayor of the City of Gold Coast and attends the majority of the Board meetings in this capacity

## Sub committees

### Audit Committee – Meets every 3-6 months

Name	Position
William Turner	Chairman
Darren Scott, City of Gold Coast	Member
Maurie Burke	Member
Cynthia Turner	GCWA liaison

### Scientific Advisory Committee – Meets Quarterly

Name	Position
Rodger Tomlinson	Chairman
Rod Connolly	Member
Dean Patterson	Member
Brian McRae	GCWA liaison

### Waterways Projects Committee – Meets Quarterly

Name	Position
Mike Bartlett	Chairman
Rodger Tomlinson	Member
Gary Baidon	Member
Greg Austin	GCWA liaison

# Executive Management

## Hal Morris – Chief Executive Officer

Hal was appointed CEO of the Gold Coast Waterways Authority in June 2013.

He has worked as a non-Executive Director, advisor and senior executive in the public and private sectors for over 30 years in a career that has had a particular focus on strategy and management of transport, logistics and tourism organisations.

### During his career Hal has held senior industry and Government roles including

- CEO of the Chartered Institute of Logistics and Transport in Australia
- Chairman of Binna Burra Ltd, an iconic Queensland eco-tourism company
- Inaugural CEO of the Australian Logistics Council
- Manager Strategy and Government Affairs for QR
- Program Director of the National Transport Secretariat
- Executive Director in the Queensland Premier's Department
- Regional Director of South East Queensland in the Queensland Transport Department

Earlier in his career Hal served in the Australian Regular Army as an Officer and helicopter pilot in Army Aviation.

Hal is a graduate of the Royal Military College, Duntroon. He holds an honours degree from the University of New South Wales and has post graduate qualification in Business from the University of New England. He attended The Southport School and is Fellow of the Chartered Institute of Logistics and Transport.

## Brian McRae – Manager (Strategy)

Brian McRae is an environmental professional with over 25 years' experience in the public, private and non-profit sectors. He has been a Queensland Government employee for the last 10 years, responsible for managing a number of south east Queensland planning and infrastructure issues, including the Gold Coast Seaway and Sand Bypass system. His career has largely been focused on water-related issues, including as Technical Director for the Australian Water Association, Team Leader Catchment Management for Warringah Shire Council in Sydney's Northern Beaches, Stormwater Environmentalist for the City of Los Angeles and a Biologist Diver for the Metropolitan Water District of Southern California. Brian holds Bachelors and Masters qualifications in environmental sciences and is a graduate of the Public Sector Management Program. As the GCWA Manager (Strategy), Brian has primary carriage of the 'Enhance' agenda identified in GCWA's Waterways Management Strategy.

## Cynthia Turner – Manager (Business Services)

Cynthia joined the Queensland Public Service, with the Department of Harbours and Marine, in 1982. Throughout her 33 year public sector career, Cynthia has remained within the maritime environment and has worked primarily in corporate support roles, gaining a broad understanding and knowledge of government administration and financial and human resource management. Since 2002, Cynthia has managed the business services work unit at the Gold Coast office and, in 2010-11, she was chosen to take on the role of Project Manager of the Gold Coast Boating Safety Initiative, which focussed on gaining a deeper understanding of boating activities and vessel user behaviours on Gold Coast waterways. Leading this Initiative enabled Cynthia to expand on her knowledge and understanding of water-related boating issues. As part of the establishment of the Gold Coast Waterways Authority, Cynthia was extensively involved in the change management processes, including the development and implementation of corporate systems and work processes.



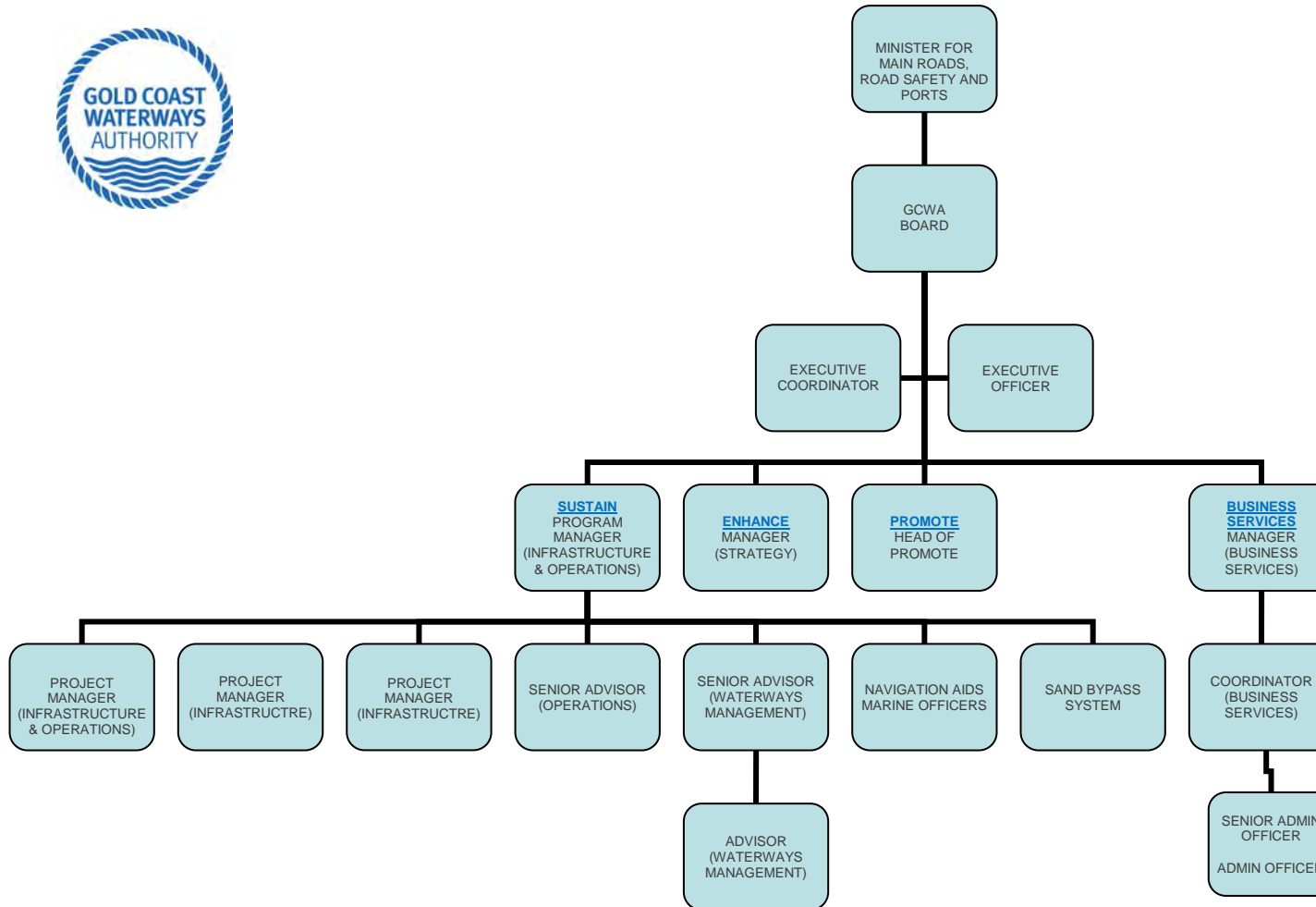
## Greg Austin – Program Manager (Infrastructure and Operations)

Greg is a certified Program and Project Management Professional and experienced team leader with over 20 years of construction industry experience in public and private sectors, delivering complex programs, projects and consulting services across a variety of organisations. Greg's professional experience has seen him deliver some of Queensland's largest projects for both State and Local Government. His experience is underpinned by well recognised post graduate qualifications, certifications and accreditations in Program Management, Project Management, Engineering and Business Management. Greg is both a Licensed Project Management Professional (PMP) with the Project Management Institute (PMI) and a Certified Practising Project Director (CPPD) with the Australian Institute of Project Management (AIPM), and is also a Managing Successful Programmes (MSP) and Projects in Controlled Environments (PRINCE 2) registered practitioner.

Greg has a detailed and broad engineering design and construction management background, with extensive experience in the building and construction industry encompassing a wide range of programs and projects, combined with a thorough knowledge of various procurement methods and construction contracts. Greg offers executive level project direction and management pertaining to the delivery of all aspects of major capital works projects and has extensive experience in delivering residential, commercial, retail, housing, education, health, entertainment, defence and infrastructure projects, fulfilling multiple roles from project superintendent, site and construction management roles to design and client side project direction and program management. At GCWA Greg has primary responsibility for the delivery of the Waterways Management Program including all Capital Works Projects.

# Governance – Management and Structure

## Organisational Structure



# Non-Financial Performance

## Government's objectives for the community

The Gold Coast Waterways Authority contributes to the Queensland Government's objectives for the community:

- Creating jobs and a diverse economy
- Delivering quality frontline services
- Protecting the environment
- Building safe, caring and connected communities

GCWA contributes to the Government's overall objectives in general, and specifically to the objective of 'creating jobs and diverse economy' by recognising that the waterways of the Gold Coast are a major generator of jobs and a driver of economic development. In this regard, GCWA 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.

GCWA's priorities are detailed in the 10 year Gold Coast Waterways Management Strategy (the 'Strategy').

Specifically, GCWA's role is to improve management of and access to Gold Coast Waterways. This includes responsibility for the building of better marine infrastructure for recreational and commercial fishers, boaters and tourists. The Gold Coast Waterways Management Program, a rolling 1+3 year investment plan, includes:

- The policies and financial measures for implementing the Strategy
- The performance targets to be achieved
- Details of the projects to improve and maintain navigational access to Gold Coast waterways and to develop and improve public marine facilities

## Objectives and performance indicators

The Strategy was developed in consultation with City of Gold Coast and the Gold Coast community 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, and 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 Program includes performance targets, for the fiscal year and following three years. In accordance with the Act the GCWA is also required to provide quarterly and annual reports to the Minister.

## Major achievements

The Gold Coast Waterways Authority has realised several significant achievements in the 2014-15 fiscal year including:

- Six dredging projects completed at Coomera River, Jacobs Well, Canaipa Passage, North Channel,

- South Channel, South Wavebreak Island Channel
- Completion of boat ramps and other marine infrastructure and destinations at Surfers Paradise, Gold Coast Seaway, Runaway Bay, Currumbin Creek, Coomera Waters and Dux Anchorage, South Stradbroke Island
- Completion of a New Navigational Aids Vessel – The ‘Currigee’
- Approximately 550,000m<sup>3</sup> of sand moved through the Sand Bypass System, maintaining safe navigational access to the Gold Coast Seaway, Broadwater and waterways beyond
- Continuing improvements made in efficiency of operations of Sand Bypass System through use of innovative practises, sustainable procedures and improved energy efficiency measures
- Completion of Master Planning for the redevelopment of Surfers Paradise Riverfront precinct, and planning for the implementation of redevelopment works over the next 10 years
- Review of management of Buoy Moorings
- Installation of Environmentally Friendly Moorings (EFMs) and Fore and Aft Moorings to improve density in mooring fields and open up waterways for the benefit of all users
- Review and reform of anchoring rules and regulations
- Improvement in level of service delivery to the public by improving the way the development applications for tidal works and aquatic events are processed
- Augmentation of enforcement activities through implementation of cameras to monitor behaviour of waterways users
- Master Planning for the revitalisation of Doug Jennings Park on the Spit
- Provision of effective response to pollution incidents including vessel fires, sunken vessels and submerged vehicles
- Release of the Consultation Report for the Speed Limits Review, comprehensively presenting the views put forward by over 1,500 Gold Coast community residents and stakeholders
- Finalisation of four of the five approvals required to support the Sand Management Plan (SMP), establishing a novel 20-year strategic framework for management of navigational access and foreshore nourishment by GCWA and City of Gold Coast (CGC).
- Establishment of the Agency Steering Committee (ASC) to collaboratively oversee implementation of the SMP approvals, with representation from GCWA, CGC and the following Queensland Government agencies: Agriculture and Fisheries; Environment and Heritage Protection; Infrastructure, Local Government and Planning; Maritime Safety Queensland; and National Parks, Sport and Racing.
- Delivery of the Scientific Research and Management Strategy (SRMS) and the associated Scientific Research Management Program (SRMP) through the Scientific Advisory Committee (SAC), with works commenced on most of the 12 projects included in the initial 2014-16 Program.
- Submissions to the Queensland Fisheries Review and the Planning reforms.
- Capture of the first ever comprehensive topo-bathy survey of Gold Coast waterways, providing the inaugural Australian use of specialised shallow water LiDAR equipment.

## Service areas, service standards and other measures

In accordance with Section 9 of the *Financial and Performance Management Standard 2009*, GCWA is required to develop a 4 year Strategic Plan and this was endorsed by the Board in December 2014. GCWA's Strategic Plan is included at Appendix C and sets out GCWA's agency vision, relationship with and contribution to government's objectives for the community, agency objectives, performance indicators, strategies and strategic risks.

The Gold Coast Waterways Management Program 2014-18 discusses the issues and investment criteria relevant to GCWA. The Gold Coast Waterways Management Strategy 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 GCWA 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, GCWA 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.

The Gold Coast Waterways Authority measures provision of service areas and standards against the following key objectives;

- Improving navigational access
- Management of Gold Coast waterways
- GCWA as the 'go to' organisation for waterways issues on the Gold Coast
- Driven by local priorities

## Improving access and supporting development

As noted in the Major Achievements above, GCWA realised a significant milestone this year, with the establishment of the Agency Steering Committee to promote collaborative implementation of the strategic approvals for the Sand Management Plan. The unique initiative is designed to cut 'green tape' and promote an efficient focus on sustainable environmental management in relation to dredging and nourishment projects. This outcome will be augmented by projects included in the Scientific Research Management Strategy and associated Program and other work overseen by the Scientific Advisory Committee. It also provides a basis for pursuing improved procurement outcomes through the Enhanced Navigational Access project. GCWA has also delivered six significant dredging projects (Coomera River, Jacobs Well, Canaipa Passage, North Channel, South Channel, and South Wavebreak Island Channel, and) that provide better access to Gold Coast waterways, canals and rivers.

Major progress has been made in clearing a 17 year delay in dredging of the Coomera River above Sanctuary Cove with land necessary for construction of a Regional Dredged Sediment Management Facility secured on a long term lease. The design and development process is currently underway. The Coomera River is a vital waterway that connects the Coomera Marine Precinct to the Seaway, Gold Coast waterways and other local marine industry.

Several key infrastructure projects have been delivered. An example is the delivery of Surfers Paradise Commercial Pontoon after 3 years of planning. 36 destinations have been identified and are detailed in the GCWA's Sand Management Plan which is seeking the necessary approvals for their sustainable management as part of a network wide approval and management approach.

## Waterways Management

Popularity of waterways and improvements in access means that growth in demand and use continues. In turn this means that there is a growing need to manage congestion, balance competing needs of users, and ensure safe, sustainable and responsible use with increased capacity of the network.

Several significant projects are underway to improve the way that Gold Coast waterways are managed. These have included a review of speed limits and behaviour, a review of the management of Buoy Moorings and the Canal Investigation Project which will streamline approvals for small jetties and pontoon.

Management of hotspots such as Currumbin (Currumbin Estuary Safety Awareness Campaign), Hollywell (6 knot 'school zone' speed limit trial), and Budds Beach (relocation of jet powered 'novelty craft') have been addressed with appropriate and effective waterways management activities implemented. An evaluation of behaviour monitoring is being trialled taking advantage of recent developments with high definition cameras, making it easier to identify vessels to enhance enforcement and support education. GCWA are also evaluating mobile cameras to be deployed to established hotspot sites.

An ongoing project was established concerning the removal of derelict vessels within Gold Coast waters, including the completed joint project with Queensland National Parks and Wildlife Service to remove vessels from the Moreton Bay Marine Park.

The way that aquatic events are assessed and approved has been streamlined and sped up along with a similar improvement in the issuing of Development Approvals for tidal works applications. This has cut red tape and improved service delivery to the public.



The Speed Limits Review reached a significant milestone early in the year, with the release of the Consultation Report (August 2014). Consultation with GCWA's enforcement partners (Boating and Fisheries Patrol, Maritime Safety Queensland and Queensland Water Police) was undertaken to develop options for addressing issues identified in the Discussion Paper (May 2014), in accordance with the views put forward by the community through the on-line survey and interactive mapping tool.

Significant planning work was undertaken to analyse the constraints and opportunities related to the management of buoy moorings in the southern Broadwater. This has resulted in some pilot projects to trial alternative hardware arrangements, to increase efficiency. Technology to improve environmental performance will also be trialled in appropriate locations. These investigations also paved the way for piloting 'Category 1' management arrangements to bring a more market-based focus and improve supply and demand imbalances.

Use of a commercial pontoon at Surfers Paradise by all commercial operators has also been improved by the installation of additional piles at the location.

## **GCWA as the 'go to' organisation for waterways issues on the Gold Coast**

The internal organisational structure of the Gold Coast Waterways Authority has been realigned to be purpose fit for the key objectives of the Authority and to ensure that it supports the 10 year Waterways Management Strategy.

GCWA values customer focus and responsiveness to client needs and enquiries. Development of an effective website and an active and engaging social media presence ensures a high level of proactive communication and engagement.

Community and media engagement are a key priority and managed effectively with a strong local profile led by the Chairman and CEO carrying out regular representation activities within the community.

## **Driven by local priorities**

The Gold Coast Waterways Authority is led by a Board of Directors, all with strong local knowledge and experience. GCWA works closely with the City of Gold Coast in most areas of its work.

The 10-year Waterways Management Strategy and 4 year Waterways Management Program both focus on the best outcomes for the Gold Coast. GCWA has developed a strong reputation for effective consultation with the community on important issues such as the Strategy, Speed Limit Review and Buoy Mooring Review as well as effective consultation with City of Gold Coast and key stakeholders.

The Gold Coast Waterways Authority partners in the promotion of the waterways with businesses, government and tourist organisations through its support for events such as City of Gold Coast's 'GLOW', Gold Coast City Gallery's 'East Coast Encounter' exhibition, Sanctuary Cove's International Boat Show, the Gold Coast International Marine Expo and Study Gold Coast's 'Science and Tech Fair'.



# Governance – Risk Management and Accountability

## Risk Management

Gold Coast Waterways Authority acknowledges its responsibility to identify risks that the statutory body is exposed to and to measure, assess and develop a prioritised action plan for the effective management of risks. An appropriate framework of business controls has been established and is monitored, maintained and controlled to cover all operational, technical, commercial, financial and administrative activities.

The Board has developed and implemented a Risk Register, Risk Management Framework, Governance Calendar and Board Charter.

The Board has considered the matter of a separate Risk Management Committee however has decided that responsibility for risk management will form part of the responsibilities of the Audit Committee. The Board has approved a Risk Management Framework, ensured the development of an appropriate Risk Register and has allocated responsibilities for management of specific risks with periodic reporting of risk matters to the Board in accordance with the corporate 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 unqualified audit report for Gold Coast Waterways Authority's financial statements for the period 1 July 2014 to 30 June 2015 was issued on 20 August 2015. The Independent Auditor's Report and Financial Statements are included in this annual report as Appendix B and Appendix A respectively.

## Audit Committee

GCWA has an Audit Committee consisting of William Turner (Chair – Board Member), Darren Scott (delegate of the Mayor of the City of Gold Coast, who is a Board Member) and Maurie Burke (external member) and met 4 times in 2014-15. The Chief Executive Officer and Manager (Business Services) also attends the Audit Committee in an advisory role. The committee abides by its Charter and 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 GCWA maintains effective systems of accountability and control at all levels. The role of the internal audit function includes:

- The appraisal of GCWA'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 GCWA, the Audit Committee and Management on the effectiveness, efficiency, appropriateness, legality and probity of GCWA's operation. In particular, this responsibility includes advice on the measures taken to establish and maintain a reliable and effective system of internal control.

Given the size of GCWA, it was decided not to establish its own internal audit function and to engage the Corporate Administration Agency (CAA) to undertake the internal audit function.

An Internal Audit Charter has been endorsed by the Board, together with a Strategic Audit Plan covering 2014-2017 and an Annual Audit Plan.

## Information Systems and Recordkeeping

In line with legislation and government standards, the 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 GCWA to dispose of core business records. This disposal schedule is used in conjunction with the *General Retention and Disposal Schedule for Administrative Records (GRDS)* version 7.

GCWA uses HP Records Manager (HPRM) records management system. HPRM incorporates a business classification scheme used to create and manage containers. All staff have been provided training in this system and are aware of their records management responsibilities.

## Public Sector Ethics Act 1994

The Gold Coast Waterways Authority is committed to ensuring a high professional standard of conduct. GCWA has adopted the Queensland Government Public Service Commission *Code of Conduct* to provide staff with direction and guidance in making better decisions. To support this, GCWA has provided a mandatory face-to-face staff training program and an online Code of Conduct training module, which will be used to induct new employees and to refresh awareness on an annual basis.

## Fraud and Corruption Control Policy

The 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, GCWA has implemented its 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 regular basis.

# Governance – Human Resources

## Workforce planning, attraction and retention

The Gold Coast Waterways Authority is committed to attracting and retaining a highly skilled workforce to achieve its set objectives.

As at 30 June 2015, Gold Coast Waterways Authority employed 23 full-time equivalent (FTE) employees. The permanent staff retention rate was 100 per cent. The Gold Coast Waterways Authority's permanent staff separation rate for 2014-15 was 0 per cent.

The following activities and programs undertaken in 2014-15 were designed to enhance organisational effectiveness and contribute to workforce planning, attraction and retention:

- GCWA supports training and development for all staff and to ensure maximum benefits to staff and efficiency across the organization.
- Flexible work arrangements are available to staff to support maintenance of a balance between their work and personal lives.
- The majority of GCWA's staff continues to be employed under the TMR Enterprise Determination 2011 following the transition from Department of Transport and Main Roads to GCWA.

# Financial Summary

In 2014-2015, the Gold Coast Waterways Authority's operational income was \$9,633,548 and expenditure was \$9,475,097, against a budget of \$9,503,000. The surplus of \$158,452 is regarded as a good result.

Delivery on the capital program of \$4,275,362 against a budget of \$10,772,000 means that \$6,496,638 will be carried forward to the 2015-2016 financial year. The capital program carryover is primarily due to unanticipated delays in receiving approvals for works initially programmed for 2014-15, which will now be delivered in 2015-16. The Board has noted that the full funds of \$35.3 million committed to the Gold Coast Waterways Authority will be spent in the four years from 2013 to 2016 to which these funds were committed. The organisation has built an appropriate project planning and delivery capability to fulfil this task.

The attached financial statements cover the Gold Coast Waterways Authority which has no controlled entities. GCWA is a statutory body within the meaning given in the *Financial Accountability Act 2009* and is controlled by the State of Queensland which is the ultimate parent.

A description of the nature of GCWA's operations and its principal activities is included in the notes to the financial statements.

# Appendix A - Financial Statements



# **Gold Coast Waterways Authority Financial Statements**

**for the financial year ended 30 June 2015**

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# Gold Coast Waterways Authority

## Financial Statements 2014-15

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### General Information

These financial statements cover the Gold Coast Waterways Authority. It has no controlled entities.

The Authority 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

A description of the nature of the Authority's operations and its principal activities is included in the notes to the financial statements.



# Gold Coast Waterways Authority

## Statement of Comprehensive Income for the year ended 30 June 2015

	Notes	2015 \$000	2014 \$000
<b>Income from Continuing Operations</b>			
User Charges		108	402
Grants and other contributions		8,397	7,316
Interest		227	234
Sundry revenue		8	1
<b>Gains</b>			
Gain on Sale of Assets		8	-
<b>Total Revenue</b>		<u>8,748</u>	<u>7,953</u>
<b>Total Income from Continuing Operations</b>		<u>8,748</u>	<u>7,953</u>
<b>Expenses from Continuing Operations</b>			
Employee expenses	2	2,045	1,837
Supplies and services	3	3,604	3,385
Depreciation		2,821	2,693
Other expenses	4	128	115
<b>Total Expenses from Continuing Operations</b>		<u>8,598</u>	<u>8,030</u>
<b>Operating Result from Continuing Operations</b>		<u>150</u>	<u>(77)</u>
<b>Operating Result for the Year</b>		<u>150</u>	<u>(77)</u>
<b>Other Comprehensive Income</b>			
Increase in asset revaluation surplus	10	13,142	6,438
<b>Total Other Comprehensive Income</b>		<u>13,142</u>	<u>6,438</u>
<b>Total Comprehensive Income</b>		<u>13,292</u>	<u>6,361</u>

*The accompanying notes form part of these statements.*

# Gold Coast Waterways Authority

## Statement of Financial Position as at 30 June 2015

		2015	2014
	Notes	\$000	\$000
<b>Current Assets</b>			
Cash and cash equivalents	5	8,094	6,580
Receivables	6	471	618
Inventories		138	137
Other		78	-
<b>Total Current Assets</b>		8,780	7,335
<b>Non-Current Assets</b>			
Property, plant and equipment	7	185,822	171,222
<b>Total Non-Current Assets</b>		185,822	171,222
<b>Total Assets</b>		194,602	178,557
<b>Current Liabilities</b>			
Payables	8	1,634	2,003
Accrued employee benefits	9	309	313
Other		31	5
<b>Total Current Liabilities</b>		1,974	2,321
<b>Total Liabilities</b>		1,974	2,321
<b>Net Assets</b>		192,628	176,236
<b>Equity</b>			
Contributed equity		173,661	170,562
Accumulated surplus		(614)	(764)
Asset revaluation surplus	10	19,581	6,438
<b>Total Equity</b>		192,628	176,236

*The accompanying notes form part of these statements.*

## **Gold Coast Waterways Authority**

### **Statement of Changes in Equity for the year ended 30 June 2015**

	Accumulated Surplus	Asset Revaluation Surplus	Contributed Equity	TOTAL
	\$000	\$000	\$000	\$000
<b>Balance as at 1st July 2013</b>	(687)	-	164,350	163,663
Operating Result from Continuing Operations	(77)		-	(77)
Increase/(decrease) in asset revaluation surplus		6,438		6,438
Transactions with Owners as Owners				-
• Non-Appropriated Equity Injections	-		8,901	8,901
• Non-Appropriated Equity Withdrawals	-		(2,689)	(2,689)
<b>Balance as at 30 June 2014</b>	(764)	6,438	170,562	176,236
<b>Balance as at 1st July 2014</b>	(764)	6,438	170,562	176,236
Operating Result from Continuing Operations	150		-	150
Increase/(decrease) in asset revaluation surplus		13,143	-	13,143
Transactions with Owners as Owners				
• Non-Appropriated Equity Injections			5,901	5,901
• Non-Appropriated Equity Withdrawals			(2,802)	(2,802)
<b>Balance as at 30 June 2015</b>	(614)	19,581	173,661	192,628

# Gold Coast Waterways Authority

## Statement of Cash Flows

for the year ended 30 June 2015

	Notes	2015 \$000	2014 \$000
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
Grants and Other Contributions		8,135	8,090
User charges		108	402
Interest		232	225
GST collected from customers		57	6
GST input tax credits from ATO		1,226	731
Other		8	1
<i>Outflows:</i>			
Employee expenses		(2,049)	(1,724)
Supplies and services		(4,051)	(2,081)
GST paid to suppliers		(823)	(993)
GST remitted to ATO		(29)	(5)
Purchase of Inventories		(1)	(7)
Other		(128)	(96)
<b>Net cash provided by operating activities</b>	<b>11</b>	<b>2,685</b>	<b>4,549</b>
<b>Cash flows from investing activities</b>			
<i>Inflows:</i>			
Sales of property, plant and equipment		8	-
<i>Outflows:</i>			
Payments for property, plant and equipment		(4,278)	(7,611)
<b>Net cash used in investing activities</b>		<b>(4,270)</b>	<b>(7,611)</b>
<b>Cash flows from financing activities</b>			
<i>Inflows:</i>			
Non-appropriated Equity Injections		5,901	8,901
<i>Outflows:</i>			
Non-appropriated Equity Withdrawal		(2,802)	(2,689)
<b>Net cash provided by financing activities</b>		<b>3,099</b>	<b>6,212</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,514</b>	<b>3,150</b>
<b>Cash and cash equivalents at beginning of financial period</b>		<b>6,580</b>	<b>3,430</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>5</b>	<b>8,094</b>	<b>6,580</b>

The accompanying notes form part of these statements.

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# ***Gold Coast Waterways Authority***

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15**

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	Objectives and Principal Activities of the Gold Coast Waterways Authority
Note 1:	Summary of Significant Accounting Policies
Note 2:	Employee Expenses
Note 2:	Key Management Personnel and Remuneration
Note 3:	Supplies and Services
Note 4:	Other Expenses
Note 5:	Cash and Cash Equivalents
Note 6:	Receivables
Note 7:	Property, Plant and Equipment
Note 8:	Payables
Note 9:	Accrued Employee Benefits
Note 10:	Asset Revaluation Surplus by Class
Note 11:	Reconciliation of Operating Result to Net Cash from Operating Activities
Note 12:	Commitments for Expenditure
Note 13:	Contingencies
Note 14:	Economic Dependency
Note 15:	Financial Instruments
Note 16:	Schedule of Agency Transactions
Note 17:	Budget vs Actual Comparison

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# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

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### Objectives and Principal Activities of Gold Coast Waterways Authority

The Gold Coast Waterways Authority (the Authority) operates under the Gold Coast Waterways Authority Act 2012. The Authority has responsibility for delivering the best possible management of and access to the Gold Coast waterways at reasonable cost to the community and Government, while minimising regulation. 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.

To deliver its planned outcomes, the Authority focuses on the following objectives as outlined in the Gold Coast Waterways Authority Strategic Plan 2015-19:

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

### 1. Summary of Significant Accounting Policies

#### (a) 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. In addition, the financial statements comply with Queensland Treasury's Minimum Reporting Requirements for the year ending 30 June 2015, and other authoritative pronouncements.

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. Except where stated, the historical cost convention is used.

#### (b) 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.

#### (c) User Charges, Taxes, Penalties and Fines

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.

Taxes, fees and fines collected, but not controlled by the Authority, are reported as agency transactions. Refer to Note 16.

#### (d) Grants and Other Contributions

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



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# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

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### 1. Summary of Significant Accounting Policies (contd)

#### (e) Cash and Cash Equivalents

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

#### (f) 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.

The collectability of receivables is assessed periodically. There is no allowance for impairment at 30 June 2015. No bad debts were written off during the period.

#### (g) Acquisition and Construction of Assets

(i) Actual cost is used for the initial recording of all non-current asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use. However, any training costs are expensed as incurred.

(ii) 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.

#### (h) Property, Plant and Equipment

Items of plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition.

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 with buildings.

#### (i) Revaluations of Non-Current Physical Assets

Land, buildings, infrastructure and major plant and equipment assets are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement* and 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 impairment losses where applicable.

In respect of the abovementioned asset classes, 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.

Plant and equipment, other than major plant and equipment, is measured at cost in accordance with the Non-Current Asset Policies. The carrying amounts for plant and equipment at cost should not materially differ from their fair value.

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# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

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### 1. Summary of Significant Accounting Policies (contd)

#### (i) Revaluations of Non-Current Physical Assets (contd)

Property, plant and equipment classes measured at fair value (refer above) 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.

A comprehensive revaluation of Land, Building, Infrastructure and Major Plant and Equipment assets was performed at 30 June 2015 by APV Valuers and Asset Management (APV) and certified by Mr Alf Ponticello, Registered Valuer, APV.

The fair values reported by the Authority have been based on the outcome of this revaluation process and appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs (refer to Note 1(j)).

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

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.

Materiality concepts under AASB 1031 *Materiality* are considered in determining whether the difference between the carrying amount and the fair value of an asset is material.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

#### (j) Fair Value Measurement

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 assets/liabilities, internal records of recent construction costs (and/or estimates of such costs) for 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.

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# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

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### 1. Summary of Significant Accounting Policies (contd)

#### (j) Fair Value Measurement (contd)

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. During 2014-15, those assets recorded in the Major Plant and Equipment class were transferred from the level 3 fair value hierarchy to level 2 due to there being sufficient comparable sales and relevant industry market price reference guides. There were no other transfers of assets during the period.

More specific fair value information about the Authority's Property, Plant and Equipment is outlined in Note 7.

#### (k) Depreciation of Non-Current Physical Assets

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.

Assets under construction (work in progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes within property, plant and equipment.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

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 agency.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes any option period where exercise of the option is probable.

For each class of depreciable asset, where held, the following depreciation rates are used:

<i>Class</i>	<i>Rate</i>
Buildings	2% - 11%
Infrastructure	1% - 6%
Major plant and equipment	11%
Plant and Equipment	10% - 58%

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# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

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### 1. Summary of Significant Accounting Policies (contd)

#### (l) Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

#### (m) Financial Instruments

##### *Recognition*

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.

##### *Classification*

Financial instruments are classified and measured as follows:

- Cash and cash equivalents - held at fair value through profit or loss
- Receivables - held at amortised cost
- Payables - held at amortised cost

The Authority does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the Authority holds no financial assets classified at fair value through profit or loss.

All other disclosures relating to the measurement and financial risk management of financial instruments held by the Authority are included in Note 15.

#### (n) Employee Benefits

Employer superannuation contributions and long service leave levies are regarded as employee benefits.

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

##### *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 at the current salary rates.

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. Entitlements not expected to be paid within 12 months are recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement.

Prior history indicates that on average, sick leave taken in 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.

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# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

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### 1. Summary of Significant Accounting Policies (contd)

#### (n) Employee Benefits (contd)

##### *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*

Employer superannuation contributions are paid to QSuper, the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The Authority's obligation is limited to its contribution to QSuper.

The QSuper scheme has defined benefit and defined contribution categories. 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*.

##### *Key Management Personnel and Remuneration*

Key management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury. Refer to note 2 for the disclosures on key management personnel and remuneration.

#### (o) Insurance

The Authority's risks are insured through the Queensland Government Insurance Fund, premiums being paid on a risk assessment basis. In addition, the Authority pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

#### (p) 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 7).

#### (q) Issuance of Financial Statements

The financial statements are authorised for issue by the Chair and the Chief Executive Officer at the date of signing the management certificate.

#### (r) 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 that 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 7 and Note 1(i)
- Depreciation - Note 1(k)

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# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

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### 1. Summary of Significant Accounting Policies (contd)

#### (s) Rounding and Comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000.

#### (t) New and Revised Accounting Standards

The Authority did not voluntarily change any of its accounting policies during 2014-15. The Australian Accounting Standard applicable for the first time as from 2014-15 that had the most significant impact on the Gold Coast Waterways Authority's financial statements is AASB 1055 Budgetary Reporting.

AASB 1055 became effective from reporting periods beginning on or after 1 July 2014. In response to this new standard, the Authority has included in these financial statements a comprehensive new note 'Budget vs Actual Comparison' (note 17). This note discloses the Authority's original published budgeted figures for 2014-15 compared to actual results, with explanations of major variances, in respect of the Authority's Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows.

AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities amends AASB 13 Fair Value Measurement effective from annual reporting periods beginning on or after 1 July 2016. The amendments provide relief from certain disclosures about fair values categorised as level 3 under the fair value hierarchy (refer to note 1(j)). Accordingly, the following disclosures for level 3 fair values in note 7 will no longer be required:

- the disaggregation of certain gains/losses on assets reflected in the operating result;
- quantitative information about the significant unobservable inputs used in the fair value measurement; and
- a description of the sensitivity of the fair value measurement to changes in the unobservable inputs.

As the amending standard was released in early July 2015, the Authority has not early adopted this relief in these financial statements, as per instructions from Queensland Treasury. However, the Authority will be early adopting this disclosure relief as from the 2015-16 reporting period (also on instructions from Queensland Treasury).

The impact of other new and revised standards beginning on or after 1 January 2014 was either not applicable to the Authority's activities or assessed as having no material impact on the Authority.

The Authority is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from Queensland Treasury. Consequently, the Authority has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. The Authority applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards with future commencement dates was either not applicable to the Authority's activities, or assessed as having no material impact on the Authority.

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# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

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	2015 \$000	2014 \$000
<b>2. Employee Expenses</b>		
<b>Employee Benefits *</b>		
Wages and salaries	1,377	1,316
Annual leave expense	181	162
Employer superannuation contributions	243	191
Long service leave levy	44	36
<b>Employee Related Expenses</b>		
Workers' compensation premium	11	10
Payroll tax	113	88
Other employee related expenses	76	34
<b>Total</b>	<b>2,045</b>	<b>1,837</b>

\* Refer to Note 1(n).

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

	2015	2014
Number of employees:	23	22



# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

### 2. Key Management Personnel and Remuneration

#### (a) Key Management Personnel

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the agency during 2014-15.

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Chief Executive Officer	Strategy development and implementation; Stakeholder relations; Financial management; Manage the operations of the Authority; Provide leadership and staff management.	Contract in accordance with Section 60 of the <i>Gold Coast Waterways Authority Act 2012</i>	Appointed 03 June 2013
Manager (Strategy)	Strategy and program development; Legislative coordination; Stakeholder engagement.	AO8 TMR Enterprise Determination 2011	Appointed 24 March 2014
Program Manager (Infrastructure and Operations)	Program and Project development and delivery; Stakeholder engagement; Management of operational activities.	Contract in accordance with Section 65 of the <i>Gold Coast Waterways Authority Act 2012</i>	Appointed 14 October 2013
Manager (Business Services)	Business planning; Performance reporting; Corporate governance arrangements; Financial and Human resource management.	AO8 TMR Enterprise Determination 2011	Appointed 24 March 2014

#### (b) Remuneration Expenses

The remuneration and other terms of employment for the key executive management personnel are specified in employment contracts. The Section 60 contract provides for other benefits including motor vehicles. Remuneration policy for the Authority's key executive management personnel is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008* and Schedule 1 of the Contract for the Chief Executive Officer and for the Contract for the Program Manager (Infrastructure and Operations).

As provided for in Schedule 1 of Contract for CEO, a remuneration increase was paid from 3 June 2014.

2.2% increases were applied from 1 July 2014 in accordance with government policy for those employees aligned to TMR Enterprise Determination.

Remuneration packages for key management personnel comprise of the following components.

Short term employee benefits include:

- salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the specified position.
- non-monetary benefits - consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.

# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

### 2. Key Management Personnel and Remuneration (contd)

#### (b) Remuneration Expenses (contd)

- Long term employee benefits which include amounts expensed in respect of long service leave entitlements earned.
- Post employment benefits 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.

#### 1 July 2014 – 30 June 2015

Position (date resigned if applicable)	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	185	-	4	20	-	209
Manager (Strategy)	112	-	2	14	-	128
Program Manager (Infrastructure and Operations)	117	-	2	13	-	132
Manager (Business Services)	101	-	2	14	-	117
<b>Total Remuneration</b>	<b>515</b>	<b>-</b>	<b>10</b>	<b>61</b>	<b>-</b>	<b>586</b>

#### 1 July 2013 – 30 June 2014

Position (date resigned if applicable)	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	171	-	4	18	-	193
Manager (Strategy)	104	-	2	13	-	119
Program Manager (Infrastructure and Operations)	82	-	2	10	-	94
Manager (Business Services)	115	-	2	12	-	129
<b>Total Remuneration</b>	<b>472</b>	<b>-</b>	<b>10</b>	<b>53</b>	<b>-</b>	<b>535</b>

### 3. Key Management Personnel and Remuneration (contd)

#### (c) Performance Payments

There were no performance bonuses paid to any of the key management personnel in 2014-15.

# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015	2014
	\$000	\$000
<b>3. Supplies and Services</b>		
Building services	790	791
Corporate service charges	291	271
Telecommunications	59	43
Consultants and contractors	1,177	924
Materials and running costs	302	190
Advertising	63	80
Motor vehicle running costs	62	54
Vessels running costs	75	99
Repairs and maintenance	253	327
Navigation aids maintenance	347	404
Consumables	23	26
Operating lease rentals	41	73
Staff travel	18	5
Computer costs	10	25
Other	93	73
<b>Total</b>	<b>3,604</b>	<b>3,385</b>
<b>4. Other Expenses</b>		
Insurance	80	51
Audit fees	19	16
Loss on sale of assets	-	19
Special Payments	4	4
Sponsorship	25	25
<b>Total</b>	<b>128</b>	<b>115</b>

- Total audit fees paid to the Queensland Audit Office relating to the 2014-15 financial statements are estimated to be \$19,000, (2014: \$16,000). There are no non-audit services included in this amount.

# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015	2014
	\$000	\$000
<b>5. Cash and Cash Equivalents</b>		
Cash on hand	1	1
Cash at bank	4,388	2,961
Investment account	3,705	3,618
<b>Total*</b>	<b>8,094</b>	<b>6,580</b>
* Refer to Note 1(e)		
Interest earned on cash held with the Commonwealth Bank earned between 1.50% and 3.0 % in 2014-15 (between 2.40% to 2.85% in 2013-14).		
<b>6. Receivables</b>		
Trade Debtors	312	9
Accrued Receivables		14
	<b>312</b>	<b>23</b>
GST receivable	174	577
GST payable	(29)	(1)
	<b>145</b>	<b>576</b>
Interest Receivable	14	19
<b>Total</b>	<b>471</b>	<b>618</b>

# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015	2014
	\$000	\$000
<b>7. Property Plant and Equipment</b>		
Land - at Fair Value	32,558	32,558
	<u>32,558</u>	<u>32,558</u>
Buildings: At fair value		
Gross	1,198	866
Less: accumulated depreciation - buildings	(358)	(57)
	<u>840</u>	<u>809</u>
Infrastructure: At fair value		
Gross	188,594	135,099
Less: accumulated depreciation - infrastructure	(46,671)	(4,106)
	<u>141,923</u>	<u>130,993</u>
Major plant and equipment: At fair value		
Gross	183	234
Less: accumulated depreciation - major plant and equipment	(0)	(39)
	<u>183</u>	<u>195</u>
Plant and equipment: At cost		
Gross	403	228
Less: accumulated depreciation plant and equipment	(94)	(52)
	<u>309</u>	<u>176</u>
Work in progress		
At cost	10,009	6,491
<b>Total</b>	<u><b>185,822</b></u>	<u><b>171,222</b></u>

The Authority controls various marine type assets spread over a broad number of locations within the Gold Coast region. Asset types include pontoons, jetties, breakwaters and revetments, channels, boat ramps, navigational aids, vessels and various plant assets. All assets were inspected by APV Valuers and Asset Management as part of a comprehensive revaluation as at 30 June 2015, with the exception of the following:

- underground assets - unable to inspect
- beacons - a sample inspection undertaken, and
- Tiplers pontoon - isolated location.

Due to an ongoing maintenance programme, dredging of the channel network in some section improved the condition rating as well as maintenance on the Seaway assets which contributed to an overall increase in Fair Value at 30 June 2015.

# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

### 7. Property Plant and Equipment (contd)

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. APV Valuers and Asset Management undertook physical inspections of the specified land, building and infrastructure assets. Assumptions and methodology have been re-visited and, in the majority, remain unchanged to that applied in a 2014 desktop valuation. The Comprehensive Valuation in 2015 did provide an opportunity to verify quantities and condition of assets, particularly in the Infrastructure class, which did not form part of the 2014 Desktop Valuation. Subsequently the value of this asset class reflects the outcome of this more detailed appraisal.

In the scope for the 2014-15 comprehensive valuation the valuers were asked to consider the value of the asset consumed to date as well as the gross cost to replace the asset to a modern equivalent asset. In the prior years (2012-13, 2013-14) assets were reported on a net valuation basis, as the assets were initially recognised on this basis following transfer from Department of Transport and Main Roads as part of machinery of government changes to establish the Gold Coast Waterways Authority. By revising gross cost as well as accumulated depreciation, the Authority's reported asset values for this year better reflect the carrying amount in proportion to the service potential of the asset consumed to date and current replacement cost of the asset.

The valuer is required to make a number of assumptions to determine the value of land. The subject land was assessed using the fair value valuation methodology as it is specifically zoned and sales of land for these types of zoning do not/rarely occur. There are a number of necessary assumptions and inputs required in order to determine value such as assumptions around local government planning controls, land areas, land uses and environmental controls for the site and for the supporting evidence also.

### Property, Plant and Equipment Reconciliation

	Land Level 3		Buildings Level 3		Infrastructure Level 3		Major P&E Level 2    Level 3		P&E At Cost		WIP At Cost		Total	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Carrying amount at 1 July	32,558	27,634	809	651	130,993	131,292	196	151	176	157	6,491	-	171,222	159,885
Plus Purchases	-	-	-	-	-	-	-	-	147	64	4,133	6,491	4,279	6,556
Less Disposals	-	-	-	-	-	(10)	-	-	-	(11)	-	-	-	(21)
Transfers	-	-	66	-	515	1,057	-	-	34	-	(615)	-	(0)	1,057
Revaluation increments	-	4,924	11	194	13,084	1,253	47	69	-	-	-	-	13,142	6,438
Revaluation decrements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation for period	-	-	(46)	(36)	(2,668)	(2,599)	(60)	(24)	(47)	(34)	-	-	(2,821)	(2,693)
<b>Carrying amount at 30 June</b>	<b>32,558</b>	<b>32,558</b>	<b>840</b>	<b>809</b>	<b>141,923</b>	<b>130,993</b>	<b>183</b>	<b>196</b>	<b>309</b>	<b>176</b>	<b>10,009</b>	<b>6,491</b>	<b>185,822</b>	<b>171,222</b>

# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

### 7. Property Plant and Equipment (contd) Level 3 significant valuation inputs and relationship to fair value (refer to note 1 (j))

Description	Fair value at 30 June 2015 \$'000	Significant unobservable inputs used in valuation	Possible alternative values for significant level 3 inputs \$'000	Impact of alternative amounts for significant level 3 inputs
Land	32,558	<p>Level 2 valuation inputs were used to value land using the cost 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.</p> <p>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.</p>	31,744 to 33,372	Due to the work carried out, there is a high level of confidence in the unobservable inputs which is price per square metre and any variation would lead to an increase/decrease in the fair value by 2.5%
Buildings	840	<p>Level 2 valuation inputs</p> <p>These 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.</p> <p>Level 3 valuation inputs</p> <p>Specialised buildings were valued using the cost approach using professionally qualified Registered Valuers. The approach estimated 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 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.</p>	819 to 861	The unobservable inputs are the relationship between asset consumption rating scale and the level of consumed service potential. Due to a high level of confidence in the unobservable inputs, any variation would lead to an increase/decrease in the fair value by 2.5%



# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

### 7. Property Plant and Equipment (contd) Level 3 significant valuation inputs and relationship to fair value (refer to note 1 (j)) (contd)

Description	Fair value at 30 June 2015 \$'000	Significant unobservable inputs used in valuation	Possible alternative values for significant level 3 inputs \$'000	Impact of alternative amounts for significant level 3 inputs
Infrastructure	141,923	<p>All Civil infrastructure assets were valued using level 3 valuation inputs using the cost approach.</p> <p>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.</p> <p>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.</p>	138,375 to 145,471	The unobservable input is the condition of the asset and based on condition as supplied by the client and the relationship between the asset consumption rating scale and the level of consumed service potential. Due to a high level of confidence in the unobservable inputs, any variation would lead to an increase/decrease in the fair value by 2.5%

Usage of alternative level 3 inputs (as per the above table) that are reasonable in the circumstances as at the revaluation date would not result in material changes in the reported fair value. There are no significant inter-relationships between unobservable inputs that materially impact fair value.

# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015 \$000	2014 \$000
<b>8. Payables</b>		
Trade creditors	992	1,152
Purchase card clearing	115	86
Accrued expenses	527	765
<b>Total</b>	<b>1,634</b>	<b>2,003</b>
<b>9. Accrued Employee Benefits</b>		
<i>Current</i>		
Salary and wages outstanding	24	17
Long service leave levy payable	14	28
Annual leave payable	269	267
Superannuation payable	2	1
	<b>309</b>	<b>313</b>

### 10. Asset Revaluation Surplus by Class

	Land \$000	Buildings \$000	Infrastructure \$000	Major P&E \$000	Total \$000
Balance at 1 July 2013	-	-	-	-	-
Revaluation increments	4,924	194	1,253	69	6,438
Revaluation decrements	-	-	-	-	-
<b>Balance at 30 June 2014</b>	<b>4,924</b>	<b>194</b>	<b>1,253</b>	<b>69</b>	<b>6,438</b>
Balance at 1 July 2014	4,924	194	1,253	69	6,438
Revaluation increments	-	11	13,084	47	13,142
Revaluation decrements	-	-	-	-	-
<b>Balance at 30 June 2015</b>	<b>4,924</b>	<b>205</b>	<b>14,337</b>	<b>116</b>	<b>19,580</b>

# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015 \$000	2014 \$000
<b>11. Reconciliation of Operating Result to Net Cash from Operating Activities</b>		
Operating surplus/(deficit)	150	(77)
Loss on sale of asset	-	19
Depreciation expense	2,821	2,693
Gain on sale of property, plant and equipment	(8)	-
Changes in assets and liabilities:		
(Increase)/decrease in trade receivables	(289)	789
(Increase)/decrease in GST receivable	403	(261)
(Increase)/decrease in interest receivables	5	(9)
(Increase) in other assets	(78)	(7)
Increase/(decrease) in payables	(369)	1,304
Increase/(decrease) in GST payable	28	(1)
Increase/(decrease) in employee benefits	(4)	113
Increase/(decrease) in other current liabilities	26	(15)
<b>Total</b>	<b>2,685</b>	<b>4,549</b>

### 12. Commitments for Expenditure

#### (i) Commitments

Commitments contracted for at reporting date but not recognised in the accounts totalled \$21,855 (2014: \$24,000) and are anticipated to be paid within the next 12 months.

#### (ii) Capital Expenditure Commitments

Capital expenditure commitments contracted for at reporting date but not recognised in the accounts totalled \$1,549,323 (2014: \$69,000). They are all due to be paid not later than one year.

### 13. Contingencies

There are no material legal or any other contingencies that are known to the Authority at 30 June 2015.

### 14. Economic Dependency

Gold Coast Waterways Authority is dependent on a State grant of \$9.363 million and a \$5.901 million equity injection for the 2015-16 financial year.

# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

### 15. Financial Instruments

#### (a) Categorisation of Financial Instruments

The Authority has the following categories of financial assets and financial liabilities:

Category	Note	2015 \$'000	2014 \$'000
<b>Financial Assets</b>			
Cash and cash equivalents	5	8,094	6,580
Receivables	6	312	9
<b>Total</b>		<b>8,406</b>	<b>6,589</b>
<b>Financial Liabilities</b>			
Financial liabilities measured at amortised costs:			
Payables	8	992	1,152
<b>Total</b>		<b>992</b>	<b>1,152</b>

#### (b) Financial Risk Management

The Authority's activities expose it to a variety of financial risks - interest rate risk, credit risk, liquidity risk and market risk.

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 Executive 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 measures risk exposure using a variety of methods as follows -

Risk Exposure	Measurement method
Credit Risk	Ageing analysis, earnings at risk
Liquidity Risk	Sensitivity analysis
Market Risk	Interest rate sensitivity analysis

#### (c) Credit Risk Exposure

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 maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment.

The carrying amount of receivables represents the maximum exposure to credit risk.

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

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# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

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### 15. Financial Instruments (contd)

#### (c) Credit Risk Exposure (contd)

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.

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

No financial assets have had their terms renegotiated so as to prevent them from being classified past due or impaired, and are stated at the carrying amounts as indicated.

No financial assets were past due or impaired as at 30 June 2015.

#### (d) Liquidity Risk (contd)

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.

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. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected incidents and duration of the various employee and supplier liabilities.

The liquidity risk of the financial liabilities held by the agency is limited to obligations with a maturity of less than one year and value of \$992,000 (2014: \$1,152,000). The maturity has been calculated using undiscounted cash flows relating to the liabilities as at reporting date.

#### (e) Market Risk

The Authority does not trade in foreign currency and is not materially exposed to commodity price changes. The agency is exposed to interest rate risk through its cash deposits in interest bearing accounts. The Authority does not undertake any hedging in relation to interest risk and manages its risk as per the liquidity risk management strategy.

#### (f) Interest Rate Sensitivity Analysis

The Authority is not materially sensitive to interest rate movements.

#### (g) Fair Value

The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any provision for impairment.

The Authority has not offset any assets and liabilities.

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# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

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	2015 \$'000	2014 \$'000
<b>16. Schedule of Agency Transactions</b>		
<b>Statement of Agency funds collected on behalf of Government</b>		
<b>Administered collections</b>		
Fees	790	798
Rent	95	81
<b>Total Administered Collections</b>	<b>885</b>	<b>879</b>
<b>Transfers to Government</b>		
Administered Collections Transferred to Treasury	877	864
<b>Total Agency funds transferred to Government</b>	<b>877</b>	<b>864</b>

GCWA collects fees, principally for mooring rights, which are transferred to Queensland Treasury.

# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

### 17. Budget vs Actual Comparison

*NB. A budget vs actual comparison, and explanations for major variances, has not been included for the Statement of Changes in Equity, as major variances relating to that statement have been addressed in explanations of major variances for other statements.*

#### Statement of Comprehensive Income

		Original			
	Variance	Budget	Actual	Variance	Variance
	Notes	2015	2015	2015	% of Budget
		\$'000	\$'000	\$'000	
<b>Income from Continuing Operations</b>					
User Charges	1	9,431	108	(9,323)	-99%
Grants and other contributions	1	-	8,397	8,397	100%
Interest		150	227	77	52%
Sundry revenue		-	8	8	100%
<b>Gains</b>					
Gain on Sale of Assets		-	8	8	100%
<b>Total Revenue</b>		<b>9,581</b>	<b>8,748</b>	<b>833</b>	<b>9%</b>
<b>Total Income from Continuing Operations</b>		<b>9,581</b>	<b>8,748</b>	<b>833</b>	<b>9%</b>
<b>Expenses from Continuing Operations</b>					
Employee expenses	2	1,848	2,045	197	11%
Supplies and services	3	3,896	3,604	(292)	-7%
Depreciation		2,888	2,821	(67)	-2%
Other expenses	4	949	128	(821)	-87%
<b>Total Expenses from Continuing Operations</b>		<b>9,581</b>	<b>8,598</b>	<b>983</b>	<b>10%</b>
<b>Operating Result from Continuing Operations</b>		<b>-</b>	<b>150</b>	<b>(150)</b>	<b>-100%</b>
<b>Operating Result for the Year</b>		<b>-</b>	<b>150</b>	<b>(150)</b>	<b>-100%</b>
<b>Other Comprehensive Income</b>					
Increase in asset revaluation surplus	5	-	13,142	(13,142)	-100%
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>13,142</b>	<b>(13,142)</b>	<b>-100%</b>
<b>Total Comprehensive Income</b>		<b>-</b>	<b>13,292</b>	<b>(13,292)</b>	<b>-100%</b>

The accompanying notes form part of these statements.



# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

### 17. Budget vs Actual Comparison (contd)

#### Statement of Financial Position

	Variance Notes	Original Budget 2015 \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of Budget
<b>Current Assets</b>					
Cash and cash equivalents	6	2,175	8,094	5,919	272%
Receivables	7	376	471	95	25%
Inventories		130	138	8	6%
Other		-	78	78	100%
<b>Total Current Assets</b>		<b>2,681</b>	<b>8,780</b>	<b>6,099</b>	<b>227%</b>
<b>Non-Current Assets</b>					
Property, plant and equipment		170,891	185,822	14,931	9%
<b>Total Non-Current Assets</b>		<b>170,891</b>	<b>185,822</b>	<b>14,931</b>	<b>9%</b>
<b>Total Assets</b>		<b>173,572</b>	<b>194,602</b>	<b>21,030</b>	<b>12%</b>
<b>Current Liabilities</b>					
Payables	8	767	1,634	(867)	-113%
Accrued employee benefits	9	116	309	(193)	-166%
Other		20	31	(11)	-57%
<b>Total Current Liabilities</b>		<b>903</b>	<b>1,974</b>	<b>(1,071)</b>	<b>-119%</b>
<b>Non Current Liabilities</b>					
Accrued employee benefits	10	84	-	84	100%
<b>Total Non Current Liabilities</b>		<b>84</b>	<b>-</b>	<b>84</b>	<b>100%</b>
<b>Total Liabilities</b>		<b>987</b>	<b>1,974</b>	<b>(987)</b>	<b>-100%</b>
<b>Net Assets</b>		<b>172,585</b>	<b>192,628</b>	<b>20,043</b>	<b>12%</b>
<b>Equity</b>					
Contributed equity		173,356	173,661	305	0%
Accumulated surplus	11	(771)	(614)	157	20%
Asset revaluation surplus	12	-	19,581	19,581	100%
<b>Total Equity</b>		<b>172,585</b>	<b>192,628</b>	<b>20,043</b>	<b>12%</b>

The accompanying notes form part of these statements.

# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

### 17. Budget vs Actual Comparison (contd)

#### Statement of Cash Flows

	Variance	Original	Actual	Variance	Variance
	Notes	Budget	2015	\$'000	% of Budget
		2015	\$'000		
		\$'000			
<b>Cash flows from operating activities</b>					
<i>Inflows:</i>					
Grants and Other Contributions	13	-	8,135	8,135	100%
User charges	13	9,431	108	(9,323)	-99%
GST collected from customers	14	-	57	57	100%
GST input tax credits from ATO	15	-	1,226	1,226	100%
Interest received	16	150	232	82	55%
Other		-	8	8	100%
<i>Outflows:</i>					
Employee expenses	17	(1,848)	(2,049)	(201)	-11%
Supplies and services		(3,896)	(4,051)	(155)	-4%
GST paid to suppliers	18	-	(823)	(823)	-100%
GST remitted to ATO	19	-	(29)	(29)	-100%
Purchase of inventories		-	(1)	(1)	-100%
Other	20	(949)	(128)	821	87%
<b>Net cash provided by (used in) operating activities</b>		<b>2,888</b>	<b>2,685</b>	<b>(203)</b>	<b>-7%</b>
<b>Cash flows from investing activities</b>					
<i>Inflows:</i>					
Sales of property, plant and equipment		-	8	8	100%
<i>Outflows:</i>					
Payments for property, plant and equipment	21	(7,697)	(4,278)	3,419	44%
<b>Net cash provided by (used in) investing activities</b>		<b>(7,697)</b>	<b>(4,270)</b>	<b>3,427</b>	<b>45%</b>
<b>Cash flows from financing activities</b>					
<i>Inflows:</i>					
Non-appropriated Equity Injections		5,697	5,901	204	4%
<i>Outflows:</i>					
Non-appropriated Equity Withdrawal		(2,888)	(2,802)	86	3%
<b>Net cash provided by financing activities</b>		<b>2,809</b>	<b>3,099</b>	<b>290</b>	<b>10%</b>
<b>Net increase in cash and cash equivalents</b>		<b>(2,000)</b>	<b>1,514</b>	<b>3,514</b>	<b>176%</b>
<b>Cash and cash equivalents at beginning of financial period</b>		<b>4,175</b>	<b>6,580</b>	<b>2,405</b>	<b>58%</b>
<b>Cash and cash equivalents at end of financial year</b>		<b>2,175</b>	<b>8,094</b>	<b>5,919</b>	<b>272%</b>

The accompanying notes form part of these statements.

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# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

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### 17. Budget vs Actual Comparison (contd)

#### Explanations of Major Variances

##### Statement of Comprehensive Income

1. Variance is due to the post-budget reclassification of funding to "Grants and other contributions" from "User Charges", in line with Queensland Treasury guidelines for accounting for grants from other State entities.
2. Increase in actual employee expenses is primarily attributed to inclusion of 1 additional FTE and the reclassification of positions following an organisational restructure. At time of budget development, the review was underway but not yet finalised and was subsequently implemented periodically in the organisation.
3. Decrease in supplies and services is primarily due to savings in electricity costs following identification of efficiencies in operating the Gold Coast Seaway Sand Bypass System and decrease in payments made to contractors following unanticipated delays in finalising programmed works.
4. Administered (agency transactions) included in other expenses budget, with actuals being reported as "agency transactions" - refer Note 16.
5. Result of a revaluation of non-current assets following completion of a comprehensive appraisal by Registered Valuers as at 30 June 2015. The appraisal used defined assumptions and methodologies and assessed the useful life and condition of the Property Plant and Equipment. Clarification was gained on the consumption rates of the various assets as well as the value of asset renewals and refurbishments, culminating in an increase in asset value of 9%. This extended on from a desktop valuation undertaken by the same Valuers as at 30 June 2014.

##### Statement of Financial Position

6. The majority of the increase in cash assets is a result of capital program carryover funding due to unanticipated delays in receiving approvals for works initially programmed for 2014-15.
7. Increase in receivables is aligned to timing of GST collections.
8. Increase in payables is related to volume of waterways management program works being delivered and invoiced in June 2015.
9. Variance in accrued employee benefits is primarily due to reclassification (upwards) of multiple FTE's as part of an organisational review. Please refer Variance Note 2 above. This review was underway but not completed before development of the 2014-15 published budget. Also, non-current accrued employee benefits original budget is required to be read in conjunction with this variance (refer Variance Note 10).
10. All employee benefits now reflected as current liabilities.
11. Reduced in line with current year's operating surplus.
12. Result of a revaluation of non-current assets following completion of a comprehensive appraisal by Registered Valuers as at 30 June 2015. The appraisal used defined assumptions and methodologies and assessed the useful life and condition of the Property Plant and Equipment. Clarification was gained on the consumption rates of the various assets as well as the value of asset renewals and refurbishments, culminating in an increase in asset value of 9%. This extended on from a desktop valuation undertaken by the same Valuers as at 30 June 2014.

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# **Gold Coast Waterways Authority**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15**

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### **17. Budget vs Actual Comparison (contd)**

#### **Statement of Cash Flows**

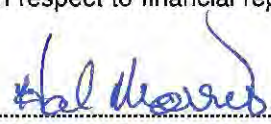
13. Variance is due to the post-budget reclassification of funding to "Grants and other contributions" from "User Charges", in line with Queensland Treasury guidelines for accounting for grants from other State entities.
14. GST collected from customers variance primarily due to budget assumption of GST collected offset by GST remitted to ATO with minor movement amount included to the Other operating outflows line.
15. GST input tax credits from ATO variance primarily due to it being reported under Other operating inflows for budget.
16. Increase in interest is due to increased cash assets as a result of capital program carryover funding.
17. Increase in actual employee expenses is primarily attributed to inclusion of 1 additional FTE and the reclassification of positions following an organisational restructure. At time of budget development, the review was underway but not yet finalised and was subsequently implemented periodically in the organisation.
18. GST paid to suppliers variance primarily due to budget assumption of GST paid would be offset by GST input tax credits from ATO with minor movement amount included to the Other operating inflows line.
19. GST remitted to ATO variance primarily due to it being reported under Other operating outflows for budget.
20. Administered (agency transactions) included in other expenses budget, with actuals being reported as "agency transactions" - refer Note 16.
21. Decrease is primarily associated with unanticipated delays in receiving approvals for programmed works, resulting in works being re-scheduled in 2015-16.

**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 period 1 July 2014 to 30 June 2015 and of the financial position of the entity at the end of that period.
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.

  
.....  
**Chair**  
Gold Coast Waterways Authority

  
.....  
**Chief Executive Officer**  
Gold Coast Waterways Authority

Date: 17/8/15

Date: 17/8/15

# Appendix B - Independent Auditor's Report

## INDEPENDENT AUDITOR'S REPORT

To the Board of Gold Coast Waterways Authority

### Report on the Financial Report

I have audited the accompanying financial report of Gold Coast Waterways Authority, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chair and Chief Executive Officer.

#### *The Board's Responsibility 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 prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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



### *Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

### *Opinion*

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Gold Coast Waterways Authority for the financial year 1 July 2014 to 30 June 2015 and of the financial position as at the end of that year.

### **Other Matters - Electronic Presentation of the Audited Financial Report**

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



D R ADAMS FCPA  
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office  
Brisbane

# Appendix C – GCWA Strategic Plan



# Strategic Plan 2015-19



## Our Vision

Sustain, Enhance, Promote and Manage the waterways of the Gold Coast to showcase this wonderful asset to our community and visitors

## Our purpose

To provide the best possible navigational access, boating infrastructure and management of the Gold Coast waterways at a reasonable cost while keeping regulation to a minimum

## Our objectives

Enjoyment of waterways is sustainable, safe and efficient



Investment in improved waterways access balances diversity of use and protects environmental values



Decisions are informed by sound research and guided by consultation with stakeholders and by future demand, while also meeting investment criteria



Plans and actions for the waterways are coordinated with and responsive to other related activities



## Strategies to support our objectives

Deliver Waterways Management Program

Manage waterways use

Promote the waterways

Ensure organisational effectiveness

## How we contribute to the Government's plan



## Support the Queensland Government by:

- Creating jobs and a diverse economy
- Delivering quality frontline services
- Protecting the environment
- Building safe, caring and connected communities

Refer over page for more information

## Performance Indicators

Minister's satisfaction

Elected Representative's satisfaction

Gold Coast Waterways Management Program is delivered on time and budget

Community satisfaction with management of the waterways



**Our Values**

- Strive for success
- Benefit the community
- Work collaboratively
- Respect diversity

# How we interact with other relevant frameworks and plans

**Whole of  
Government**

Agency Planning Requirements

**Local Government /  
Community**

**City of Gold Coast  
Plans**

- Ocean Beaches Strategy
- Transport Strategy
- Draft Economic Development Strategy
- Draft Total Water Cycle Management Plan

**Community/  
Not For Profit  
Organisations**



**Gold Coast Waterways  
Management Strategy  
2014 - 2023**

**Gold Coast Waterways  
Management Program  
2015 - 2019**

Sand Management Plan

Environmental  
Management Framework

**Regional/State/  
National**

Other Qld Government  
agencies

Industry

**Governance**

**Strategic  
Plan**

**Operational  
Plan**

**Risk  
Framework  
and Register**

**Service  
Delivery  
Statement**

# Appendix D – Compliance Checklist



Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	* A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 8	Pg 2
Accessibility	* Table of contents	ARRs – section 10.1	Pg 3
	* Glossary		N/A *
	* Public availability	ARRs – section 10.2	Pg 2
	* Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 10.3	N/A
	* Copyright notice	<i>Copyright Act 1968</i> ARRs – section 10.4	Pg 2
	* Information Licensing	<i>QGEA – Information Licensing</i> ARRs – section 10.5	N/A
General information	* Introductory Information	ARRs – section 11.1	Pg 5
	* Agency role and main functions	ARRs – section 11.2	Pg 5
	* Operating environment	ARRs – section 11.3	Pg 6
	* Machinery of government changes	ARRs – section 11.4	N/A
Non-financial performance	* Government's objectives for the community	ARRs – section 12.1	Pg 11
	* Other whole-of-government plans / specific initiatives	ARRs – section 12.2	N/A
	* Agency objectives and performance indicators	ARRs – section 12.3	Pg 11
	* Agency service areas and service standards	ARRs – section 12.4	Pg 12
Financial performance	* Summary of financial performance	ARRs – section 13.1	Pg 17
Governance – management and structure	* Organisational structure	ARRs – section 14.1	Pg 10
	* Executive management	ARRs – section 14.2	Pg 8
	* Government bodies (statutory bodies and other entities)	ARRs – section 14.3	N/A
	* <i>Public Sector Ethics Act 1994</i>	<i>Public Sector Ethics Act 1994</i> ARRs – section 14.4	Pg 16
Governance – risk management and accountability	* Risk management	ARRs – section 15.1	Pg 15
	* External scrutiny	ARRs – section 15.2	Pg 15
	* Audit committee	ARRs – section 15.3	Pg 15

Summary of requirement		Basis for requirement	Annual report reference
	* <b>Internal audit</b>	ARRs – section 15.4	Pg 15
	* <b>Information systems and recordkeeping</b>	ARRs – section 15.5	Pg 16
<b>Governance – human resources</b>	* <b>Workforce planning and performance</b>	ARRs – section 16.1	Pg 16
	* <b>Early retirement, redundancy and retrenchment</b>	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 16.2	N/A
<b>Open Data</b>	* <b>Consultancies</b>	ARRs – section 17 ARRs – section 34.1	N/A
	* <b>Overseas travel</b>	ARRs – section 17 ARRs – section 34.2	N/A
	* <b>Queensland Language Services Policy</b>	ARRs – section 17 ARRs – section 34.3	N/A
	* <b>Government bodies</b>	ARRs – section 17 ARRs – section 34.4	Provided through the Queensland Government Open Data website
<b>Financial statements</b>	* <b>Certification of financial statements</b>	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 18.1	Appendix A - Pg 33
	* <b>Independent Auditors Report</b>	FAA – section 62 FPMS – section 50 ARRs – section 18.2	Appendix B
	* <b>Remuneration disclosures</b>	Financial Reporting Requirements for Queensland Government Agencies ARRs – section 18.3	Appendix A - Pg 15

FAA Financial Accountability Act 2009

FPMS Financial and Performance Management Standard 2009

ARRs Annual report requirements for Queensland Government agencies

\*GCWA has not included a glossary as part of this Annual Report as it believes all industry-specific terms and acronyms are adequately outlined in the body of this document