



# ANNUAL REPORT

2017-2018



**Queensland**  
Government

Minister for Transport and Main Roads  
1 William Street  
BRISBANE Qld 4000

21 August 2018

Dear Minister Bailey

I am pleased to submit for presentation to the Parliament, the Annual Report 2017-2018 and financial statements for Gold Coast Waterways Authority.

I certify that this Annual Report complies with:

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

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

Yours sincerely



**Mara Bún**  
**Chair**  
**Gold Coast Waterways Authority**



**Hal Morris**  
**Chief Executive Officer**  
**Gold Coast Waterways Authority**

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# Chair and Chief Executive Officer Message

Gold Coast Waterways Authority celebrated its fifth anniversary in 2017-18. We have always sought to continually improve the way we work and as a result we are a very different organisation to the Gold Coast Waterways Authority of just five years ago.

2017-18 was a year of consolidation where we continued to develop and enhance the role we play in planning, managing and protecting the Gold Coast's iconic waterways.

A key strength of Gold Coast Waterways Authority is we are locally responsive and accountable. Decisions are made as close to stakeholders as possible and we are committed to engaging with our stakeholders and communities across the Gold Coast to better understand their needs.

Our engagement with the Gold Coast has helped define our work program and we can point to significant successes in the last year. On the project side we delivered a \$2.04 million investment in Doug Jennings Park that listened to the views of the community and transformed it into a world-class parkland. We also invested \$895,000 to improve navigational access through the Broadwater by dredging the Labrador and North channels.

Another notable success was the publication of our Speed Limits and Behaviour Management Strategy 2018-2020. The Strategy built on earlier community consultation and stakeholder engagement and provides a more simplified approach, making it easier for everyone to understand the rules around speed and behaviour on our waterways.

2017-18 also saw the launch of The Spit Master Plan, led by the Department of State Development, Manufacturing, Infrastructure and Planning (formerly the Department of Infrastructure, Local Government and Planning) in collaboration with the City of Gold Coast and Gold Coast Waterways Authority.

The Master Plan process is giving a strong voice to the community on what its aspirations are for the future of The Spit. As always, Gold Coast Waterways Authority is listening closely to these views and this will influence our input into the Master Plan and future plans to revitalise The Spit and increase its benefit to the Gold Coast as a community asset.

While we are proud of our progress and successes, we know there are long-term challenges that lie ahead of us. The Gold Coast's waterways are under pressure from two separate fronts: we have a capacity challenge with waterways usage growing rapidly as well as the vulnerability of the waterways to climate change.

The Gold Coast has a population of almost 600,000 residents, with some forecasts now showing the population could grow to 1 million by as early as 2034. As well as a growing population, we have also seen incredible growth in watercraft ownership in recent years, with almost 5,000 additional registered vessels since 2012.

The trend of significant growth in vessel ownership combined with the expected population increase has the potential to put our waterways under additional strain, with severe congestion a very real possibility in the years ahead.

At the same time, the Gold Coast waterways are particularly vulnerable to the effects of climate change, particularly from water level rises and the potential for increased severe weather events, including storm surges. This means we need to look at ways of building the resilience of the waterways.

As an organisation we need to be taking action now to meet these future challenges, so we are moving ahead of the curve and not behind it.

During 2017-18 we sought to reshape the way we plan for the future. We restructured our organisation to develop a Planning and Innovation team with the task of planning for the future against the backdrop of the increasing popularity of the waterways and the effects of climate change. The team's remit is a simple but critical one – to help shape the future of the waterways in a sustainable way.

The waterways are a vital element of the Gold Coast. Not only are they much loved by locals and visitors, but research has shown their contribution to the regional economy is significant, with a Gross Regional Product, including flow-on impacts, of around \$770 million. Additionally, the waterways directly support around 4,000 jobs and indirectly support a further 2,000.

We are committed to protecting the waterways and the key role they play in life on the Gold Coast and beyond. The organisational changes we have made gives us the confidence to go into 2018-19 with a commitment to refresh our strategy and set ourselves ambitious goals to sustain, enhance and promote the waterways.

We look forward to a busy and rewarding 2018–19 and would like to take this opportunity to acknowledge the work of the Board and the dedicated team of highly skilled officers that deliver each and every day for the waterways.



**Mara Bún**  
Chair  
Gold Coast Waterways Authority



**Hal Morris**  
Chief Executive Officer  
Gold Coast Waterways Authority

## About us

Gold Coast Waterways Authority was created through assent to the Gold Coast Waterways Authority Act 2012 on 1 December 2012. We are a statutory authority led by a decision-making board of seven members and Chief Executive Officer Hal Morris. The board is appointed by, and accountable to the Minister for Transport and Main Roads.

Under the Gold Coast Waterways Act 2012, we are tasked with planning, managing and protecting the Gold Coast's waterways.

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

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

Gold Coast Waterways Authority is required to prepare a 10-year Waterways Management Strategy and a 4-year rolling Waterways Management Program. Ministerial approval of the 10-year strategy was granted on 5 March 2014 and the latest Waterways Management Program 2018-22 was provided to the Minister for Transport and Main Roads on 1 August 2018.

## Our vision

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

## Our purpose

Gold Coast Waterways Authority is tasked with delivering the best possible management of the Gold Coast's waterways and we seek to achieve this by:

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

# Non-financial performance

## Objectives and performance indicators

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

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

The Strategy is intended to provide certainty for industry and include a statement of specific achievable objectives, proposed navigational access and boating infrastructure projects, 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 Waterways Management Program includes performance targets, for the fiscal year and following three years.

In accordance with the Act, Gold Coast Waterways Authority is also required to provide quarterly and annual reports to the Minister.

## Our achievements

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

- **Strategic Objective 1:** Promote the safe, sustainable and efficient use and enjoyment of Gold Coast waterways.
- **Strategic Objective 2:** Improve access to Gold Coast waterways through investments that balance diversity of use with consideration to the protection of environmental values.
- **Strategic Objective 3:** Provide localised decision making via the Gold Coast Waterways Authority Board and Chief Executive Officer that is guided by genuine community engagement.
- **Strategic Objective 4:** Take an innovative approach to the long-term sustainable management of Gold Coast waterways through initiatives such as strategically planning for resilience.

We had a robust delivery plan in place for 2017-18 that was reflective of its purpose and designed to help meet the organisation's strategic objectives.

Against this delivery plan, we delivered a range of achievements and a number of key highlights from 2017-18 are included below:

- A \$895,000 project to improve waterways access in the Broadwater by dredging the North and Labrador channels.
- A \$2.03 million project to transform Doug Jennings Park into a world-class parkland destination for Gold Coast residents and visitors to enjoy.
- The implementation of a new Speed Limits and Behaviour Management Strategy based on extensive community consultation and stakeholder engagement.
- A \$170,000 project to future-proof access to the waterways at the increasingly popular Muriel Henschman Pontoon.
- A re-structure of the Gold Coast Waterways Authority organisation to create a Planning and Innovation team that is focused on developing and delivering innovative policies for the long-term sustainable management of Gold Coast waterways.
- The successful delivery of the Aids to Navigation Work Program, which contributes to the safe use of the waterways through the servicing and maintenance of more than 1,990 beacons, buoys and marine signs.
- A \$983,000 project to finalise the design and prepare the site for the Coomera Dredge Sediment Management Facility.



- A \$127,000 project to allow safe access and egress into the Gold Coast Seaway in emergencies through the delivery of a platform and staircase system.
- A \$2.43 million investment to improve operational efficiency and reliability of the Gold Coast Seaway's Sand Bypass System.
- The implementation of a Buoy Mooring Management Strategy as a guiding framework for responsibly managing buoy moorings in Gold Coast waterways into the future.

## Case study 1

### Dredging in the Broadwater

The \$895,000 project to dredge the Labrador and North channels improved access to the waterways so they remain safe and accessible for residents and visitors.

The Labrador and North channels are two of the busiest channels on the Gold Coast providing access to the Gold Coast Seaway, the Broadwater and into the city's waterways network.

The projects were focussed on maintaining and improving the depth of the channels and removed over 46,000m<sup>3</sup> of sand. That's enough to fill about 6,000 medium sized skips.

A Dredge Management Plan was in place to help minimise impacts as well as protecting local environmental values.

Additionally, the dredged sand was successfully re-purposed to nourish the beaches along the Anglers Esplanade foreshore in Runaway Bay and the northern beach of Wavebreak Island.

This benefitted the local environment by providing the beaches with increased resilience to extreme weather events.

## Case study 2

### Doug Jennings Park Stage 3 Improvements

The \$2.04 million upgrade to The Spit's Doug Jennings Park delivered considerable improvements to match the Gold Coast's world-class reputation.

The project was developed following community consultation and the final design was delivered to align with community aspirations for the area.

The package of works included; upgraded pedestrian access with a new footpath running the length of the Seaway wall, road improvements, an increase in the number of car park spaces, additional picnic tables and showers and landscaping including almost 150 new trees.

The improvement work has revitalised the area and is proving to be extremely popular with Gold Coast residents and visitors.

## Case study 3

### Speed and Behaviour Management Strategy

Following extensive community consultation and stakeholder engagement, the Speed Limits and Behaviour Management Strategy 2018-2020 was released in early March 2018.

The strategy provides a more simplified approach, making it easier for everyone to understand the rules around speed and behaviour on our waterways.

Several new speed limits, some of which are a 12-month trial, were included in the strategy, including an increase in the limit on the Coomera River (South Branch) from 6 knots to 40 knots for boats and jet skis under 8 metres.

The new speed limits take an evidence-based problem solving approach and target specific waterways issues, for example, damaging wash caused by larger vessels, while helping to improve transport efficiency through reduced travel times.

## Case study 4

### Muriel Henschman Pontoon upgrade

The \$170,000 project at Main Beach's Muriel Henschman Park delivered a new and improved pontoon.

With demand for access to the waterways growing, the replacement pontoon was designed to facilitate the increase in the numbers of people using the popular spot to get onto the Broadwater and surrounding waterways.

The previous pontoon was limited by the number of people able to use it at any one time. The new bigger and better pontoon is helping reduce congestion in the vicinity and improves access for all waterways users, including several local businesses that use the facility.

## 2018 – 2019 look ahead

Project and description	Expected completion	Planned investment
<p><b>Canaipa Passage Dredging</b></p> <p>Construction of a facility to deal with fine sediment dredged from the Coomera River and surrounding waterways.</p>	Spring 2018	\$600,000
<p><b>Coomera River Dredging</b></p> <p>Dredging of parts of the Coomera River, from the Broadwater to the Pacific Motorway (M1) bridge.</p>	Summer 2018-19	\$3.05 million
<p><b>Sand Bypass System Jetty Deck Upgrade</b></p> <p>This project involves making structural upgrades to the Sand Bypass System Jetty so that routine maintenance can be safely undertaken now and into the future.</p>	Autumn 2019	\$1.5 million 2018-19 \$1.85 million 2019-20
<p><b>Sand Bypass System Renewable Energy Climate Resilience Project</b></p> <p>A renewable energy project to install a 100kw ground mounted solar array to help power the Sand Bypass System.</p>	December 2018	\$300,000
<p><b>Doug Jennings Park Improvements Stage Four</b></p> <p>Next stage of improvements include an upgrade of the road running between Seaworld Drive and Moondarewa Spit and an extension of the shared footpath.</p>	December 2018	\$875,000
<p><b>Paradise Point Pontoon Upgrade</b></p> <p>Improvements to the pontoon so it can better accommodate growing demand. A number of pontoon elements will be replaced and solar lighting will be installed to improve security and visibility.</p>	Spring 2018	\$295,000
<p><b>Mobile Behavioural Monitoring Camera Network</b></p> <p>As part of the Speed and Behaviour Management Strategy, we will be procuring mobile cameras that can be deployed to hot spot areas to assist monitoring and compliance.</p>	Autumn 2019	\$100,000
<p><b>Alberton Pontoon</b></p> <p>The new pontoon will help meet growing demand for recreational access to the Logan River.</p>	Summer 2018-19	\$240,000

## Government's objectives for the community

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

- Create jobs in a strong economy
- Give all our children a great start
- Keep Queenslanders healthy
- Keep communities safe
- Be a responsive government

The waterways of the Gold Coast are a wonderful resource and deliver many social and economic benefits. The waterways are a major generator of jobs and a driver of economic development.

We continue to work collaboratively with industry, the community and other government agencies to deliver new marine infrastructure to support individuals and businesses using the waterways.

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

As well as promoting the waterways and associated outdoor spaces, such as Doug Jennings Park, to encourage their use, we work to ensure access to the waterways is safe and reliable.

We are a locally based and responsive organisation and we work closely with the local community through regular engagement and consultation.

# Service areas, service standards and other measures

## Service area objective

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

## Service area description

The Authority will deliver projects and services to support the service area objective, including dredging of channels, construction and maintenance of boating and navigational infrastructure, management of development and planning approvals, authorisation of aquatic events, management of speed and behaviour and promotion of the value of the waterways to Gold Coast residents, visitors and businesses.

## Performance information

Service Standards	2017-18 Target/est.	2017-18 Actual	Notes
<i>Effectiveness measures</i>			
Percentage of Waterways Management Program commitments completed on time and on budget	80	48	1, 2
Percentage of customer enquiries actioned within customer service standards	85	93	3
Percentage of community's overall satisfaction with Gold Coast Waterways Authority's implementation of the 10 year Waterways Management Strategy	80	82	4
<i>Efficiency measures</i>			
Cost per cubic metre of operating the Gold Coast Sand Bypass System	\$1.70	\$1.73	5
Average annual cost to manage and maintain each navigation aid in the Gold Coast waterways	\$342	\$341	6

**Notes:**

1. Due to delays in design and construction of a major navigation access project and the flow-on effect to dependent dredging projects, which are now planned for completion in 2018-19.
2. In 2018-19, this measure is not supported as a measure of effectiveness as it does not meet the Queensland Government Performance Management Framework requirements. This measure is to be discontinued but will continue to be reported on internally and in the Annual Report.
3. Customer service standards outline the quality, timeliness and level of support provided by the Authority when addressing enquiries.
4. Since the establishment of Gold Coast Waterways Authority in 2012, this effectiveness measure has been based on general stakeholder satisfaction feedback which is collected via bi-monthly (i.e. every second month) 'Meet the Board' community consultation sessions, boat show surveys, Facebook, and include measures on quality, staff, outcomes and overall satisfaction. A biennial client satisfaction survey will be conducted during 2018-19 which will be in accordance with the Better Practice Guideline for Measuring Client Satisfaction, published by the Department of the Premier and Cabinet, and will include questions on timeliness, quality, access, staff, outcomes and overall satisfaction.
5. Includes all costs to operate the Gold Coast Sand Bypass System, including salaries, maintenance, electricity and any other ancillary costs and is based on an annual average littoral drift of 500,000 m<sup>3</sup> of sand per year.
6. Includes costs to manage and maintain 2,095 aids to navigation located in the Gold Coast waterways including salaries, inventory, associated vessel costs and any other ancillary costs.

## Other performance measures

In accordance with Section 9 of the Financial and Performance Management Standard 2009, Gold Coast Waterways Authority is required to develop a 4 year Strategic Plan.

The Gold Coast Waterways Authority Strategic Plan (2017-21) is included at **Appendix B** and sets out the Gold Coast Waterways Authority's vision, purpose, contribution to Government's objectives for the community, objectives, performance indicators, strategies and strategic risks and opportunities.

The Gold Coast Waterways Management Program 2018-22 discusses the issues and investment criteria relevant to Gold Coast Waterways Authority.

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 Gold Coast Waterways Authority has sole or lead responsibility.

The Program is largely, but not exclusively, focused on projects that are achievable in the short term.

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

## Summary of financial performance

The Financial Statements cover the Gold Coast Waterways Authority which has no controlled entities.

Gold Coast Waterways Authority is a Queensland Government statutory body (within the meaning given in the Financial Accountability Act 2009), operates under the Gold Coast Waterways Authority Act 2012, and is controlled by the State of Queensland, which is the ultimate parent.

A description of the nature of Gold Coast Waterways Authority's operations and its principal activities is included in the notes to the Financial Statements.

The Authority controls various marine and land-based non-current physical assets which are described in Note 9 of the Financial Statements.

In addition to the disclosed "Property Plant and Equipment" assets, the Authority values and acknowledges our natural assets.

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

The Financial Statements which follow, provide an overview of our financial activities for 2017-18. These statements have been reviewed by the Queensland Audit Office who have provided an unmodified auditor's report.

In 2017-18, the Gold Coast Waterways Authority's operational income was \$10.98 million and expenditure was \$10.91 million, against a budget of \$11.6 million (which includes Agency Transaction revenue and expenses as outlined in Note 15), resulting in a surplus of \$0.07 million.

Delivery on the capital program of \$4.2 million against a budget of \$8.3 million means that \$4.1 million will be carried forward to the 2018-19 financial year.

The capital program carryover is primarily due to delays in design and construction of a major navigation access project and the flow-on effect to dependent dredging projects planned in 2017-18, which will now be delivered in 2018-19.

# Governance – management and structure

## Boards and committees

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

In accordance with the Gold Coast Waterways Authority Act 2012 (the Act), the Board includes the Mayor of City of Gold Coast (or a delegate) and six members with expertise in one or more areas specified in the Act.

All members bring an injection of new ideas, and diverse priorities and perspectives. Members of the Board are all Gold Coast residents and leaders of the local community with strong breadth and depth of knowledge on waterways issues.

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

Current members of the Gold Coast Waterways Authority Board were appointed by Gazette on 23 February 2018 and are as follows:

<b>Chair</b>	Mara Bún
<b>Member</b>	Tom Tate (Mayor of City of Gold Coast) or delegate
<b>Member</b>	Michael Bartlett
<b>Member</b>	Loretta Lynch
<b>Member</b>	Leslie Shirreffs
<b>Member</b>	Professor Rodger Tomlinson
<b>Member</b>	Martin Winter

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

During the period 1 July 2017 until 30 June 2018, Gold Coast Waterways Authority held 10 ordinary Board meetings, 13 Board sub-committee meetings, and 29 special meetings (Additional Work Time as defined in 'Remuneration Procedures for Part-Time Chairs and Members of Queensland Government Bodies').



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

## Board remuneration

Position	Name	Board	Sub Committees	Special <sup>1</sup>
Chair	BÚN, Mara	10	3	14
Member	Mayor of City of Gold Coast (or delegate) <sup>2</sup>	9	0	0
Member	BARTLETT, Michael	8	5	2
Member	HOLLIDAY, Richard <sup>3</sup>	3	1	0
Member	LYNCH, Loretta <sup>4</sup>	3	1	1
Member	SHIRREFFS, Leslie	10	5	8
Member	TOMLINSON, Rodger	9	9	3
Member	WINTER, Martin	10	1	1

- The Gold Coast Waterways Authority Board were appointed by Gazette No. 34 dated 23/02/18. Board Remuneration is governed by the Department of the Premier and Cabinet publication 'Remuneration Procedures for Part-Time Chairs and Members of Queensland Government Bodies'. The Board falls under 'Regulation, Administration & Advice - Level 1'.
  - Information about Board appointments is detailed under section 44 of the Gold Coast Waterways Authority Act 2012.
  - The above table is to be read in conjunction with Financial Statement Note No. 22.
  - Payment periods: 01/07/17 - 30/06/18.
  - Pages 18-20 of the Gold Coast Waterways Authority Annual Report 2017-18 outlines membership of Gold Coast Waterways Authority sub-committees.
1. Special Meetings consist of Additional Work Time (as defined in 'Remuneration Procedures for Part-Time Chairs and Members of Queensland Government Bodies).
  2. Darren Scott, Director of Economic Development and Major Projects for the City of Gold Coast was the delegate of the Mayor of City of Gold Coast until 14 September 2017. Councillor Gary Baildon AM, Division 7 became the delegate of the Mayor of City of Gold Coast from 15 September 2017.
  3. Richard Holliday ceased being a member of the Gold Coast Waterways Authority Board on 30 November 2017.
  4. Loretta Lynch was appointed to the Gold Coast Waterways Authority Board on 23 February 2018.

## Sub committees

### Audit and Risk Committee

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

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

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

Committee Member	Position
Loretta Lynch	Chair
Mara Bún	Member
Maurie Burke	Member

#### Gold Coast Waterways Authority Staff

Hal Morris	Chief Executive Officer
Cynthia Turner - Manager (Business Services)	Gold Coast Waterways Authority Liaison

## Science and Innovation Advisory Committee

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

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

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

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

<b>Committee Member</b>	<b>Position</b>
Leslie Shirreffs	Chair
Kathy Baker	Member
Rod Connolly	Member
Aysin Dedekorkut-Howes	Member
Mark Gibbs	Member
Kylie Pitt	Member
Mike Raybould	Member
Rodger Tomlinson	Member
Steve Whalan	Member

### **Gold Coast Waterways Authority Staff**

Hal Morris	Chief Executive Officer
Jessica Bourner – Manager (Planning and Innovation)	Gold Coast Waterways Authority Liaison

## Waterways Projects Committee

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

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

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

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

Committee Member	Position
Michael Bartlett	Chair
Rodger Tomlinson	Member
Martin Winter	Member

### Gold Coast Waterways Authority Staff

Hal Morris	Chief Executive Officer
Daniel Dray - Manager (Program Delivery)	Gold Coast Waterways Authority Liaison

## Organisational structure

### Work units

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

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

During 2017-18, Gold Coast Waterways Authority restructured the organisation so it is better set up to plan and deliver for the future.

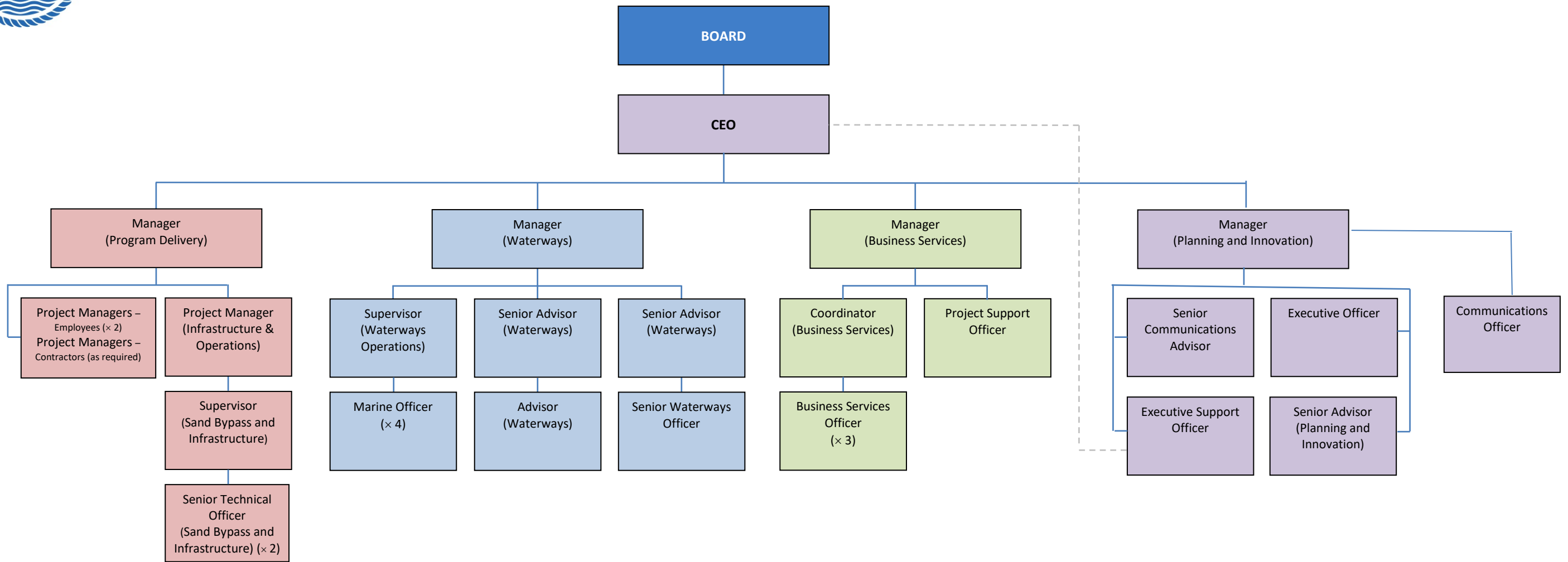
Prior to the restructure, Gold Coast Waterways Authority was comprised of the following work units; Executive Office, Infrastructure Unit, Strategy Unit, Waterways Unit and Business Services Unit

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

Work Unit	Responsible Officer	Description
<b>Program Delivery</b>	Manager (Program Delivery)	Program Delivery is responsible for the delivery of the Waterways Management Program through the Project Management Office
<b>Planning and Innovation</b>	Manager (Planning and Innovation)	Planning and Innovation is responsible for long term planning, innovation, communications and executive support.
<b>Waterways</b>	Manager (Waterways)	The Waterways unit is responsible for improving the management of the waterways.
<b>Business Services</b>	Manager (Business Services)	The Business Services unit is responsible for all facets of corporate support within the organisation.



# Gold Coast Waterways Authority Organisational Structure



# Governance – risk management and accountability

## Risk management

Gold Coast Waterways Authority acknowledges its responsibility to identify risks that it 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 is monitored, maintained and controlled to cover operational, technical, commercial, financial and administrative activities.

A Risk Management Policy, Framework and Risk Appetite Statement is in place, along with a Risk Register which allocates responsibilities for management of specific risks. This is periodically reviewed by management, the Audit and Risk Committee and the Board, in accordance with the Governance Calendar.

## External scrutiny

In accordance with the Auditor-General Act 2009, the Auditor-General is required to undertake an audit of Gold Coast Waterways Authority each financial year. An unmodified auditor's report for Gold Coast Waterways Authority's financial statements for the period 1 July 2017 to 30 June 2018 was issued on 9 August 2018. The Financial Statements and Independent Auditor's Report are included in this report as **Appendix A**.

## Audit and Risk Committee

Gold Coast Waterways Authority has an Audit and Risk Committee consisting of Loretta Lynch (Chair), Mara Bún (Chair of Gold Coast Waterways Authority Board) and Maurie Burke (external member) and met three times in 2017-18. The Chief Executive Officer and Manager (Business Services) also attend the Audit and Risk Committee in an advisory role. The committee abides by its Terms of Reference and is guided by the Queensland Treasury's Audit Committee guidelines.

## Internal audit

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

- The appraisal of Gold Coast Waterways Authority's financial administration and its effectiveness having regard to the functions and duties imposed under Section 61 of the Financial Accountability Act 2009;

- The provision of value added audit services and advice to Gold Coast Waterways Authority, the Audit and Risk Committee and management on the effectiveness, efficiency, appropriateness, legality and probity of Gold Coast Waterways Authority's operation. 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 Gold Coast Waterways Authority, it was decided not to establish its own internal audit function and to engage the Corporate Administration Agency to undertake the internal audit function.

An Internal Audit Charter has been endorsed by the Board, together with a Gold Coast Waterways Authority Internal Audit Plan 2017-20, which outlines the Annual Audit Plan. In 2017-18, internal audit reviews were conducted on:

- Contract Management
- Project Management
- Accounts Receivable
- Recruitment
- Financial Management Practice Manual review

## Information systems and recordkeeping

Gold Coast Waterways Authority maintains general cyber security awareness through measures such as education and online training from third party service providers (such as Corporate Administration Agency). A major driver for increased cyber security awareness during 2017-18 was the 2018 Commonwealth Games held on the Gold Coast during April of 2018 (GC2018). Gold Coast Waterways Authority was part of a Cyber Security Working Group (CSWG) established by the GC2018 Corporation as part of the GC2018 preparations.

Through the Gold Coast Waterways Authority's ongoing measures and the work with the GC2018 Cyber Security Working Group, the following heightened cyber security awareness measures were implemented during 2017-18:

- Multi factor authentication for the Office 365 environment.
- Installation of the Outlook email add-in 'PhishAlarm' to enable suspected phishing emails to be quarantined and reported.
- Regular staff education and awareness about the importance of maintaining vigilant cyber-security practices to minimise the risk of data being inappropriately accessed electronically, through online training, information flyers and correspondence.

In line with legislation and government standards, Gold Coast Waterways Authority keeps and maintains proper records of its activities. Under section 26 of the Public Records Act 2002, the



Maritime Safety Sector Retention and Disposal Schedule is approved for use by Gold Coast Waterways Authority to dispose of core business records. This disposal schedule is used in conjunction with the General Retention and Disposal Schedule for Administrative Records.

During 2017-18, Gold Coast Waterways Authority moved to HPE Content Manager records management system. HPE Content Manager 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.

## Fraud and corruption control policy

Gold Coast Waterways Authority has a zero tolerance towards fraud and corruption and is committed to the prevention of fraud and corruption in its operations.

To support this, Gold Coast Waterways Authority has in place a Fraud and Corruption Control Policy to assist in the prevention, detection, reporting and reduction of risks and exposures to any fraud.

Awareness training is provided to staff on a periodic basis.

# Governance – human resources

## Strategic workforce planning and performance

As at 30 June 2018, Gold Coast Waterways Authority employed 29 full-time equivalent employees, which is consistent with last year's total. Our workforce, while relatively small, is comprised of a mix of skills ranging from employees with maritime and/or trade certificates and professional and administration skills. The permanent staff retention rate was 99.0%, compared to 92.5% in 2016-17.

Gold Coast Waterways Authority's workforce is diverse with females representing 35% of the total workforce and 50% of management-level positions.

Gold Coast Waterways Authority is committed to attracting and retaining a highly skilled workforce to achieve its set objectives. Proactive promotion of considerations outlined in the Health Safety and Wellbeing Framework are delivered to enhance organisational effectiveness and contribute to workforce planning, attraction and retention and providing a skilled, diverse and agile workforce:

- Training and development for staff to ensure maximum benefits to staff and knowledge and efficiency across the organisation.
- Implementation of a Performance and Development Framework to address conduct, work priorities and expectations and provide an opportunity to review and improve performance through feedback and support. This also provides an opportunity to develop the leadership capabilities of staff.
- Flexible work arrangements are available to help achieve a quality work-life blend and to support the management of an agile work environment.
- Access to confidential counselling to employees and their families through an employee assistance program.
- Awareness programs regarding support for employees affected by domestic and family violence.
- Provision of health and wellness initiatives, including flu vaccinations and office ergonomic assistance.
- The majority of the staff continue to be employed under the TMR Enterprise Bargaining Certified Agreement 2016, following the transition from Department of Transport and Main Roads to Gold Coast Waterways Authority in 2012.

## Early retirement, redundancy and retrenchment

During the period, 1 employee received a voluntary redundancy package at a cost of \$89,000.

## Public Sector Ethics Act 1994

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

## Queensland public service values

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



### Customers first

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



### Ideas into action

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



### Unleash potential

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



### Be courageous

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



### Empower people

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

## Appendix A – Financial statements



# **Gold Coast Waterways Authority Financial Statements**

**for the financial year ended 30 June 2018**

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# Gold Coast Waterways Authority

## Financial Statements 2017-18

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Notes To and Forming Part of the Financial Statements	8 - 36
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# Gold Coast Waterways Authority

## Statement of Comprehensive Income for the year ended 30 June 2018

		2018 Actual	2017 Actual	2018 Original Budget	Budget Variance*
	Notes	\$'000	\$'000	\$'000	\$'000
<b>Income from Continuing Operations</b>					
User charges	2	10,646	10,604	11,585	(939)
Interest		151	149	89	62
Other revenue	3	184	-	-	184
<b>Total Revenue</b>		<b>10,981</b>	<b>10,753</b>	<b>11,674</b>	<b>(693)</b>
<b>Total Income from Continuing Operations</b>		<b>10,981</b>	<b>10,753</b>	<b>11,674</b>	<b>(693)</b>
<b>Expenses from Continuing Operations</b>					
Employee expenses	4	3,254	3,132	2,870	384
Supplies and services	5	3,396	4,017	3,870	(474)
Grants and contributions		150	-	250	(100)
Depreciation	9	3,801	3,524	3,609	192
Amortisation	10	46	27	-	46
Other expenses	6	270	165	1,075	(805)
<b>Total Expenses from Continuing Operations</b>		<b>10,917</b>	<b>10,865</b>	<b>11,674</b>	<b>(757)</b>
<b>Operating Result from Continuing Operations</b>		<b>64</b>	<b>(112)</b>	<b>-</b>	<b>64</b>
<b>Operating Result for the Year</b>		<b>64</b>	<b>(112)</b>	<b>-</b>	<b>64</b>
<b>Other Comprehensive Income</b>					
Increase in asset revaluation surplus	14	8,202	5,625	-	8,202
<b>Total Other Comprehensive Income</b>		<b>8,202</b>	<b>5,625</b>	<b>-</b>	<b>8,202</b>
<b>Total Comprehensive Income</b>		<b>8,266</b>	<b>5,513</b>	<b>-</b>	<b>8,266</b>

\*An explanation of variances is located at note 21(a)

The accompanying notes form part of these statements.

# Gold Coast Waterways Authority

## Statement of Financial Position as at 30 June 2018

		2018 Actual	2017 Actual	2018 Original Budget	Budget Variance*
	Notes	\$'000	\$'000	\$'000	\$'000
<b>Current Assets</b>					
Cash and cash equivalents	7	7,594	6,441	1,885	5,709
Receivables	8	167	148	295	(128)
Inventories		154	140	132	22
Other		-	4	-	-
<b>Total Current Assets</b>		<b>7,915</b>	<b>6,733</b>	<b>2,312</b>	<b>5,603</b>
<b>Non Current Assets</b>					
Property, plant and equipment	9	207,558	199,439	200,753	6,805
Intangible assets	10	898	500	-	898
<b>Total Non Current Assets</b>		<b>208,456</b>	<b>199,939</b>	<b>200,753</b>	<b>7,703</b>
<b>Total Assets</b>		<b>216,371</b>	<b>206,672</b>	<b>203,065</b>	<b>13,306</b>
<b>Current Liabilities</b>					
Payables	11	1,186	1,137	1,631	(445)
Accrued employee benefits	12	439	426	387	52
Other liabilities	13	21	45	88	(67)
<b>Total Current Liabilities</b>		<b>1,646</b>	<b>1,609</b>	<b>2,106</b>	<b>(460)</b>
<b>Total Liabilities</b>		<b>1,646</b>	<b>1,609</b>	<b>2,106</b>	<b>(460)</b>
<b>Net Assets</b>		<b>214,725</b>	<b>205,063</b>	<b>200,959</b>	<b>13,766</b>
<b>Equity</b>					
Contributed equity		179,678	178,281		
Accumulated surplus		(469)	(533)		
Asset revaluation surplus	14	35,516	27,314		
<b>Total Equity</b>		<b>214,725</b>	<b>205,063</b>		

\*An explanation of variances is located at note 21(b)

The accompanying notes form part of these statements.



# Gold Coast Waterways Authority

## Statement of Changes in Equity for the year ended 30 June 2018

		2018	2017
	Notes	\$'000	\$'000
<b>Contributed Equity</b>			
<b>Balance as at 1st July</b>		178,281	176,792
Transactions with Owners as Owners			
• Non-Appropriated Equity Injections		5,010	4,903
• Non-Appropriated Equity Withdrawals		(3,613)	(3,414)
<b>Balance as at 30 June</b>		<u>179,678</u>	<u>178,281</u>
<b>Accumulated Surplus</b>			
<b>Balance as at 1st July</b>		(533)	(421)
Operating Result from Continuing Operations		64	(112)
<b>Balance as at 30 June</b>		<u>(469)</u>	<u>(533)</u>
<b>Asset Revaluation Surplus</b>			
<b>Balance as at 1st July</b>		27,314	21,689
Increase/(decrease) in asset revaluation surplus		8,202	5,625
<b>Balance as at 30 June</b>	14	<u>35,516</u>	<u>27,314</u>

*The accompanying notes form part of these statements.*

# Gold Coast Waterways Authority

## Statement of Cash Flows for the year ended 30 June 2018

		2018 Actual	2017 Actual	2018 Original Budget	Budget Variance*
	Notes	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>					
<i>Inflows:</i>					
User charges		10,625	10,586	11,585	(960)
Interest		149	151	89	60
GST collected from customers		25	90	-	25
GST input tax credits from ATO		755	1,036	-	755
Other revenues		184	1	-	184
<i>Outflows:</i>					
Employee expenses		(3,246)	(3,097)	(2,870)	(376)
Supplies and services		(3,344)	(4,416)	(3,870)	526
Grants and contributions		(150)	-	(250)	100
GST paid to suppliers		(772)	(1,000)	-	(772)
GST remitted to ATO		(25)	(104)	-	(25)
Purchase of Inventories		(14)	(7)	-	(14)
Other expenses		(180)	(165)	(1,075)	895
<b>Net cash provided by operating activities</b>		<b>4,007</b>	<b>3,075</b>	<b>3,609</b>	<b>398</b>
<b>Cash flows from investing activities</b>					
<i>Inflows:</i>					
Sales of property, plant and equipment		19	-	-	19
<i>Outflows:</i>					
Payments for property, plant and equipment		(3,826)	(4,355)	(8,258)	4,432
Payments for intangibles		(444)	(527)	-	(444)
<b>Net cash used in investing activities</b>		<b>(4,251)</b>	<b>(4,882)</b>	<b>(8,258)</b>	<b>4,007</b>
<b>Cash flows from financing activities</b>					
<i>Inflows:</i>					
Non-appropriated Equity Injections		5,010	4,903	5,010	-
<i>Outflows:</i>					
Non-appropriated Equity Withdrawal		(3,613)	(3,414)	(3,609)	(4)
<b>Net cash provided by financing activities</b>		<b>1,397</b>	<b>1,489</b>	<b>1,401</b>	<b>(4)</b>
<b>Net increase (decrease) in cash held</b>		<b>1,153</b>	<b>(318)</b>	<b>(3,248)</b>	<b>4,401</b>
<b>Cash and cash equivalents at beginning of financial year</b>		<b>6,441</b>	<b>6,759</b>	<b>5,133</b>	<b>1,308</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>7</b>	<b>7,594</b>	<b>6,441</b>	<b>1,885</b>	<b>5,709</b>

\*An explanation of variances is located at note 21(c)

The accompanying notes form part of these statements.

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# **Gold Coast Waterways Authority**

## **Statement of Cash Flows for the year ended 30 June 2018**

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### **Notes to the Statement of Cash Flow**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of Operating Result to Net Cash from Operating Activities</b>		
Operating surplus/(deficit)	64	(112)
Non-Cash items included in operating results:		
Loss on sale of asset	90	-
Depreciation expense	3,801	3,524
Amortisation expense	46	27
Changes in assets and liabilities:		
(Increase)/decrease in trade receivables	(1)	26
(Increase)/decrease in GST receivable	(17)	36
(Increase)/decrease in interest receivables	(2)	2
(Increase)/decrease in inventories	(14)	(7)
(Increase)/decrease in other assets	4	(4)
Increase/(decrease) in payables	48	(395)
Increase/(decrease) in GST payable	-	(14)
Decrease in employee benefits	13	35
(Increase) in other current liabilities	(25)	(43)
<b>Net cash provided by operating activities</b>	<b>4,007</b>	<b>3,075</b>

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# **Gold Coast Waterways Authority**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18**

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**Section 1: How We Operate - Our Authority's Objectives and Activities**

Note 1: Objectives and Principal Activities of the Gold Coast Waterways Authority

**Section 2: Notes about our Financial Performance**

Note 2: User Charges

Note 3: Other Revenue

Note 4: Employee Expenses

Note 5: Supplies and Services

Note 6: Other Expenses

**Section 3: Notes about our Financial Position**

Note 7: Cash and Cash Equivalents

Note 8: Receivables

Note 9: Property Plant and Equipment and Depreciation Expense

Note 10: Intangibles and amortisation expense

Note 11: Payables

Note 12: Accrued Employee Benefits

Note 13: Other Current Liabilities

Note 14: Asset Revaluation Surplus by Class

Note 15: Schedule of Agency Transactions

**Section 4: Notes about Risk and Other Accounting Uncertainties**

Note 16: Commitments for Expenditure

Note 17: Contingencies

Note 18: Economic Dependency

Note 19: Financial Risk Disclosures

Note 20: Future Impact of Accounting Standards Not Yet Effective

**Section 5: Notes about our Performance Compared to Budget**

Note 21: Budgetary Reporting Disclosures

**Section 6: Other Information**

Note 22: Key Management Personnel (KMP) Disclosures

Note 23: Related Party Transactions

Note 24: First Year Application of New Accounting Standards of Change in Policy

Note 25: Taxation

Note 26: Accounting Estimates and Judgements

Note 27: Events after the balance date

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# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18

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### General Information

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

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

### Statement of Compliance

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

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2017.

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

### The Reporting Entity

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

### Basis of Measurement

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

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

#### Historical cost

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

#### Fair Value

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

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

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

#### Net Realisable Value

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

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# **Gold Coast Waterways Authority**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18**

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### **Presentation Matters**

#### Currency and Rounding

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

#### Comparatives

Comparative information reflects the audited 2016-17 financial statements except where restated for classification purposes (see Note 2).

#### Current/Non-Current Classification

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

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

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

### **Implementation of the Shared Services Initiative**

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

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

### **Authorisation of financial statements for issue**

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

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# **Gold Coast Waterways Authority**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18**

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### **SECTION 1**

#### **HOW WE OPERATE - OUR OBJECTIVES AND ACTIVITIES**

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

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

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

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

# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18

### SECTION 2 NOTES ABOUT OUR FINANCIAL PERFORMANCE

	2018 \$'000	2017 \$'000
<b>2. User Charges</b>		
Revenue for service delivery outsourced by other agencies*	10,537	10,466
Other	109	138
<b>Total</b>	<b>10,646</b>	<b>10,604</b>

\* Revenue for service delivery outsourced by other agencies has been reclassified in 2017-18 from Grants and other contributions to User Charges to align with Whole of Government classifications. User Charges represents the State funding which the Authority is dependent on to operate. Funding is received on a quarterly basis, following the raising of a tax invoice to the respective department.

#### Accounting policy

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

#### 3. Other Revenue

Insurance Claims Recovery	184	-
<b>Total</b>	<b>184</b>	<b>-</b>

#### Disclosure - Compensation from Third Parties

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

#### 4. Employee Expenses

##### Employee Benefits

Wages and salaries	2,324	2,305
Annual leave expense	245	225
Employer superannuation contributions	318	309
Termination Payments	89	-
Long service leave levy	55	55

##### Employee Related Expenses

Workers' compensation premium	18	15
Payroll tax	150	141
Other employee related expenses	55	82

<b>Total</b>	<b>3,254</b>	<b>3,132</b>
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# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18

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### 4. Employee Expenses (contd)

	2018	2017
Full-time equivalent employees:	29	29

The Authority also engages employment agency contractors, as required, to enable the delivery of the Authority's objectives. Any associated costs are included in Note 5 in the "Consultants and Contractors" total costs.

#### Accounting policy

##### Wages, Salaries, Annual Leave and Sick leave

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

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

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

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

##### Long Service Leave

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

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

##### Superannuation

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

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

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

##### Workers' Compensation Premium

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

Key management personnel and remuneration disclosures are detailed in Note 22.

# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18

	2018	2017
	\$'000	\$'000
<b>5. Supplies and Services</b>		
Building services	868	867
Corporate service charges	379	326
Telecommunications	69	71
Consultants and contractors*	1,041	1,493
Materials and running costs	237	354
Advertising	39	66
Motor vehicle running costs	72	55
Vessels running costs	92	131
Repairs and maintenance	171	152
Navigation aids maintenance	270	324
Consumables	1	9
Operating lease rentals	84	82
Staff travel	5	10
Computer costs	40	31
Other	28	46
<b>Total</b>	<b>3,396</b>	<b>4,017</b>

\* Consultant and contractor payments includes payments made to external parties of \$449,696 (2017: \$94,400) to carry out contractual works on navigation dredging projects and the painting of the Gold Coast Seaway sand bypass jetty. In 2016-17 the contractual works carried out were primarily related to projects that were capitalised instead of operational expenditures.

### 6. Other Expenses

Insurance	92	85
Audit fees*	19	21
Loss on sale of assets	90	54
Bad debts expense	9	2
Sponsorship	-	3
Environmental fees and offsets	60	-
<b>Total</b>	<b>270</b>	<b>165</b>

\* Total audit fees payable to the Queensland Audit Office relating to the 2017-18 financial statements are quoted to be \$19,000 (2017 \$20,500). There are no non-audit services included in this amount.

# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18

### SECTION 3 NOTES ABOUT OUR FINANCIAL POSITION

	2018 \$'000	2017 \$'000
<b>7. Cash and Cash Equivalents</b>		
Cash on Hand	1	1
Cash at bank	7,365	6,213
Investment account	228	227
<b>Total</b>	<b>7,594</b>	<b>6,441</b>

Interest earned on cash held with the Commonwealth Bank earned between 0.50% and 2.00% in 2017-18 (between 0.70% to 2.25% in 2016-17).

#### Accounting policy

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

#### 8. Receivables

Trade Debtors	26	30
Long Service Leave reimbursements	16	11
	42	41
GST receivable	195	179
GST payable	(83)	(83)
	112	96
Interest Receivable	13	11
<b>Total</b>	<b>167</b>	<b>148</b>

#### Accounting policy

##### Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically. There is no allowance for impairment at 30 June 2018.

##### Credit Risk Exposure of Receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets.

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

All receivables have been assessed as being within terms and expected to be fully collectible. They are considered of good credit quality based on recent collection history. Credit risk management strategies are detailed in Note 19.

# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18

### 9. Property Plant and Equipment and Depreciation Expense

#### Closing balances and reconciliation of carrying amount

	Land		Buildings		Infrastructure		Major P&E		P&E		WIP		Total	
	At fair value		At fair value		At fair value		At fair value		At cost		At cost		2018	2017
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017		
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Gross	40,635	37,800	2,455	2,072	219,583	209,400	1,038	1,052	531	520	2,684	2,831	266,926	253,675
Less: accumulated depreciation	-	-	(606)	(512)	(58,331)	(53,407)	(208)	(134)	(223)	(182)	-	-	(59,368)	(54,236)
<b>Carrying amount at 30 June</b>	<b>40,635</b>	<b>37,800</b>	<b>1,849</b>	<b>1,560</b>	<b>161,252</b>	<b>155,992</b>	<b>830</b>	<b>918</b>	<b>308</b>	<b>338</b>	<b>2,684</b>	<b>2,831</b>	<b>207,558</b>	<b>199,439</b>
<i>Represented by movements in carrying amount:</i>														
Carrying amount at 1 July	37,800	35,163	1,560	1,557	155,992	141,645	918	982	338	354	2,831	13,281	199,439	192,982
Plus Purchases	-	-	-	-	-	-	-	-	74	84	3,751	4,889	3,826	4,973
Less Disposals	-	-	-	-	(80)	(40)	-	-	(28)	(50)	-	-	(108)	(90)
Transfers	-	-	341	17	3,557	14,771	-	-	-	24	(3,898)	(15,339)	-	(527)
Revaluation increments	2,835	2,637	30	60	5,348	2,916	(11)	12	-	-	-	-	8,202	5,625
Depreciation for period	-	-	(82)	(74)	(3,566)	(3,300)	(77)	(76)	(76)	(74)	-	-	(3,801)	(3,524)
<b>Carrying amount at 30 June</b>	<b>40,635</b>	<b>37,800</b>	<b>1,849</b>	<b>1,560</b>	<b>161,252</b>	<b>155,992</b>	<b>830</b>	<b>918</b>	<b>308</b>	<b>338</b>	<b>2,684</b>	<b>2,831</b>	<b>207,558</b>	<b>199,439</b>

Transfers variance in 2017 is offset by a transfer into Intangibles as detailed in Note 10.

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

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

During 2017-18 the fair values of these assets were reviewed using appropriate and relevant indices, which were confirmed by registered valuers, AssetVal Group. For building, infrastructure and major plant and equipment assets, appropriate indices were aligned to rates published by the Queensland Government's Statistician Office or the Australian Bureau of Statistics. In the case of Infrastructure assets, these were assessed against 4 indexation categories, being civil, mechanical, electrical and steel, with the judgements based on what the influencing factors would be to drive cost movements. The index rates for these asset classes were then applied to the previous specific appraisal amount for each asset class. The Authority's land value was reviewed and updated using appropriate indices obtained by the registered valuer. The indexation percentage was derived from a number of sources including local real estate agents, other valuation work done in the area, analysis of land sales that have sold and re-sold during the indexation period and published reports such as the Valuer General's Market Movement Reports. AssetVal Group then analysed the information and applied their professional opinion. The index rate was then applied to the previous specific appraisal amounts.

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# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18

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### 9. Property Plant and Equipment and Depreciation Expense (contd)

#### Accounting Policy

##### Basis of Capitalisation and Recognition Thresholds

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

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

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

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

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

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

##### Cost of Acquisition and Construction of Assets

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

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

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

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

##### Measurement Using Historical Cost

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

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# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18

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### 9. Property Plant and Equipment and Depreciation Expense (contd)

#### Measurement Using Fair Value

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

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

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

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

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

#### Use of Specific Appraisals

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

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

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

#### Use of Indices

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to-date via the application of relevant indices. The Authority ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. For 2017-18, registered Valuers, AssetVal Group supplied the indices used for the various types of assets. Such indices are either publicly available, or are derived from market information available to AssetVal Group. AssetVal Group provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Through this process, which is undertaken annually, management assesses and confirms the relevance and suitability of indices provided by a registered valuer based on the Authority's own particular circumstances.

#### Accounting for Changes in Fair Value

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

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

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# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18

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### 9. Property Plant and Equipment and Depreciation Expense (contd)

#### Fair Value Measurement

##### What is fair value?

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

##### Fair Value Measurement Hierarchy

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

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

None of the Authority's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy. There were no transfers of assets between fair value hierarchy during the period.

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# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18

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### 9. Property Plant and Equipment and Depreciation Expense (contd)

#### Fair Value Measurement (contd)

##### Basis for Fair Values of Assets and Liabilities

##### Land

Effective date of Last Specific Appraisal:	30 June 2015 by APV Valuers and Asset Management
Valuation Approach:	Market approach
Inputs:	Level 2 valuation inputs were used to value land using the market approach. Determining the replacement cost involved detailed analysis of a hypothetical highest alternative land use. Typically this included estimating the number of potential residential or commercial lots that could be developed on the site. These are observable based on existing Town Planning rules. The most significant inputs into this valuation approach is price per square metre. The third input into the valuation process is the developer's interest which effectively is the rate of return the developer requires based on the existing market conditions. This requires the valuers to exercise professional judgement and accordingly has been classified as a level 3 input.

##### Buildings

Effective date of Last Specific Appraisal:	30 June 2015 by APV Valuers and Asset Management
Valuation Approach:	Cost approach
Inputs:	Level 2 inputs used included the design and construction, average cost of construction, condition and consumption scores for each component. These inputs are supported by observable evidence obtained via inspection and market evidence. Specialised buildings were valued by estimating the replacement cost for each building by disaggregating the building into different components and for each component determining a value based on the interrelationship between a range of factors. These factors included the level 2 inputs referred to above and other inputs such as estimates of residual value, pattern of consumption and its relationship to the assessed level of remaining service potential. These unobservable inputs are classified as level 3 inputs and required extensive professional judgement. This impacted significantly on the final determination of fair value.

##### Infrastructure

Effective date of Last Specific Appraisal:	30 June 2015 by APV Valuers and Asset Management
Valuation Approach:	Cost approach
Inputs:	The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on cubic or square metres or similar capacity could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.



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# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18

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### 9. Property Plant and Equipment and Depreciation Expense (contd)

#### Fair Value Measurement (contd)

##### Basis for Fair Values of Assets and Liabilities (contd)

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

#### Depreciation expense

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

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

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

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

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

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

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

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

<b>Class</b>	<b>Rate</b>
Buildings	2% - 10%
Infrastructure	1% - 19%
Major plant and equipment	7% - 11%
Plant and Equipment	9% - 58%

#### Impairment

All building, infrastructure and plant and equipment assets are assessed for indicators of impairment on an annual basis or, where the asset is measured at fair value, for indicators of a change in fair value/service potential since the last valuation was completed. If an indicator of possible impairment exists, the Authority determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

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

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

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

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

**Gold Coast Waterways Authority**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18**

**10. Intangibles and amortisation expense**

**Closing balances and reconciliation of carrying amount**

	Software at cost		WIP at cost		Total	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross	875	527	96	-	971	527
Less: Accumulated amortisation	(73)	(27)	-	-	(73)	(27)
<b>Carrying amount at 30 June</b>	<b>802</b>	<b>500</b>	<b>96</b>	<b>-</b>	<b>898</b>	<b>500</b>

*Represented by movements in carrying amount:*

Carrying amount at 1 July	500	-	-	-	500	-
Plus Purchases	-	-	444	-	444	-
Transfers between asset classes	348	527	(348)	-	-	527
Amortisation	(46)	(27)	-	-	(46)	(27)
<b>Carrying amount at 30 June</b>	<b>802</b>	<b>500</b>	<b>96</b>	<b>-</b>	<b>898</b>	<b>500</b>

**Recognition and Measurement**

**Accounting Policy**

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

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

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

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

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# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18

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### 10. Intangibles and amortisation expense (contd)

#### Amortisation Expense

##### Accounting Policy

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

##### Amortisation Rates

All intangible assets of the Authority have finite useful lives and are amortised on a straight line basis. The rates used are 5.45% for the Sand Management Plan and 6.67% for the Tidal Works Information System.

##### Impairment

##### Accounting Policy

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

	2018 \$'000	2017 \$'000
<b>11. Payables</b>		
Trade creditors	569	496
Purchase card clearing	122	123
Accrued expenses	495	518
<b>Total</b>	1,186	1,137

##### Accounting Policy

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

### 12. Accrued Employee Benefits

#### Current

Salary and wages outstanding	64	50
Long service leave levy payable	15	14
Annual leave payable	365	369
Superannuation payable	7	6
Paid Parental Leave	(12)	(12)
<b>Total</b>	439	426

##### Accounting Policy

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

# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18

	2018 \$'000	2017 \$'000
<b>13. Other Current Liabilities</b>		
Security Bond	21	45
<b>Total</b>	<b>21</b>	<b>45</b>

### 14. Asset Revaluation Surplus by Class

	Land \$000	Buildings \$000	Infrastructure \$000	Major P&E \$000	Total \$000
<b>Balance at 1 July 2016</b>	7,529	205	13,842	116	21,689
Revaluation increments	2,637	60	2,916	12	5,625
<b>Balance at 30 June 2017</b>	10,166	265	16,758	128	27,314
Balance at 1 July 2017	10,166	265	16,758	128	27,314
Revaluation increments	2,835	30	5,348	(11)	8,202
<b>Balance at 30 June 2018</b>	13,001	295	22,106	117	35,516

#### Accounting Policy

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

	2018 \$'000	2017 \$'000
<b>15. Schedule of Agency Transactions</b>		
<b>Statement of Agency funds collected on behalf of Government</b>		
<b>Administered collections</b>		
Fees	870	826
Rent	113	105
<b>Total Administered Collections</b>	<b>983</b>	<b>931</b>
<b>Transfers to Government</b>		
Administered Revenue Transferred to Queensland Treasury	988	940
<b>Total Agency funds transferred to Government</b>	<b>988</b>	<b>940</b>

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

#### Accounting Policy

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

# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18

### SECTION 4

#### NOTES ABOUT RISK AND OTHER ACCOUNTING UNCERTAINTIES

#### 16. Commitments for Expenditure

##### (i) Commitments

Commitments contracted for at reporting date (inclusive of non-recoverable GST input tax credits) but not recognised in the accounts totalled \$1,123,359 (2017: \$130,868) and are anticipated to be paid within the next 12 months.

Delays in the design and construction phase of a major navigation access project have impacted the delivery of associated operational contracts which are now planned for 2018-19.

##### (ii) Capital Expenditure Commitments

Capital expenditure commitments (inclusive of non-recoverable GST input tax credits) contracted for at reporting date but not recognised in the accounts totalled \$3,828,051 (2017: \$950,839). They are all due to be paid not later than one year.

Delays in the design and construction phase of a major navigation access project have impacted the delivery of associated Capital contracts which are now planned for 2018-19.

#### 17. Contingencies

There are no material legal or any other contingencies that are known to the Authority at 30 June 2018.

#### 18. Economic Dependency

Gold Coast Waterways Authority is dependent on a State funding of \$11.983 million and a \$1.5 million equity injection for the 2018-19 financial year.

#### 19. Financial Risk Disclosures

##### Financial Instrument Categories

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

Category	Note	2018 \$'000	2017 \$'000
<b>Financial Assets</b>			
Cash and cash equivalents	7	7,594	6,441
Receivables	8	42	41
<b>Total Financial Assets</b>		<b>7,636</b>	<b>6,482</b>
<b>Financial Liabilities</b>			
Financial liabilities measured at amortised cost:			
Payables	11	569	496
<b>Total Financial Liabilities at amortised cost</b>		<b>569</b>	<b>496</b>

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

No financial assets were past due or impaired as at 30 June 2018.

# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18

### 19. Financial Risk Disclosures (contd)

#### *Financial Risk Management*

##### (a) Risk Exposure

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

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

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

<b>Risk Exposure</b>	<b>Definition</b>	<b>Measurement method</b>
Credit Risk	Credit risk exposure refers to the situation where the Authority may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	The Authority is exposed to credit risk in respect of its receivables (Note 8).
Liquidity Risk	Liquidity risk refers to the situation where the Authority may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	The Authority is exposed to liquidity risk in respect of its payables (Note 11).
Market Risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.	The Authority does not trade in foreign currency and is not materially exposed to commodity price changes or other market changes. The Authority is exposed to interest rate risk through its cash deposited in interest bearing accounts (Note 7).

# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18

### 19. Financial Risk Disclosures (contd)

#### *Financial Risk Management (contd)*

#### (b) Risk Measurement and Management Strategies

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

<b>Risk Exposure</b>	<b>Measurement method</b>	<b>Risk Management Strategy</b>
Credit Risk	Ageing analysis, earnings at risk	The Authority manages credit risk through the use of management reports. This strategy aims to reduce the exposure to credit default by ensuring that the Authority invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.
Liquidity Risk	Sensitivity analysis	<p>The Authority manages liquidity risk through the use of management reports. This strategy aims to reduce the exposure to liquidity risk by ensuring the Authority has sufficient funds available to meet employee and supplier obligations as they fall due.</p> <p>The liquidity risk of the financial liabilities held by the Authority is limited to obligations with a maturity of less than one year and value of \$569,000 (2017: \$646,000). The maturity has been calculated using undiscounted cash flows relating to the liabilities as at reporting date.</p>
Market Risk	Interest rate sensitivity analysis	The Authority does not undertake any hedging in relation to interest risk and manages its risk as per the Authority's liquidity risk management strategy.

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# **Gold Coast Waterways Authority**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18**

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### **20. Future Impact of Accounting Standards Not Yet Effective**

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

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

These standards will first apply to the Authority from its financial statements for 2019-20.

The Authority has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts. Potential future impacts identifiable at the date of this report are as follows:

- Special purpose grants received to construct non-financial assets controlled by the Authority will be recognised as a liability, and subsequently recognised progressively as revenue as the Authority satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.
- Under the new standards, other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific. The Authority has commenced evaluating their existing grant arrangements however no conclusion or potential impact, if any, has been determined at the present time.
- Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. The Authority receives several grants for which there are no sufficiently specific performance obligations, so these grants will continue to be recognised as revenue upfront.
- A range of new disclosures will also be required by the new standards in respect of the Authority's revenue.

#### **AASB 9 Financial instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)**

These standards will first apply to the Authority from its financial statements for 2018-19 with a 1 July 2018 date of transition. The main impacts of these standards on the Authority are that they will change the requirements for the classification, measurement, impairment and disclosures associated with the Authority's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value.

The Authority has reviewed the impact of AASB 9 on the classification and measurement of its financial assets. The following summarises the estimated impact (or ranges of estimates) of AASB 9 will change the categorisation and valuation of the amounts reported in Note 19.

- There will be no change to either the classification or valuation of the cash and cash equivalent item.
- Trade receivables will be classified and measured at amortised cost, similar to the current classification of loans and receivables. However, new impairment requirements will result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. The Authority will be adopting the simplified approach under AASB 9 and measure lifetime expected credit losses on all trade receivables using a provision matrix approach as a practical expedient to measure the impairment provision.
- The amount of impairment for trade receivables owing from other government agencies is insignificant and immaterial due to the low credit risk (high quality credit rating) for the State of Queensland. No additional impairment provision will be raised for these amounts on transition.
- All financial liabilities listed in Note 19 will continue to be measured at amortised cost. The Authority does not expect a material change in the reported value of financial liabilities.



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# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18

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### 20. Future Impact of Accounting Standards Not Yet Effective (contd)

#### AASB 9 Financial instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) (contd)

These changed amounts will form the opening balance of those item on the date AASB 9 is adopted. However, the Authority will not restate comparative figures for financial instruments on adopting AASB 9 as from 2018-19. Aside from a number of one-off disclosures in the 2018-19 financial statements to explain the impact of adopting AASB 9, a number of new or changed disclosure requirements will apply from that time. Assuming no change in the types of financial instruments that the Authority enters into, the most likely ongoing disclosure impacts are expected to relate to the credit risk of financial assets subject to impairment.

#### AASB 16 Leases

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

##### Impact for Lessees

Under the new requirements, lessees will be required to recognise a right-of-use asset (representing the right to use the underlying asset) and a liability (representing the obligation to make future lease payments) for all leases with a term of more than 12 months and an asset value above \$10,000. Under this standard, the majority of operating leases will now be reported on the Statement of Financial Position. The right-of-use asset will be recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentives, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

The Authority does not hold any leases with external parties, but does hold sub-leases for office accommodation and land that is held by the Department of Transport and Main Roads. The Authority is awaiting further guidance from Queensland Treasury on the accounting treatment to be applied and is therefore unable to quantify the impact on the financial statements, including the extent of additional disclosures.

##### Impact for Lessors

Lessor accounting under AASB 16 remains largely unchanged from AASB 117. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

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

# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18

### SECTION 5

#### NOTES ON OUR PERFORMANCE COMPARED TO BUDGET

#### 21. Budgetary Reporting Disclosures

This section contains explanations of major variances between the Authority's actual 2017-18 financial results and the original budget presented to Parliament.

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

<i>User charges and fees:</i>	Original budget includes Administered (agency transactions) projected revenue, with actuals being reported as "agency transactions" - refer Note 15.
<i>Grants and other contributions:</i>	Actual for 2016-17 represents the revenue for service delivery outsourced by other agencies which has been reclassified in 2017-18 from Grants and other contributions to User Charges to align with Whole of Government reporting.
<i>Interest:</i>	Increase in interest is due to increased cash assets primarily aligned to capital program carryover funding due to delays in design and construction of a major navigation access project and the flow-on effect to dependent dredging projects.
<i>Sundry Revenue:</i>	Variance is due to compensation received from the Queensland Government Insurance Fund in regards to insurance claims for damages incurred to navigational aids from a severe weather event in 2016-17 and a collision by a vessel with a navigational aid in 2017-18.
<i>Employee Expenses:</i>	Increase in employee expenses is primarily associated with re-alignment of project management officers' costs to operational maintenance project delivery, rather than capital project delivery.
<i>Supplies and Services:</i>	Decrease in supplies and services is primarily related to a decrease in consultants and contractors engaged to undertake work following a structural change to perform tasks in-house, and a delivered dredging project coming in under projected budget.
<i>Grants and contributions:</i>	Variance reflects lower than projected expenditure incurred on grants associated with the Authority's Scientific Research Management program.
<i>Depreciation:</i>	Increase in depreciation reflects the increased value of assets as a result of prior years investments associated with the delivery of the Gold Coast Waterways Management Program.
<i>Amortisation:</i>	Increase in amortisation is associated with the development of an internally generated sand management approvals model which was capitalised in 2016-17 and a Tidal Works Information System which was capitalised during 2017-18.
<i>Other Expenses:</i>	Administered (agency transactions) included in other expenses budget, with actuals being reported as "agency transactions" - refer Note 15.
<i>Asset Revaluation Surplus:</i>	The result of an indices valuation by a registered valuer which reviewed and updated Land asset class by 7.5% index rate, Buildings asset class by 2% index rate, Infrastructure asset class by 3.00 - 3.50% index rate and Major Plant and Equipment asset class by -1.3% index rate.

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# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18

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### 21. Budgetary reporting disclosures (contd)

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

<i>Cash and Cash Equivalents:</i>	Increase in cash assets is a result of capital program carryover funding due to delays in design and construction of a major navigation access project and the flow-on effect to dependent dredging projects.
<i>Receivables:</i>	Decrease due to less invoices outstanding at end of the financial year.
<i>Property, plant and equipment:</i>	The result of an indices valuation by a registered valuer which reviewed and updated Land asset class by 7.5% index rate, Buildings asset class by 2% index rate, Infrastructure asset class by 3.00 - 3.50% index rate and Major Plant and Equipment asset class by -1.3% index rate.
<i>Intangible assets:</i>	Increase is associated with the development of an internally generated intangible asset being the Tidal Works Information System.
<i>Payables:</i>	Decrease in payables is related to decreased volume of waterways management program related works invoices held as liabilities at end of financial year.
<i>Accrued Employee Benefits:</i>	Due to an increase associated with re-alignment of project management officers' costs, the application of a 2.5% pay increase (in line with certified industrial arrangements) and annual leave entitlements.
<i>Other Current Liabilities:</i>	Variance is due to lower than projected security deposits for contracts being held.
<i>Asset Revaluation Surplus:</i>	The result of an indices valuation by a registered valuer which reviewed and updated Land asset class by 7.5% index rate, Buildings asset class by 2% index rate, Infrastructure asset class by 3.00 - 3.50% index rate and Major Plant and Equipment asset class by -1.3% index rate.

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# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18

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### 21. Budgetary reporting disclosures (contd)

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

<i>User Charges and Fees:</i>	Original budget includes Administered (agency transactions) projected revenue, with actuals being reported as "agency transactions" - refer Note 15.
<i>Grants and Other Contributions:</i>	Actual for 2016-17 represents the revenue for service delivery outsourced by other agencies which has been reclassified in 2017-18 from Grants and other contributions to User Charges to align with Whole of Government reporting.
<i>Interest:</i>	Increase in interest is due to increased cash assets primarily aligned to capital program carryover funding due to delays in design and construction of a major navigation access project and the flow-on effect to dependent dredging projects.
<i>GST collected from customers and GST remitted to ATO:</i>	GST collected from customers variance primarily due to budget assumption of GST received would be offset by GST remitted to ATO with minor movement amount included to the Other operating outflows line.
<i>GST input tax credits and GST paid to suppliers:</i>	GST paid to suppliers variance primarily due to budget assumption of GST paid would be offset by GST input tax credits from ATO with minor movement amount included to the Other operating inflows line.
<i>Other revenue:</i>	Variance is primarily due to compensation received from the Queensland Government Insurance Fund in regards to insurance claims for damages incurred to navigational aids from a severe weather event in 2016-17 and a collision by a vessel with a navigational aid in 2017-18.
<i>Employee Expenses:</i>	Increase in employee expenses is primarily associated with re-alignment of project management officers' costs to operational maintenance project delivery, rather than capital project delivery.
<i>Supplies and Services:</i>	Decrease in supplies and services is primarily related to a decrease in consultants and contractors engaged to undertake work following a structural change to perform tasks in-house, and a delivered dredging project coming in under projected budget.
<i>Other expenses:</i>	Administered (agency transactions) included in other expenses budget, with actuals being reported as "agency transactions" - refer Note 15.
<i>Payments for Property, plant and equipment:</i>	Decrease is primarily attributed to a design delay associated with a significant project. Project delivery is committed, with delivery to be finalised in early 2018-19.
<i>Payments for Intangibles:</i>	Variance is associated with the development of an internally generated intangible asset being the Tidal Works Information System.

# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18

### SECTION 6 OTHER INFORMATION

#### 22. Key Management Personnel (KMP) Disclosures

##### *Details of key management personnel*

The following details for non-Ministerial KMP reflect those positions that had authority and responsibility for planning, directing and controlling the activities of the Authority during 2017-18 and 2016-17. Further information about this position can be found in the body of the Annual Report under the section relating to Executive Management.

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

##### *KMP Remuneration Policies*

The remuneration and other terms of employment for the key executive management personnel are specified in their employment contract. The Section 60 contract provides for other benefits including motor vehicles, with the remuneration policy detailed in Schedule 1 of the Contract for the Chief Executive Officer.

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

##### *Short term employee expenses including:*

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

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

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

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

##### *Performance Payments*

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

# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18

### 22. Key management personnel (KMP) disclosures (contd)

#### Remuneration Expenses

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

#### 1 July 2017 – 30 June 2018

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	205	-	4	22	-	231
<b>Total Remuneration</b>	<b>205</b>	<b>-</b>	<b>4</b>	<b>22</b>	<b>-</b>	<b>231</b>

#### 1 July 2016 – 30 June 2017

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	200	-	4	21	-	225
<b>Total Remuneration</b>	<b>200</b>	<b>-</b>	<b>4</b>	<b>21</b>	<b>-</b>	<b>225</b>

# Gold Coast Waterways Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18

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

#### Authority Board Remuneration

Authority Board fees totalled \$45,250 (2017: \$60,725). Other fees such as superannuation payroll tax, professional services and meeting refreshments totalled \$7,438 (2017: \$13,139). The total cost of Authorities Board operations was therefore \$66,738 (2017: \$73,864).

Remuneration shown represents the fees and allowances for Board Members that are set out in the Remuneration for Part-Time Chairs and Members of Queensland Government Bodies - Remuneration Matrix.

Name:	Appointment Date:	Date Resigned or Ceased:	2018	2017
Mara Bún (Chairperson)	1-Dec-2015		15,450.00	17,900.00
Michael Bartlett	1-Dec-2012		5,800.00	8,850.00
Richard Holliday	1-Dec-2015	30-Nov-2017	1,500.00	5,750.00
Loretta Lynch	1-Mar-2018		2,000.00	-
Leslie Shirreffs	1-Dec-2015		8,750.00	14,900.00
Tom Tate (Mayor of City of Gold Coast) or delegate	1-Dec-2012		-	-
Rodger Tomlinson	1-Dec-2012		6,500.00	7,825.00
Martin Winter	1-Dec-2012		5,250.00	5,500.00
<b>Total remuneration paid to all members :</b>			<b>45,250.00</b>	<b>60,725.00</b>

### 23. Related Party Transactions

#### Transactions with people/entities related to KMP

There are no transactions to disclose.

#### Transactions with other Queensland Government-controlled entities

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

Note 4: Employee Expenses

Note 6: Other Expenses

Note 8: Receivables

Note 15: Schedule of Agency Transactions

Note 18: Economic Dependency

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# **Gold Coast Waterways Authority**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2017-18**

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### **24. First Year Application of New Accounting Standards of Change in Policy**

#### **Changes in Accounting Policy**

The Authority did not change any of its accounting policies during 2017-18.

#### **Accounting Standards adopted early**

No Australian Accounting Standards have been early adopted for 2017-18.

#### **Accounting Standards applied for the first time**

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 requires the disclosure of information that will allow users to understand changes in liabilities arising from financing activities. This amendment had no effect as the Authority has not entered into any financing activities.

AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash Generating Specialised Assets for not-for-Profit Entities simplified and clarified the impairment testing requirements under AASB 136 for non-cash generating assets held by NFP entities. This amendment has not changed any reported amounts. References to the Depreciated Replacement Costs have been replaced with Current Replacement Cost in line with these amendments.

AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle clarifies the scope of AASB 12 by specifying that the disclosure requirements of AASB 12 apply to an entity's interests in other entities that are classified as held for sale, held for distribution to owners in their capacity as owners or discontinued operations in accordance with AASB 5. This amendment had no effect as the Authority had no interests in relevant entities held for sale or discontinued operations.

### **25. 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 8).

### **26. Accounting Estimates and Judgements**

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

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

- Valuation of Property, Plant and Equipment - Note 9
- Depreciation - Note 9
- Valuation of Intangible Assets - Note 10
- Amortisation - Note 10

### **27. Events after the balance date**

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



**Management Certificate  
for Gold Coast Waterways Authority**

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

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Gold Coast Waterways Authority for the financial year ended 30 June 2018 and of the financial position of the Authority at the end of that period; and
- (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.



.....  
**Chairperson**  
Gold Coast Waterways Authority



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

Date: 3 August 2018

Date: 3 August 2018

## INDEPENDENT AUDITOR'S REPORT

To the Board of Gold Coast Waterways Authority

### Report on the audit of the financial report

#### Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2018, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

#### Basis for opinion

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

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

#### Responsibilities of the board for the financial report

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

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

### **Auditor's responsibilities for the audit of the financial report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2018:

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



V STEMMETT  
as delegate of the Auditor-General



Queensland Audit Office  
Brisbane

# Appendix B – Gold Coast Waterways Authority Strategic Plan



# Strategic Plan 2017-21



Our Vision		Our Purpose	
Sustain, Enhance, Promote and Manage the waterways of the Gold Coast to showcase this wonderful asset to our community and visitors		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			
Promote the safe, sustainable, and efficient use and enjoyment of Gold Coast waterways	Improve access to Gold Coast waterways through investments that balance diversity of use with consideration to the protection of environmental values	Provide localised decision-making via the GCWA Board and CEO that is guided by genuine community engagement	Take an innovative approach to the long-term sustainable management of Gold Coast waterways through initiatives such as strategically planning for resilience
Our Strategies to support Our Objectives	Our Opportunities and Risks		Our Contribution to the Government's Objectives for the community
<ul style="list-style-type: none"> <li>Inform users of the rules, requirements, environmental values and boating infrastructure projects for Gold Coast waterways</li> <li>Develop a Gold Coast waterways management program<sup>1</sup> that aligns with community and stakeholder expectations</li> <li>Undertake appropriate community and stakeholder engagement</li> <li>Develop a greater understanding of the environmental, social and economic values of Gold Coast waterways through collaborative research and innovation</li> </ul>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Fostering a strategic, innovative and resilient Gold Coast waterways management culture</li> <li>Mitigating risks to the Gold Coast waterways environment</li> <li>Developing adaptive and preventative management measures for Gold Coast waterways</li> <li>Retaining an agile and responsive workforce</li> <li>Keeping pace with community and stakeholder expectations now and into the future</li> <li>Promoting safe and sustainable use of Gold Coast waterways</li> <li>Strengthening the viability of the natural and built assets in Gold Coast waterways</li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Gold Coast waterways are not sustainably managed over the long-term</li> <li>Ineffective community and stakeholder engagement that does not adequately understand and address expectations</li> <li>A workforce that lacks agility and is unable to adapt to changing waterways management requirements</li> <li>Becoming an organisation that:               <ul style="list-style-type: none"> <li>is not fit for purpose</li> <li>has misaligned priorities</li> <li>lacks contemporary thinking, tools, systems and processes</li> <li>allows short term issues to take precedence over long-term strategies</li> </ul> </li> </ul>	<p><b>Creating jobs and a diverse economy</b> by delivering new infrastructure and investment through the development and delivery of our waterways management program<sup>1</sup></p> <p><b>Delivering quality frontline services</b> by providing responsive and integrated government services as an initial point of contact to a variety of Queensland government services for Gold Coast waterways users</p> <p><b>Protecting the environment</b> by enabling responsible development in planning for and facilitating development of Gold Coast waterways over the long term in a way that is sustainable and considers the impact of development on the environment</p> <p><b>Building safe, caring and connected communities</b> by providing an integrated and reliable transport network in improving and maintaining navigational access and developing and improving public marine facilities for Gold Coast waterways</p>
Our Values	Our Performance Indicators		
<ul style="list-style-type: none"> <li>Strive for success</li> <li>Benefit the community</li> <li>Work collaboratively</li> <li>Respect diversity</li> </ul>	<ul style="list-style-type: none"> <li>Gold Coast waterways are managed to the satisfaction of our Minister, Gold Coast waterways users and Gold Coast visitors and residents</li> <li>The Gold Coast waterways management program<sup>1</sup> is delivered on time and on budget</li> <li>Increased knowledge of the broader Gold Coast waterways environment</li> </ul>		

<sup>1</sup> Section 19 of the *Gold Coast Waterways Authority Act 2012*: Before the start of each financial year, the authority must develop for the Minister's approval a Gold Coast waterways management program for the year and the following 3 years.

**Note:** In addition to core responsibilities for Gold Coast waterways, the Gold Coast Waterways Authority also has responsibilities under the *Land Act 1994* for several parcels of trust land, including Doug Jennings Park on the northern tip of the Gold Coast Spit.

## Appendix C – Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> <li>A letter of compliance from the accountable officer or statutory body to the relevant Minister/s</li> </ul>	ARRs – section 7	2
Accessibility	<ul style="list-style-type: none"> <li>Table of contents</li> <li>Glossary</li> </ul>	ARRs – section 9.1	3 N/A
	<ul style="list-style-type: none"> <li>Public availability</li> </ul>	ARRs – section 9.2	2
	<ul style="list-style-type: none"> <li>Interpreter service statement</li> </ul>	Queensland Government Language Services Policy ARRs – section 9.3	N/A
	<ul style="list-style-type: none"> <li>Copyright notice</li> </ul>	Copyright Act 1968 ARRs – section 9.4	2
	<ul style="list-style-type: none"> <li>Information Licensing</li> </ul>	QGEA – Information Licensing ARRs – section 9.5	N/A
General information	<ul style="list-style-type: none"> <li>Introductory Information</li> </ul>	ARRs – section 10.1	4
	<ul style="list-style-type: none"> <li>Machinery of Government changes</li> </ul>	ARRs – section 31 and 32	(if applicable)
	<ul style="list-style-type: none"> <li>Agency role and main functions</li> </ul>	ARRs – section 10.2	6
	<ul style="list-style-type: none"> <li>Operating environment</li> </ul>	ARRs – section 10.3	4
Non-financial performance	<ul style="list-style-type: none"> <li>Government's objectives for the community</li> </ul>	ARRs – section 11.1	11
	<ul style="list-style-type: none"> <li>Other whole-of-government plans / specific initiatives</li> </ul>	ARRs – section 11.2	N/A
	<ul style="list-style-type: none"> <li>Agency objectives and performance indicators</li> </ul>	ARRs – section 11.3	7-9
	<ul style="list-style-type: none"> <li>Agency service areas and service standards</li> </ul>	ARRs – section 11.4	12-13
Financial performance	<ul style="list-style-type: none"> <li>Summary of financial performance</li> </ul>	ARRs – section 12.1	14
Governance – management and structure	<ul style="list-style-type: none"> <li>Organisational structure</li> </ul>	ARRs – section 13.1	21
	<ul style="list-style-type: none"> <li>Executive management</li> </ul>	ARRs – section 13.2	15
	<ul style="list-style-type: none"> <li>Government bodies (statutory bodies and other entities)</li> </ul>	ARRs – section 13.3	N/A
	<ul style="list-style-type: none"> <li>Public Sector Ethics Act 1994</li> </ul>	Public Sector Ethics Act 1994 ARRs – section 13.4	25
	<ul style="list-style-type: none"> <li>Queensland public service values</li> </ul>	ARRs – section 13.5	25
Governance – risk management and accountability	<ul style="list-style-type: none"> <li>Risk management</li> </ul>	ARRs – section 14.1	22
	<ul style="list-style-type: none"> <li>Audit committee</li> </ul>	ARRs – section 14.2	22
	<ul style="list-style-type: none"> <li>Internal audit</li> </ul>	ARRs – section 14.3	22



Summary of requirement		Basis for requirement	Annual report reference
	<ul style="list-style-type: none"> <li>• External scrutiny</li> </ul>	ARRs – section 14.4	22
	<ul style="list-style-type: none"> <li>• Information systems and recordkeeping</li> </ul>	ARRs – section 14.5	23
Governance – human resources	<ul style="list-style-type: none"> <li>• Strategic workforce planning and performance</li> </ul>	ARRs – section 15.1	24
	<ul style="list-style-type: none"> <li>• Early retirement, redundancy and retrenchment</li> </ul>	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i>  Directive No.16/16 <i>Early Retirement, Redundancy and Retrenchment</i> (from 20 May 2016)  ARRs – section 15.2	25
Open Data	<ul style="list-style-type: none"> <li>• Statement advising publication of information</li> </ul>	ARRs – section 16	N/A
	<ul style="list-style-type: none"> <li>• Consultancies</li> </ul>	ARRs – section 33.1	N/A
	<ul style="list-style-type: none"> <li>• Overseas travel</li> </ul>	ARRs – section 33.2	N/A
	<ul style="list-style-type: none"> <li>• Queensland Language Services Policy</li> </ul>	ARRs – section 33.3	N/A
Financial statements	<ul style="list-style-type: none"> <li>• Certification of financial statements</li> </ul>	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	Appendix A
	<ul style="list-style-type: none"> <li>• Independent Auditor’s Report</li> </ul>	FAA – section 62 FPMS – section 50 ARRs – section 17.2	Appendix A

