Annual Report

2013-2014

Great state. Great opportunity.

Queensland Government

Letter of compliance

15 September 2014

The Honourable Scott Emerson MP
Minister for Transport and Main Roads
GPO Box 2644
Brisbane Qld 4001

Dear Minister Emerson

I am pleased to present the Annual Report 2013-2014 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 E of this annual report or accessed at www.gcwa.qld.gov.au

Yours sincerely

Gary J Baildon AM
Chairman
Gold Coast Waterways Authority

Hal Morris
Chief Executive Officer
Gold Coast Waterways Authority

ISSN: XXXX-XXXX

Public Availability Statement: Copies of this report are also available in paper form and can be obtained by contacting Annabel Walden, Executive Coordinator, Gold Coast Waterways Authority
Tel: (07) 5539 7350 Fax: (07) 5539 7355 Email: Annabel.Walden@gcwa.qld.gov.au
Web: www.gcwa.qld.gov.au www.gcwa.qld.gov.au/annualreport
Additional information to accompany this annual report, including consultancies and information systems and recordkeeping, can be accessed at www.gcwa.qld.gov.au/annualreport

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Glossary

CEO	Chief Executive Officer
CoGC/ CGC	City of Gold Coast
CPPM	Certified Practising Project Manager
DTMR	Department of Transport and Main Roads
GCWA	Gold Coast Waterways Authority
GCWP	Gold Coast Water Police
MSQ	Maritime Safety Queensland
PMI	Project Management Institute
PMP	Licensed Project Management Professional
QB&FP	Queensland Boating and Fisheries Patrol
QR	Queensland Rail
Strategy	10 year Gold Coast Waterways Management Strategy
Program	1+3 year Waterways Management Program

About the GCWA

Introduction

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

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

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

Other purposes of the Act are to do the following:

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

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

Role and Functions

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

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

The Gold Coast Waterway Authority is required to prepare and publish a 10 year Waterways Management Strategy (the Strategy). The 2013-2023 Strategy was released by the Honourable Scott Emerson, Minister for Transport and Main Roads on 5 March 2014.

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

Operating Environment

The Gold Coast Waterways Authority is a statutory authority, with a Chief Executive Officer and officers governed by a decision making Board of seven members, appointed by and accountable to the Minister for Transport and Main Roads.

The head office and principal place of business of the Authority is

40-44 Seaworld Drive
Main Beach, Queensland

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

Non-Financial Performance

Government's objectives for the community

The Gold Coast Waterways Authority contributes to achieving the Government's objective of future prosperity for Queensland through investment in better infrastructure and planning. These priorities are detailed in the Strategy.

Specifically, the Authority's role is to improve management of and access to Gold Coast Waterways. This includes responsibility for the building of better marine infrastructure for recreational and commercial fishers, boaters and tourists. The Program for 2014-2018, as adopted by the Board and approved by Minister Emerson, provides a rolling 1+3 year investment plan, including:

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

The Queensland Government has identified tourism as one of the four pillars of Queensland's economy and Gold Coast Waterways Authority's "Promote" objective and activities contribute to the growth of this pillar.

Objectives and performance indicators

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

The Strategy provides a clear direction for the best possible management of Gold Coast waterways over 10 years to facilitate their long term sustainable development. The Strategy is intended to provide certainty for industry and include a statement of specific achievable objectives, proposed navigational access and boating infrastructure projects, and general investment and prioritisation criteria. The overarching objectives of the Strategy are to sustain, enhance and promote the waterways.

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

Major achievements

The Gold Coast Waterways Authority has realised several significant achievements in its first 18 months of operation through completion of key projects such as:

- Six dredging projects completed at Coomera River, Canaipa Passage, North Channel, South Channel, South Wavebreak Island Channel
- Cleared backlog of navigation aid maintenance works
- Planning for and the delivery of boat ramps and other marine infrastructure and destinations at Runaway Bay, Currumbin Creek, Coomera and Dux Anchorage, South Stradbroke Island
- Approximately 550,000m3 of sand moved through the Sand Bypass System, keeping navigational access to the Gold Coast Seaway, Broadwater and waterways beyond accessible
- Continuing improvements made in efficiency of operations of Sand Bypass System realised in reduction in electricity costs of $1.88 per cubic metre of sand in July 2013 to $0.48 per cubic metre of sand in June 2014 – through use of innovate practises, sustainable procedures and improved energy efficiency measures
- Progress achieved on gaining environmental approvals for Sand Management Plan to provide more holistic approach to dredging approvals and works and streamlining of these projects
- Master planning for redevelopment of Surfers Paradise Riverfront precinct
- Management of hotspots at Currumbin and Hollywell
- Comprehensive review of speed limits and behaviour through community consultation with over 1400 residents, visitors and businesses
- Review of management of Buoy Moorings
- Review and reform of anchoring rules and regulations
- Improvement in level of service delivery to the public by improving the way the development applications for tidal works and aquatic events are processed
- Augmentation of enforcement activities through implementation of cameras to monitor behaviour of waterways users
- Provision of effective response to pollution incidents including vessel fire incident at Versace Marina

Service areas, service standards and other measures

The Gold Coast Waterways Management Program 2014-2018 discusses the issues and investment criteria relevant to the Authority. The 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 the 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, the 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.

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

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

Improving access and supporting development

Since being established in December 2012, the Gold Coast Waterways Authority has delivered six significant dredging projects (Coomera River, North Channel, South Channel, South Wavebreak Island Channel, Jacobs Well and Canaipa Passage) that provide better access to Gold Coast waterways, canals and rivers.

Major progress has been made in clearing a 15 year delay in dredging of the Coomera River above Sanctuary Cove with land necessary for construction of a Regional Dredge Spoil Management Facility being secured. The Coomera River is a vital waterway that connects the growing hub of local marine industry with the rest of the state.

Several key infrastructure projects have been delivered. An example is the delivery of the Dux pontoon on South Stradbroke Island after a 25 year delay in this project. 36 destinations have been identified and are detailed in the GCWA's Sand Management Plan which is seeking the necessary approvals for their sustainable management as part of a network wide approval and management approach.

The GCWA has cleared the backlog in maintenance of Navigation Aids and signage in its 160+ km network of channels.

Waterways Management

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

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

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

Management of hotspots such as Currumbin (Currumbin Estuary Safety Awareness Campaign), Hollywell (6 knot 'school zone' speed limit trial), and Budds Beach (relocation of jet powered 'novelty craft') have been addressed with appropriate and effective waterways management activities implemented. Behaviour monitoring by cameras has been trialled as a way to enhance enforcement and support education.

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

Important work has been completed with the Sand Management Plan and substantial cost savings have been achieved in the operational costs of the Sand Bypass System.

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

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

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

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

Driven by local priorities

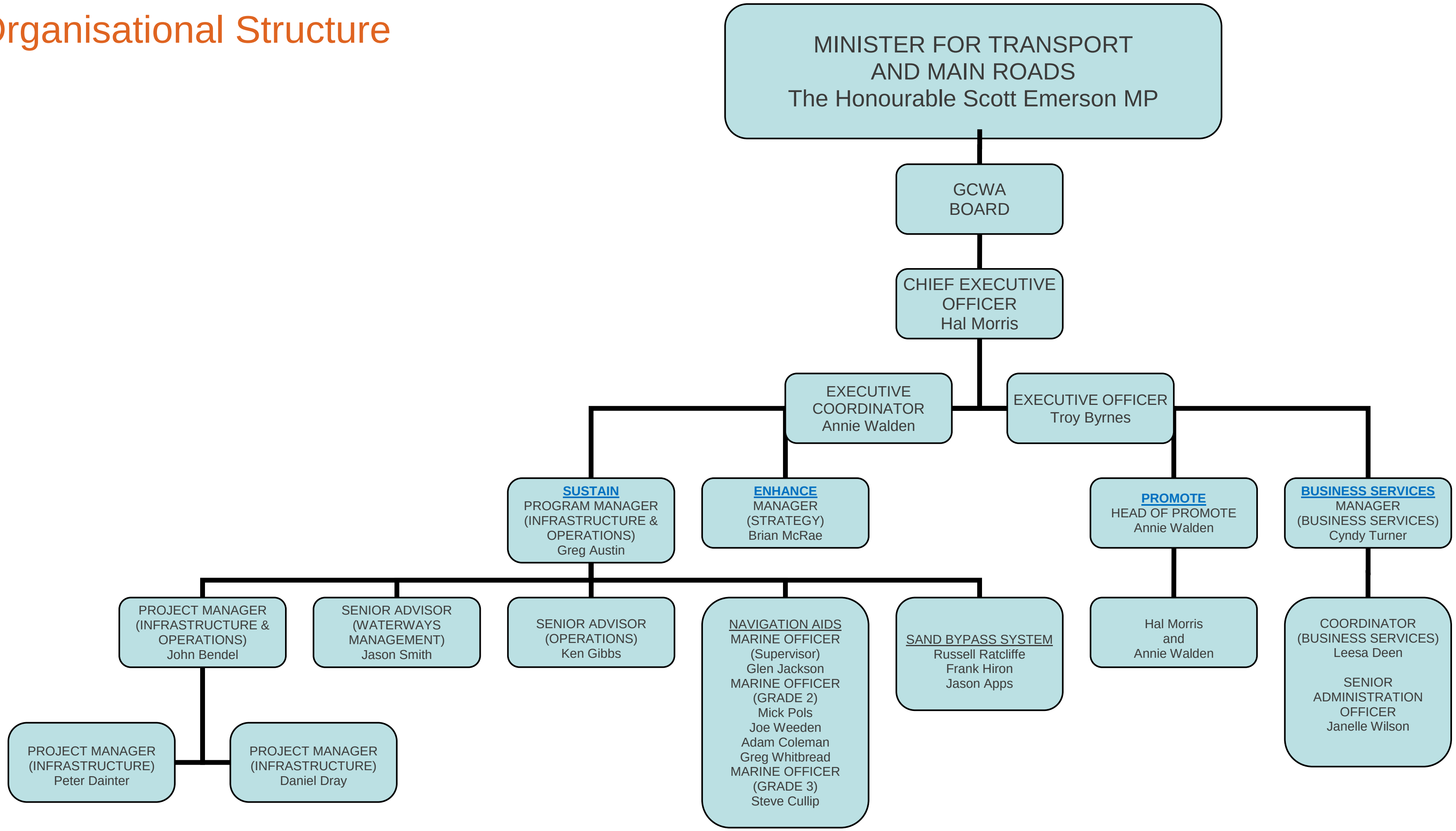
The Gold Coast Waterways Authority is led by a Board of Directors, all with strong local knowledge and experience. The Authority works closely with the City of Gold Coast in most areas of its work.

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

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

Governance – Management and Structure

Organisational Structure



Executive Management

Hal Morris – Chief Executive Officer

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

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

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

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

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

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

Brian McRae – Manager (Strategy)

Brian McRae is an environmental professional with nearly 25 years experience in the public, private and non-profit sectors. He has been a Queensland Government employee for the last 9 years, responsible for managing a number of south east Queensland planning and infrastructure issues, including the Gold Coast Seaway and Sand Bypass system. His career has largely been focused on water-related issues, including as Technical Director for the Australian Water Association, catchment management team leader for Warringah Shire Council in Sydney's Northern Beaches, Stormwater Environmentalist for the City of Los Angeles and a Biologist Diver for the Metropolitan Water District of Southern California. Brian holds Bachelors and Masters qualifications in environmental sciences and is a graduate of the Public Sector Management Program. As the GCWA Manager (Strategy), Brian has primary carriage of the 'Enhance' agenda identified in the Authority's Waterways Management Strategy.

Cynthia Turner – Manager (Business Services)

Cynthia joined the Queensland Public Service, with the Department of Harbours and Marine, in 1982. Throughout her 30 year public sector career, Cynthia has remained within the maritime environment and has worked primarily in corporate support roles, gaining a broad understanding and knowledge of government administration and financial and human resource management. Since 2002, Cynthia has managed the business services work unit at the Gold Coast office and, in 2010-11, she was chosen to take on the role of Project Manager of the Gold Coast Boating Safety Initiative, which focussed on gaining a deeper understanding of boating activities and vessel user behaviours on Gold Coast waterways. Leading this Initiative enabled Cynthia to expand on her knowledge and understanding of water-related boating issues. As part of the establishment of the Gold Coast Waterways Authority, Cynthia was extensively involved in the change management processes, including the development and implementation of corporate systems and work processes.

Greg Austin – Program Manager (Infrastructure and Operations)

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

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

Boards and Committees

The Gold Coast Waterways Authority is a statutory authority led by Chairman Gary Baildon AM and Chief Executive Officer Hal Morris and governed by a decision-making Board of seven members. The Board is appointed by and accountable to the Minister for Transport and Main Roads, The Honourable Scott Emerson MP.

The Board includes Chairman Gary Baildon, the Mayor of the Gold Coast, Mayor Tom Tate (or a delegate) and five members with expertise in one or more areas specified in the Gold Coast Waterways Authority Act, centred on sustainable planning and development.

Members of the Board are all Gold Coast residents and leaders of the local community with strong breadth and depth of knowledge on waterways issues.

The Board members are shown in the table below. The Chief Executive Officer and Executive Coordinator (minute taker) also attend meetings as requested by the Board. Members of the Executive Management team and GCWA officers also attend meetings as required to present papers on specific topics. Minutes reflect this attendance.

During the period 1 July 2013 until 30 June 2014, 12 Board meetings were held.

The names, positions and appointment terms for members of the Board are outlined in the following table.

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

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

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

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

Sub committees

Audit Committee – Meets every 3-6 months

Name	Position
William Turner	Chairman
Darren Scott, CGC	Member
Maurie Burke	Member
Cyndy Turner	GCWA liaison

Scientific Advisory Committee – Meets Quarterly

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

Waterways Projects Committee – Meets Quarterly

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

Public Sector Ethics Act 1994

The Gold Coast Waterways Authority is committed to ensuring a high professional standard of conduct. The Authority operates under the *Code of Conduct* and other provisions that applied to its officers prior to transfer from the Department of Transport and Main Roads. These provisions will be reviewed and revised by the GCWA as appropriate.

Governance – Risk Management and Accountability

Risk Management

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

The Board held a Risk Management workshop in March 2014 and finalised the development of an organisational Risk Register, Risk Management Framework, Governance Calendar and Board Charter. Individual members of the GCWA Board have each accepted lead responsibility for specific risks identified and managed through the GCWA Risk Register.

The Board has considered the matter of a separate Risk Management Committee however has decided that responsibility for risk management will form part of the responsibilities of the Audit Committee. The Board has approved a Risk Management Framework, ensured the development of an appropriate Risk Register and has allocated responsibilities for management of specific risks with periodic reporting of risk matters to the Board in accordance with the corporate governance calendar.

External Scrutiny

In accordance with the Auditor-General Act 2009, the Auditor-General is required to undertake an audit of Gold Coast Waterways Authority each financial year. An unqualified audit report for Gold Coast Waterways Authority's financial statements for the period 1 July 2013 to 30 June 2014 was issued on 26 August 2014. The Independent Auditor's Report and Financial Statements are included in this annual report as Appendix C and Appendix A respectively.

Audit Committee

At the GCWA Board meeting of 15 July 2013, the Board resolved that an Audit Committee would be formed and that Board member William Turner would chair this committee. At the Board meeting of 19 August 2013, the Board accepted the nominations of Board member Darren Scott (as the delegate of the Mayor of the City of Gold Coast) and Maurie Burke (as an external member) for the Audit Committee and it was resolved that the committee will meet every 3-6 months. Manager (Business Services) also attends the audit committee in an advisory role.

The Audit Committee has now developed an Audit Committee Charter and Terms of Reference document. Refer to Register of Boards and Committees on page 14 of this Annual Report for further details.

Internal Audit

The Board resolved at the meeting of 15 July 2013 that implementation of internal audit activities would be adopted. An Internal Audit Annual Plan and Internal Audit Strategic Plan have now been developed to address this resolution.

Given the small size of the Authority, the Authority decided not to establish its own internal audit function, however, it has engaged the Corporate Administration Agency (CAA) to undertake the internal audit function for the organisation and agreed the functions and responsibilities to be undertaken as part of that engagement.

(Refer to Register of Boards and Committees on pages 14 and 15 of this Annual Report for further details.)

Public Sector Renewal Program

The Premier established the Public Sector Renewal Board in June 2012 to oversee, and provide advice to Cabinet on public sector renewal. The GCWA is committed to supporting the work of this Board.

Information Systems and Recordkeeping

Under section 26 of the *Public Records Act 2002*, the *Maritime Safety Sector Retention and Disposal Schedule* is approved for use by the 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 (GRDS)* version 6.

As part of Machinery of Government changes when the Gold Coast Waterways Authority was established in 2012, TRIM was implemented as the Gold Coast Waterways Authority's electronic Document and Records Management System (eDRMS). TRIM incorporates a business classification system used to create and manage containers and records. At the time of implementation, all staff were provided training in the new system.

Governance – Human Resources

Workforce planning, attraction and retention

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

As at 30 June 2014, Gold Coast Waterways Authority employed 23 full-time equivalent employees (FTE's). The permanent retention rate of employees from Gold Coast Waterways Authority was 100 per cent. The Gold Coast Waterways Authority's permanent separation rate for 2013-2014 was 0 per cent.

The following activities and programs undertaken in 2013-2014 were designed to enhance organisational effectiveness and contribute to workforce planning, attraction and retention:

- GCWA supports training and development for all staff and to ensure maximum benefits to staff and efficiency across the organization.
- Flexible work arrangements are available to staff to support maintenance of a balance between their work and personal lives.
- The majority of the GCWA staff continue to be employed under the TMR Enterprise Determination 2011 following the transition from Department of Transport and Main Roads to GCWA. Clause 2.14 provides for a "Health and Wellbeing" reimbursement up to a prescribed amount per employee per annum for health related activities.

Financial Summary

In its first full year of financial operations in 2013-2014, the Gold Coast Waterways Authority's operational expenditure was $8,105,674 against a budget of $8,395,000. The under spend of $289,326 is regarded as a good result.

Capital expenditure of $7,487,723 against a budget of $8,901,000 meant $1,413,277 was carried forward to the 2014-2015 financial year. The Board has noted that the full funds of $35.3 million committed to the Gold Coast Waterways Authority will be spent in the four years from 2013 to 2016 to which these funds were committed. The organisation has built an appropriate project planning and delivery capability to fulfil this task.

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

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

Appendix A - Financial Statements

Gold Coast Waterways Authority
Financial Statements

for the financial year ended 30 June 2014

Gold Coast Waterways Authority
Financial Statements 2013-14

Contents

General Information

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

The Authority is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of the Authority is:

40-44 Seaworld Drive,
Main Beach, Queensland

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

Gold Coast Waterways Authority

Statement of Comprehensive Income
for the year ended 30 June 2014

	Notes	2014 $000	2013 $000
Income from Continuing Operations			
User Charges	2	402	799
Grants and other contributions	3	7,316	4,707
Other revenue	4	235	44
Total Revenue		7,953	5,550
Total Income from Continuing Operations		7,953	5,550
Expenses from Continuing Operations			
Employee expenses	5	1,837	974
Supplies and services	6	3,385	3,676
Depreciation	7	2,693	1,569
Other expenses	8	115	18
Total Expenses from Continuing Operations		8,030	6,237
Operating Result from Continuing Operations		(77)	(687)
Operating Result for the Year		(77)	(687)
Other Comprehensive Income			
Increase in asset revaluation surplus	16	6,438	-
Total Other Comprehensive Income		6,438	-
Total Comprehensive Income		6,361	(687)

The accompanying notes form part of these statements.

QAO
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Gold Coast Waterways Authority

Statement of Financial Position
as at 30 June 2014

	Notes	2014 $000	2013 $000
Current Assets			
Cash and cash equivalents	9	6,580	3,430
Receivables	10	618	1,137
Inventories	11	137	130
Total Current Assets		7,335	4,697
Non-Current Assets			
Property, plant and equipment	12	171,222	159,885
Total Non-Current Assets		171,222	159,885
Total Assets		178,557	164,582
Current Liabilities			
Payables	13	2,003	699
Accrued employee benefits	14	313	200
Other	15	5	20
Total Current Liabilities		2,321	919
Non Current Liabilities			
Accrued employee benefits	14	-	-
Total Non Current Liabilities		-	-
Total Liabilities		2,321	919
Net Assets		176,236	163,663
Equity			
Contributed equity		170,562	164,350
Accumulated surplus		(764)	(687)
Asset revaluation surplus	16	6,438	-
Total Equity		176,236	163,663

The accompanying notes form part of these statements.

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Gold Coast Waterways Authority

Statement of Changes in Equity
for the year ended 30 June 2014

	Accumulated Surplus $000	Asset Revaluation Surplus $000	Contributed Equity $000	TOTAL $000
Balance as at 1st December 2012	-	-	-	-
Operating Result from Continuing Operations	(687)		-	(687)
Transactions with Owners as Owners				
• Non-Appropriated Equity Injections	-		165,945	165,945
• Non-Appropriated Equity Withdrawls	-		(1,595)	(1,595)
Balance as at 30 June 2013	(687)	-	164,350	163,663
Balance as at 1st July 2013	(687)	-	164,350	163,663
Operating Result from Continuing Operations	(77)		-	(77)
Increase/(decrease) in asset revaluation surplus		6,438	-	6,438
Transactions with Owners as Owners				
• Non-Appropriated Equity Injections			8,901	8,901
• Non-Appropriated Equity Withdrawls	-		(2,689)	(2,689)
Balance as at 30 June 2014	(764)	6,438	170,562	176,236

As represented in Financial Statements 2012-13, Machinery-of-Government transfer from Department of Transport and Main Roads to the Authority for Non-Appropriated Equity Injections above is represented as follows:

	$000
Net transfer of Assets*	161,421
Non-appropriated Equity Injection	4,524
Less Non-appropriated Equity Withdrawal for depreciation	(1,595)
Total Non-Appropriated Equity Injections	164,350

The accompanying notes form part of these statements.

* Machinery-of-Government transfer consisted of the following:

	$000
PPE Net Assets (Note 12)	161,454
Inventory	126
Cash	133
	161,713
Less Accrued liabilities	(159)
Less Employee benefits	(133)
	(292)
Total Net Transfer of Assets	161,421

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Gold Coast Waterways Authority

Statement of Cash Flows
for the year ended 30 June 2014

	Notes	2014 $000	2013 $000
Cash flows from operating activities			
Inflows:			
Grants and Other Contributions		8,090	3,915
User charges		402	799
GST collected from customers		6	73
GST input tax credits from ATO		731	113
Increase in payables		-	544
Other		226	34
Outflows:			
Employee expenses		(1,724)	(774)
Supplies and services		(2,081)	(3,521)
GST paid to suppliers		(993)	(428)
GST remitted to ATO		(5)	(73)
Purchase of inventories		(7)	(130)
Other		(96)	(18)
Net cash provided by operating activities	17	4,549	534
Cash flows from investing activities			
Inflows:			
Sales of property, plant and equipment		-	-
Outflows:			
Payments for property, plant and equipment		(7,611)	-
Net cash provided by (used in) investing activities		(7,611)	-
Cash flows from financing activities			
Inflows:			
Non-appropriated Equity Injections		8,901	4,465
Outflows:			
Non-appropriated Equity Withdrawal		(2,689)	(1,569)
Net cash provided by financing activities		6,212	2,896
Net increase in cash and cash equivalents		3,150	3,430
Cash and cash equivalents at beginning of financial period		3,430	-
Cash and cash equivalents at end of financial year	9	6,580	3,430

The accompanying notes form part of these statements.

QAO
certified statements

QAO
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Objectives and Principal Activities of Gold Coast Waterways Authority

The Gold Coast Waterways Authority (the Authority) was established on 1 December 2012 under the Gold Coast Waterways Authority Act 2012. The Authority's function is to deliver the best possible management of, and access to, the Gold Coast waterways at reasonable cost to the community and Government, while minimising regulation.

On 5 March 2014, the 10 year Gold Coast Waterways Management Strategy 2014 - 2023 was released. This strategy sets out a vision and objectives to sustain, enhance and promote the waterways. The Strategy informs the development of the Gold Coast Waterways Management Program, which is a 1 + 3 year rolling investment plan, and focussed on delivering capital and operational projects.

The Authority is committed to providing better waterways management, by streamlining development and planning approvals and authorisation of events, management of speed and behaviour and the promotion of the value of the waterways to Gold Coast residents, visitors and businesses. Better access to the waterways is delivered with dredging of channels, maintenance and development of boating and navigational facilities and support for individuals and businesses using the Gold Coast waterways.

1. Summary of Significant Accounting Policies

(a) Statement of Compliance

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

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury and Trade's Minimum Reporting Requirements for the year ending 30 June 2014, and other authoritative pronouncements.

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

(b) The Reporting Entity

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

(c) User Charges, Taxes, Penalties and Fines

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

Taxes, fees and fines collected, but not controlled by the Authority, are reported as agency transactions. Refer to Note 22.

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

(d) Grants and Other Contributions

Grants, contributions, donations and gifts which are non-reciprocal in nature are recognised as revenue in the year in which the Authority obtains control over them. Where grants are received that are reciprocal in nature, revenue is progressively recognised as it is earned, according to the terms of the funding agreements.

(e) Cash and Cash Equivalents

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

(f) Receivables

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

The collectability of receivables is assessed periodically. There is no allowance for impairment at 30 June 2014. No bad debts were written off during the period.

(g) Inventories

Inventories represent consumable components used for navigation aids and in the sand bypass system, as well as buoy moorings and mooring kits which are held for sale to mooring authority holders.

Inventories held for sale are valued at the lower of cost and net realisable value.

Net realisable value is determined on the basis of the Authority's normal selling pattern.

(h) Acquisition and Construction of Assets

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

Where assets are received free of charge from a Queensland department (whether as a result of a Machinery-of-Government or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are recognised at their fair value at date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

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

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

(i) Property, Plant and Equipment

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

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

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

Land improvements undertaken by the Authority are included with buildings.

(j) Revaluations of Non-Current Physical Assets

Where intangible assets have an active market, they are measured at fair value, otherwise they are measured at cost.

Land, buildings, infrastructure and major plant and equipment assets are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement* and Queensland Treasury and Trade's *Non-Current Asset Policies for the Queensland Public Sector*. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable.

In respect of the abovementioned asset classes, the cost of items acquired during the financial year has been judged by management of the Authority to materially represent their fair value at the end of the reporting period.

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

Property, plant and equipment classes measured at fair value (refer above) are revalued on an annual basis either by appraisals undertaken by an independent professional valuer or internal expert, or by the use of appropriate and relevant indices. For financial reporting purposes, the revaluation process is managed by a team in the Authority's Business Services unit, who determine the specific revaluation practices and procedures. The Authority has an Audit Committee (of which the Manager (Business Services) is an attendee) that oversees the revaluation processes managed by the Business Services unit. The Audit Committee undertakes annual reviews of the Business Services unit's revaluation practices (after each year's revaluation exercise).

The authority intends to revaluate its non-current physical assets using an independent professional valuer or internal expert appraisals at least once every five years. However, if a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed by 20% or more since the previous reporting period), 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 Committee.

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

(j) **Revaluations of Non-Current Physical Assets (contd)**

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 (refer to Note 1(k)).

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. APV Valuers and Asset Management (APV) supplies the indices used for the various types of assets. Such indices are either publicly available, or are derived from market information available to APV. APV provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Indices used are also tested for reasonableness by applying the indices to a sample of assets, comparing the results to similar assets that have been valued by an independent professional valuer or internal expert, and analysing the trend of changes in values over time. Through this process, which is undertaken annually, management assesses and confirms the relevance and suitability of indices provided by APV based on the Authority's own particular circumstances.

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

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

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

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

(k) **Fair Value Measurement**

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

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

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

(k) Fair Value Measurement (contd)

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

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

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. As 2013-14 is the first year of application of AASB 13 by the Authority, there were no transfers of assets between fair value hierarchy levels during the period.

More specific fair value information about the Authority's Property, Plant and Equipment is outlined in Note 12.

(l) Depreciation of Non-Current Physical Assets

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

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

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

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

(l) Depreciation of Non-Current Physical Assets (contd)

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

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

Plant and equipment subject to a finance lease is amortised on a straight line basis over the term of the lease, or, where it is likely that the agency will obtain ownership of the asset, the expected useful life of the asset to the Authority.

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

Class	*Rate*
Buildings	2% - 11%
Infrastructure	1% - 18%
Major plant and equipment	6% - 7%
Plant and Equipment	6% - 40%

(m) Impairment of Non-Current Assets

As a general policy, all non-current physical 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.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated 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.

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

(m) Impairment of Non-Current Assets (contd)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(n) Payables

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

(o) Financial Instruments

Recognition

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

Classification

Financial instruments are classified and measured as follows:

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

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

All other disclosures relating to the measurement and financial risk management of financial instruments held by the Authority are included in Note 21.

(p) Employee Benefits

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

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

Wages, Salaries, Annual Leave and Sick leave

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

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

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

(p) Employee Benefits (contd)

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

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

Long Service Leave

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

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

Superannuation

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

The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Key Management Personnel and Remuneration

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

(q) Insurance

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

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

(r) **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 10).

(s) **Issuance of Financial Statements**

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

(t) **Accounting Estimates and Judgements**

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

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

- Provisions - Note 1(p) and Note 14
- Valuation of Property, Plant and Equipment - Note 12 and Note 1(j)
- Depreciation - Note 1(l) and Note 7

The Australian government passed its *Clean Energy Act* in November 2011 which resulted in the introduction of a price on carbon emissions made by Australian businesses from 1 July 2012.

From 1 July 2014, the government has abolished the carbon tax. The withdrawal of the carbon pricing mechanism is not expected to have a significant impact on the Authority's critical accounting estimates, assumptions and management judgements.

(u) **Rounding and Comparatives**

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

This is the first full year of operation of the Authority. Comparative information is for the period 1 December 2012 to 30 June 2013. Care should therefore be taken in comparing data for 2012-13 which comprised only 7 months of operation, with data for 2013-14 which is for a full year.

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

(v) New and Revised Accounting Standards

The Authority did not voluntarily change any of its accounting policies during 2013-14. The only Australian Accounting Standard changes applicable for the first time as from 2013-14 that have had a significant impact on the Authority's financial statements are those arising from AASB 13 *Fair Value Measurement*, as explained below.

AASB 13 *Fair Value Measurement* became effective from reporting periods beginning on or after 1 January 2013. AASB 13 sets out a new definition of 'fair value' as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements apply to all of the Authority's assets and liabilities that are measured and/or disclosed at fair value or another measurement based on fair value. The impacts of AASB 13 relate to the fair value measurement methodologies used and financial statement disclosures made in respect of such assets and liabilities.

The Authority reviewed its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to assess whether those methodologies comply with AASB 13. To the extent that the methodologies didn't comply, changes were made and applied to the valuations. None of the changes to valuation methodologies resulted in material differences from the previous methodologies.

AASB 13 has required an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. For those fair value measurements of assets or liabilities that substantially are based on data that is not 'observable' (i.e. accessible outside of the Authority), the amount of information disclosed has significantly increased. Note 1(k) explains some of the principles underpinning the additional fair value information disclosed. Most of this additional information is set out in note 12 Property Plant and Equipment.

A revised version of AASB 119 *Employee Benefits* became effective for reporting periods beginning on or after 1 January 2013. Given the Authority's circumstances, the only implications for the Authority were the revised concept of 'termination benefits' and the revised recognition criteria for termination benefit liabilities. If termination benefits meet the timeframe criterion for 'short-term employee benefits', they will be measured according to the AASB 119 requirements for 'short-term employee benefits'. Otherwise, termination benefits need to be measured according to the AASB 119 requirements for 'other long-term employee benefits'. Under the revised standard, the recognition and measurement of employer obligations for 'other long-term employee benefits' will need to be accounted for according to most of the requirements for defined benefit plans.

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

(v) **New and Revised Accounting Standards**

The revised AASB 119 includes changed criteria for accounting for employee benefits as 'short-term employee benefits'. However, as the Authority is a member of the Queensland Government central scheme for long service leave, this change in criteria has no impact on the Authority's financial statements as the employer liability is held by the central scheme. The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets. The Authority makes employer superannuation contributions only to the QSuper defined benefit plan, and the corresponding QSuper employer benefit obligation is held by the State. Therefore, those changes to AASB 119 will have no impact on the Authority.

AASB 1053 *Application of Tiers of Australian Accounting Standards* became effective for reporting periods beginning on or after 1 July 2013. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two Tiers of reporting requirements – Australian Accounting Standards (commonly referred to as 'Tier 1'), and Australian Accounting Standards – Reduced Disclosure Requirements (commonly referred to as 'Tier 2'). Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the Tier 1 and Tier 2 requirements is that Tier 2 requires fewer disclosures than Tier 1.

Pursuant to AASB 1053, public sector entities like the Authority may adopt Tier 2 requirements for their general purpose financial statements. However, AASB 1053 acknowledges the power of a regulator to require application of the Tier 1 requirements. In the case of the Authority, Queensland Treasury and Trade is the regulator. Queensland Treasury and Trade has advised that its policy decision is to require adoption of Tier 1 reporting by all Queensland Government departments and statutory bodies (including the Authority) that are consolidated into the whole-of-Government financial statements. Therefore, the release of AASB 1053 and associated amending standards has had no impact on the Authority.

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

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

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

   (v) **New and Revised Accounting Standards (contd)**

AASB 1055 *Budgetary Reporting* applies from reporting periods beginning on or after 1 July 2014. The Authority will need to include in its 2014-15 financial statements the original budgeted figures from the Income Statement, Balance Sheet, Statement of Changes in Equity, and Cash Flow Statement as published in the 2014-15 Queensland Government's Service Delivery Statements. The budgeted figures will need to be presented consistently with the corresponding (actuals) financial statements, and will be accompanied by explanations of major variances between the actual amounts and the corresponding original budgeted figures.

In addition, the Authority will need to include the original budgeted information for major classes of administered income and expenses, and major classes of administered assets and liabilities. This budgeted information will need to be presented consistently with the corresponding (actuals) administered information, and will be accompanied by explanations of major variances between the actual amounts and the corresponding budgeted financial information.

AASB 9 *Financial Instruments* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]* will become effective for reporting periods beginning on or after 1 January 2017. The main impacts of these standards on the Authority are that they will change the requirements for the classification, measurement and disclosures associated with the Authority's financial assets. Under the new requirements, financial assets will be more simply classified according to whether they are measured at amortised cost or fair value. Pursuant to AASB 9, financial assets can only be measured at amortised cost if two conditions are met. One of these conditions is that the asset must be held within a business model whose objective is to hold assets in order to collect contractual cash flows. The other condition is that the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Authority has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the Authority's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the Authority enters into, it is not expected that any of the Authority's financial assets will meet the criteria in AASB 9 to be measured at amortised cost. Therefore, as from the 2017-18 financial statements, all of the Authority's financial assets are expected to be required to be measured at fair value, and classified accordingly (instead of the measurement classifications presently used in Notes 1(o) and 21). The same classification will be used for net gains/losses recognised in the Statement of Comprehensive Income in respect of those financial assets. In the case of the Authority's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value.

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

   (v) **New and Revised Accounting Standards (contd)**

   The Authority will not need to restate comparative figures for financial instruments on adopting AASB 9 as from 2017-18. However, changed disclosure requirements will apply from that time. A number of one-off disclosures will be required in the 2017-18 financial statements to explain the impact of adopting AASB 9. Assuming no change in the types of financial instruments that the Authority enters into, no significant ongoing disclosure impacts are expected.

   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.

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		2014 $000	2013 $000
2. User Charges			
User Charges		402	799
Total		402	799
3. Grants and Other Contributions			
Grants		7,316	4,707
Total		7,316	4,707
4. Other Revenue			
Interest		234	44
Sundry revenue		1	-
Total		235	44
5. Employee Expenses			
Employee Benefits			
Wages and salaries		1,316	684
Annual leave expense	*	162	130
Employer superannuation contributions	*	191	88
Long service leave levy	*	36	20
Employee Related Expenses			
Workers' compensation premium	*	10	6
Payroll tax	*	88	41
Other employee related expenses		34	5
Total		1,837	974

* Refer to Note 1(p).

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

	2014	2013
Number of employees:	22	18

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	2014 $000	2013 $000
6. Supplies and Services		
Building services	791	355
Corporate service charges	271	156
Telecommunications	43	18
Consultants and contractors	924	2,665
Materials and running costs	190	51
Advertising	80	5
Motor vehicle running costs	54	38
Vessels running costs	99	26
Repairs and maintenance	327	136
Navigation aids maintenance	404	77
Consumables	26	12
Operating lease rentals	73	80
Staff travel	5	1
Computer costs	25	46
Other	73	10
Total	3,385	3,676
7. Depreciation		
Depreciation was incurred in respect of:		
Buildings	36	21
Major plant and equipment	24	14
Infrastructure	2,599	1,509
Plant and equipment	34	25
Total	2,693	1,569
8. Other Expenses		
Insurance	51	-
Audit fees *	16	18
Loss on sale of assets	19	-
Special Payments	4	-
Sponsorship	25	-
Total	115	18

* Total audit fees paid to the Queensland Audit Office relating to the 2013-14 financial statements are estimated to be $16,000, (2013: $18,000). There are no non-audit services included in this amount.

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	2014 $000	2013 $000
9. Cash and Cash Equivalents		
Cash on hand	1	1
Cash at bank	2,961	(105)
Investment account	3,618	3,534
Total*	6,580	3,430

* Refer to Note 1(e)

Interest earned on cash held with the Commonwealth Bank earned between 2.40% to 2.85% in 2013-14 (between 2.50% to 2.85% in 2012-13).

	2014 $000	2013 $000
10. Receivables		
Trade Debtors	9	812
Accrued Receivables	14	-
	23	812
GST receivable	577	315
GST payable	(1)	-
	576	315
Interest Receivable	19	10
Total	618	1,137
11. Inventories		
Consumables	137	130
Total	137	130

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	2014	2013
	$000	$000

12. Property Plant and Equipment

Assets were transferred through Machinery-of-Government changes at their written down book value at 30 November 2012.

	2014 $000	2013 $000
Land - at Fair Value	32,558	27,634
	32,558	27,634
Buildings: At fair value		
Gross	866	672
Less: accumulated depreciation - buildings	(57)	(21)
	809	651
Infrastructure: At fair value		
Gross	135,099	132,801
Less: accumulated depreciation - infrastructure	(4,106)	(1,509)
	130,993	131,292
Major plant and equipment: At fair value		
Gross	234	165
Less: accumulated depreciation - major plant and equipment	(39)	(14)
	195	151
Plant and equipment: At cost		
Gross	228	182
Less: accumulated depreciation plant and equipment	(52)	(25)
	176	157
Work in progress		
At cost	6,491	-
Total	**171,222**	**159,885**

Early in the reporting period, the Authority reviewed all fair value methodologies in light of the new principles in AASB 13. Adjustments were made to methodologies to take into account the more exit-oriented approach to fair value under AASB 13, as well as the availability of more observable data for certain assets (e.g. land and buildings).

The Authority controls various marine type assets spread over a broad number of locations within the Gold Coast region. Asset types include pontoons, jetties, breakwaters and revetments, channels, boat ramps, navigational aids, vessels and various plant assets. These assets were previously inspected by APV as part of a specific appraisal provided to the Department of Transport and Main Roads (Marine Division) at 30 June 2011. These assets along with new assets which have been acquired by the Authority since this time have been inspected by APV (where physically possibly) as part of a desktop valuation at 30 June 2014.

Due to an ongoing maintenance programme, dredging of the channel network in some section improved the condition rating as well as maintenance on the Seaway assets which contributed to an overall increase in Fair Value at 30 June 2014.

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12. Property Plant and Equipment (contd)

The Authority's land and building assets are geographically located at "The Spit" land area situated 2.5 kilometres north along Seaworld Drive from Main Beach, Queensland. The buildings are specialised assets including pump buildings and a kiosk. There are just 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.

Previous specific appraisals reporting these assets were undertaken in 2011 by APV as part of a larger project, and a desk top revaluation has been undertaken at 30 June 2014. APV did not undertake physical inspections of the specified building assets with the exception of one new building asset in their desktop valuation at 30 June 2014. Assumptions and methodology have been revisited and remain unchanged to that applied in the 2011 valuation.

The valuer is required to make a number of assumptions to determine the value of land. For the subject land (both in 2011 and 2014), the land was assessed using the replacement cost methodology as it is zoned Public Open Spaces - General, and sales of land with this zoning do not/rarely occur. As the subject land is zoned for Public Open Spaces there are a number of necessary assumptions required in order to determine value such as assumptions around local government planning controls, land areas, land uses and environmental controls for the site and for the supporting evidence also. In the absence of the current AASB13 Fair Value Measurement standard (From 1 July 2013), the equivalent level of valuation input in 2011 would be considered to be level 3, as it is in 2014.

Property, Plant and Equipment Reconciliation

	Land Level 3		Buildings Level 3		Infrastructure Level 3		Major P&E Level 3		P&E At Cost		WIP At Cost		Total	
	2014 $000	2013 $000	2014 $000	2013 $000	2014 $000	2013 $000	2014 $000	2013 $000	2014 $000	2013 $000	2014 $000	2013 $000	2014 $000	2013 $000
Carrying amount at 1 July	27,634	-	651	-	131,292	-	151	-	157	-	-	-	159,885	-
Assets Transferred in from TMR at 1 December 2012	-	27,634	-	672	-	132,801	-	165	-	182	-	-	-	161,454
Plus Purchases	-	-	-	-	-	-	-	-	64	-	6,491	-	6,556	-
Less Disposals	-	-	-	-	(10)	-	-	-	(11)	-	-	-	(21)	-
Transfers	-	-	-	-	1,057	-	-	-	-	-	-	-	1,057	-
Revaluation increments	4,924	-	194	-	1,253	-	69	-	-	-	-	-	6,438	-
Depreciation for period	-	-	(36)	(21)	(2,599)	(1,509)	(24)	(14)	(34)	(25)	-	-	(2,693)	(1,569)
Carrying amount at 30 June	32,558	27,634	809	651	130,993	131,292	196	151	176	157	6,491	-	171,222	159,885

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12. Property Plant and Equipment (contd)

Categorisation of fair values recognised as at 30 June 2014 (refer to note 1(k))

	Level 2 $000	Level 3 $000	Total $000
Land	-	32,558	32,558
Buildings	-	809	809
Infrastructure	-	130,993	130,993
Major Plant and Equipment	-	196	196

Level 3 fair value reconciliation (refer to note 1(k))

	Land	Buildings	Infrastructure	Major P&E	Total
	2014 $000	2014 $000	2014 $000	2014 $000	2014 $000
Carrying amount at 1 July	27,634	651	131,292	151	159,728
Plus Purchases	-	-	-	-	-
Less Disposals	-	-	(10)	-	(10)
Transfers	-	-	1,057	-	1,057
Net revaluation increments/(decrements)	4,924	194	1,253	69	6,438
Depreciation for period	-	(36)	(2,599)	(24)	(2,659)
Carrying amount at 30 June	**32,558**	**809**	**130,993**	**196**	**164,554**

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

Description	Fair value at 30 June 2014 $'000	Significant unobservable inputs used in valuation	Possible alternative values for significant level 3 inputs $'000	Impact of alternative amounts for significant level 3 inputs
Land	32,558	Level 2 valuation inputs were used to value land held in freehold title (investment and noninvestment) as well as land used for special purposes which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre. There were also some parks and reserves for which there was no observable market evidence of sales prices for comparable sites in close proximity. These were subsequently valued at the level 3 valuation input hierarchy by using the professional judgment of a Registered Valuer who adjusted the price per square metre of sales from sites not in close proximity which provided only a low level of comparability.	31,744 to 33,372	Due to the work carried out, there is a high level of confidence in the unobservable inputs which is price per square metre and any variation would lead to an increase/decrease in the fair value by 2.5%
Buildings	809	Level 2 valuation inputs These were used to determine the fair value of a range of properties. The most significant inputs into this valuation approach are price per square metre. Level 3 valuation inputs Specialised buildings were valued using the cost approach using professionally qualified Registered Valuers. The approach estimated the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres 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.	789 to 829	The unobservable inputs is the relationship between asset consumption rating scale and the level of consumed service potential. Due to a high level of confidence in the unobservable inputs, any variation would lead to an increase/decrease in the fair value by 2.5%"

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12. **Property Plant and Equipment (contd)**
Level 3 significant valuation inputs and relationship to fair value (refer to note 1 (k)) (contd)

Description	Fair value at 30 June 2014 $'000	Significant unobservable inputs used in valuation	Possible alternative values for significant level 3 inputs $'000	Impact of alternative amounts for significant level 3 inputs
Infrastructure	130,993	The 2014 valuation for Marine and Seaway Infrastructure was a desktop valuation. This was based on indexing the values transferred across from Transport and Main Roads on 1 December 2012 and updated as at 30 June 2013. APV had previously valued many of these assets as part of a comprehensive valuation in 2011. However a number of the assets had not previously valued by APV. APV was engaged to produce a Desk Top valuation update and could not verify the assets quantities or condition. The value for these assets was taken from the the previous audited accounts and indexed in line with the other assets and condition assessment by discussion. All Marine and Seaway infrastructure assets were valued using level 3 valuation inputs using the cost approach. 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 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.	127,717 to 134,267	The unobservable input is the condition of the asset and based on condition supplied by the client. Due to a high level of confidence in the unobservable inputs, any variation would lead to an increase/decrease in the fair value by 2.5%
Major Plant and Equipment	195	Major plant assets have generally been derived from comparable sales and relevant industry market price reference guides and have been classified as being valued at level 2. The most significant inputs into this valuation approach are the make, size, year of manufacture and condition. Some items of plant however are unique in design or there was insufficient observable market evidence to support the valuation. As a result the valuation was performed using the cost approach. 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 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.	190 to 200	The unobservable input is relationship between asset consumption rating scale and the level of consumed service potential. As a result of a high level of confidence in the unobservable inputs, any variation would lead to an increase/decrease in the fair value by 2.5%

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

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	2014 $000	2013 $000
13. Payables		
Trade creditors	1,152	223
Purchase card clearing	86	-
Accrued expenses	765	476
Total	2,003	699
14. Accrued Employee Benefits		
Current		
Salary and wages outstanding	17	5
Long service leave levy payable	28	7
Annual leave payable	267	188
Superannuation payable	1	-
Total	313	200
15. Other Current Liabilities		
Security Bond	5	5
Unearned revenue	-	15
Total	5	20

16. Asset Revaluation Surplus by Class

	Land $000	Buildings $000	Infrastructure $000	Major P&E $000	Total $000
Balance at 1 July 2013	-	-	-	-	-
Revaluation increments	4,924	194	1,253	69	6,438
Balance at 30 June 2014	4,924	194	1,253	69	6,438

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	2014 $000	2013 $000
17. Reconciliation of Operating Result to Net Cash from Operating Activities		
Operating surplus/(deficit)	(77)	(687)
Loss on sale of asset	19	-
Depreciation expense	2,693	1,569
Changes in assets and liabilities:		
(Increase)/decrease in trade receivables	789	(812)
(Increase) in GST receivables	(261)	(315)
(Increase) interest receivables	(9)	(10)
(Increase) in other assets	(7)	(130)
Decrease in payables	1,304	699
(Increase)/decrease in GST payable	(1)	-
Decrease in employee benefits	113	200
(Increase)/decrease in other current liabilities	(15)	20
Total	4,549	534

18. Commitments for Expenditure

(i) Commitments

Commitments inclusive of anticipated GST contracted for at reporting date but not recognised in the accounts are payable as follows:

	2014 $'000	2013 $'000
Not later than one year	24	34
Later than one year and not later than five years	-	28
Total	24	62

(ii) Capital Expenditure Commitments

Material classes of capital expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts are payable as follows:

	2014 $'000 Plant & Equipment	2013 $'000 Plant & Equipment
Not later than one year	69	-
Later than one year and not later than five years	-	-
Total	69	-

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19. Contingencies

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

20. Economic Dependency

Gold Coast Waterways Authority is dependent on a State contribution of $8.475 million and a $5.901 million equity injection for the 2014-15 financial year.

21. Financial Instruments

(a) Categorisation of Financial Instruments

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

Category	Note	2014 $'000	2013 $'000
Financial Assets			
Cash and cash equivalents	9	6,580	3,430
Receivables	10	9	812
Total		**6,589**	**4,242**
Financial Liabilities			
Financial liabilities measured at amortised costs:			
Payables	13	1,152	223
Total		**1,152**	**223**

(b) Financial Risk Management

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

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

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

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

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

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21. Financial Instruments (contd)

(c) Credit Risk Exposure

Credit risk exposure refers to the situation where the Authority may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

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

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

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

The Authority manages credit risk through the use of management reports. This strategy aims to reduce the exposure to credit default by ensuring that the Authority invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

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

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

Ageing of past due but not impaired as well as impaired financial assets is disclosed in the following tables:

2014 Financial Assets Past Due But Not Impaired

		Overdue				
	Note	Less than 30 Days $'000	30-60 Days $'000	61-90 Days $'000	More than 90 Days $'000	Total $'000
Financial Assets						
Receivables	10	9	-	-	-	9
Total		9	-	-	-	9

2013 Financial Assets Past Due But Not Impaired

		Overdue				
	Note	Less than 30 Days $'000	30-60 Days $'000	61-90 Days $'000	More than 90 Days $'000	Total $'000
Financial Assets						
Receivables	10	706	2	-	104	812
Total		706	2	-	104	812

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21. Financial Instruments (contd)

(d) Liquidity Risk (contd)

Liquidity risk refers to the situation where the Authority may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Authority is exposed to liquidity risk in respect of its payables.

The Authority manages liquidity risk through the use of management reports. This strategy aims to reduce the exposure to liquidity risk by ensuring the Authority has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

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

		2014 Payable in			Total
		<1year	1-5 years	>5 years	
	Note	$'000	$'000	$'000	$'000
Financial Liabilities					
Payables	**13**	1,152	-	-	1,152
Total		1,152	-	-	1,152

		2013 Payable in			Total
		<1year	1-5 years	>5 years	
	Note	$'000	$'000	$'000	$'000
Financial Liabilities					
Payables	**13**	223	-	-	223
Total		223	-	-	223

(e) Market Risk

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

(f) Interest Rate Sensitivity Analysis

The Authority is not sensitive to interest rate movements.

(g) Fair Value

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

The Authority has not offset any assets and liabilities.

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	2014 $'000	2013 $'000
22. Schedule of Agency Transactions		
Statement of Agency funds collected on behalf of Government		
Administered collections		
Fees	798	714
Rent	81	29
Total Administered Collections	**879**	**743**
Transfers to Government		
Administered Collections Transferred to Treasury	864	759
Total Agency funds transferred to Government	**864**	**759**

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

23. Correction of Error

At the time of the Machinery of Government changes in 2012-13, the liability for expenditure relating to a number of invoices was accrued. When the invoices were received, payment was made and expenditure was charged against the relevant expense accounts instead of reducing the liability. As such expenditure on supplies and services for the year ended 30 June 2013 was overstated by $144,530. This error had the effect of overstating payables, total current liabilities, total liabilities and the accumulated deficit by $144,530 and understating total equity by the same amount.

Additionally, expenditure shown for the year ended 30 June 2013 has been adjusted to reflect invoices dated prior to 30 June 2013 totalling $77,440 for expenditure which was not recognised at that time. The expenditure mainly related to dredging and operational costs and was originally recognised as expenditure during the 2013-2014 financial year. This error had the effect of understating payables, total current liabilities and total liabilities and the accumulated deficit by $77,440 as at 30 June 2013 and overstating total equity by the same amount.

The error has been corrected by restating each of the affected financial statement lines for the prior year, as described above.

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Appendix B - Certification of 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 period 1 July 2013 to 30 June 2014 and of the financial position of the entity at the end of that period.

(c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.

....	Hal Morris
Chair	**Chief Executive Officer**
Gold Coast Waterways Authority	Gold Coast Waterways Authority
Date: 18/8/14	Date: 18/8/14

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Appendix C - Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Board of Gold Coast Waterways Authority

Report on the Financial Report

I have audited the accompanying financial report of Gold Coast Waterways Authority, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chair and Chief Executive Officer.

The Board's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

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

Opinion

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

(a) I have received all the information and explanations which I have required; and

(b) in my opinion –

  (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and

  (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Gold Coast Waterways Authority for the financial year 1 July 2013 to 30 June 2014 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

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

QUEENSLAND
2 6 AUG 2014
AUDIT OFFICE

D R ADAMS
Delegate of the Auditor-General of Queensland

Queensland Audit Office
Brisbane

Appendix D - Remuneration Disclosure

5. Key Management Personnel and Remuneration

(a) Key Management Personnel

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the agency during 2013-14.

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

(b) Remuneration Expenses

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

As provided for in Schedule 1 of Contract for CEO, following a 6 month review after commencement, a remuneration increase was paid from 3 December 2013. 2.5% increases were applied from 1 July 2013 in accordance with government policy for those employees aligned to TMR Enterprise Determination.

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

Short term employee benefits include:

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

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5. **Key Management Personnel and Remuneration (contd)**

(b) **Remuneration Expenses (contd)**

- Long term employee benefits which include amounts expensed in respect of long service leave entitlements earned.
- Post employment benefits including amounts expensed in respect of employer superannuation obligations.
- Termination payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

1 July 2013 – 30 June 2014

Position (date resigned if applicable)	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses $'000	Non-Monetary Benefits $'000	$'000	$'000	$'000	$'000
Chief Executive Officer	171	0	4	18	0	193
Manager (Strategy)	104	0	2	13	0	119
Program Manager (Infrastructure and Operations) *(Commenced 14 October 2013)*	82	0	2	10	0	94
Manager (Business Services)	115	0	2	12	0	129
Total Remuneration	472	0	10	53	0	535

1 December 2012 – 30 June 2013

Position (date resigned if applicable)	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses $'000	Non-Monetary Benefits $'000	$'000	$'000	$'000	$'000
Chief Executive Officer	13	0	0	1	0	14
Acting Chief Executive Officer *(to 2 June 2013)*	113	15	0	8	0	136
Manager Waterways Management	55	0	1	4	0	60
Manager Business Services	39	0	1	4	0	44
Total Remuneration	220	15	2	17	0	254

5. Key Management Personnel and Remuneration (contd)

(c) Performance Payments

There were no performance bonuses paid to any of the key management personnel in 2013-14.

The basis for performance bonuses expensed in the 2012-13 financial year is set out below:

Position	Date Paid	Basis for payment
Acting Chief Executive Officer (to 2 June 2013)	25 January 2013	The performance bonus was made while acting in the role of Regional Director Gold Coast, Maritime Services Queensland.

The aggregate performance bonuses paid to all key management personnel were as follows:

	2013 $000	2013 $000
Acting Chief Executive Officer	0	6

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Appendix E - Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	* **A letter of compliance from the accountable officer or statutory body to the relevant Minister**	ARRs – section 8	2
Accessibility	* **Table of contents** * **Glossary**	ARRs – section 10.1	3 5
	* **Public availability**	ARRs – section 10.2	2
	* **Interpreter service statement**	*Queensland Government Language Services Policy* ARRs – section 10.3	N/A
	* **Copyright notice**	*Copyright Act 1968* ARRs – section 10.4	2
	* **Information Licensing**	*QGEA – Information Licensing* ARRs – section 10.5	2
General information	* **Introductory Information**	ARRs – section 11.1	6
	* **Agency role and main functions**	ARRs – section 11.2	6
	* **Operating environment**	ARRs – section 11.3	7
	* **Machinery of government changes**	ARRs – section 11.4	N/A
Non-financial performance	* **Government's objectives for the community**	ARRs – section 12.1	7
	* **Other whole-of-government plans / specific initiatives**	ARRs – section 12.2	N/A
	* **Agency objectives and performance indicators**	ARRs – section 12.3	7
	* **Agency service areas, and service standards**	ARRs – section 12.4	8
Financial performance	* **Summary of financial performance**	ARRs – section 13.1	19
Governance – management and structure	* **Organisational structure**	ARRs – section 14.1	11
	* **Executive management**	ARRs – section 14.2	12
	* **Related entities**	ARRs – section 14.3	N/A
	* **Government bodies**	ARRs – section 14.4	N/A
	* ***Public Sector Ethics Act 1994***	*Public Sector Ethics Act 1994* (section 23 and Schedule) ARRs – section 14.5	15
Governance – risk management and accountability	* **Risk management**	ARRs – section 15.1	16
	* **External scrutiny**	ARRs – section 15.2	16
	* **Audit committee**	ARRs – section 15.3	16

Summary of requirement			Basis for requirement	Annual report reference
	*	**Internal audit**	ARRs – section 15.4	16
	*	**Public Sector Renewal**	ARRs – section 15.5	17
	*	**Information systems and recordkeeping**	ARRs – section 15.6	17
Governance – human resources	*	**Workforce planning, attraction and retention, and performance**	ARRs – section 16.1	18
	*	**Early retirement, redundancy and retrenchment**	Directive No.11/12 *Early Retirement, Redundancy and Retrenchment* ARRs – section 16.2	N/A
Open Data	*	**Open Data**	ARRs – section 17	N/A
Financial statements	*	**Certification of financial statements**	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 18.1	Appendix A
	*	**Independent Auditors Report**	FAA – section 62 FPMS – section 50 ARRs – section 18.2	Appendix C
	*	**Remuneration disclosures**	*Financial Reporting Requirements for Queensland Government Agencies* ARRs – section 18.3	Appendix D

FAA Financial Accountability Act 2009
FPMS Financial and Performance Management Standard 2009
ARRs Annual report requirements for Queensland Government agencies