

# Corporate Governance Statement

2021-2022



# About this Statement

## Message from the Chairperson and Chief Executive Officer

This statement is to be read in conjunction with Seqwater's Annual Report 2021-22 and explains how Seqwater complies with the expectations for statutory authorities as set out in the *Corporate Governance Guidelines for Government Owned Corporations*, Version 2.0 (Queensland Treasury: February 2009), related legislation and government guidelines. This statement is reviewed annually in alignment with Seqwater's disclosure obligations under the *Annual report requirements for Queensland Government agencies*.

The Board and CEO have approved a framework of key corporate governance documents that reflect Seqwater's corporate governance arrangements. These documents are reviewed periodically to address any changes in governance practices or legislation.

This Statement demonstrates our commitment to good corporate governance within Seqwater and highlights the key components that enable and ensure Seqwater carries out its functions and responsibilities in a planned, controlled, accountable and transparent manner. These components also enable Seqwater to effectively manage its risks, compliance obligations, social responsibilities, and engagements and relationships with its stakeholders, customers, and communities.

Key corporate governance documents hyperlinked in this statement, including a copy of Seqwater's Annual Report 2021-22, are available on Seqwater's website [www.seqwater.com.au](http://www.seqwater.com.au).

This Statement was approved by the Board on 25 August 2022.

**Honourable Dr David Hamill AM**  
Chairperson

**Mr Neil Brennan**  
Chief Executive Officer

Seqwater Corporate Governance Statement 2021-22

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### Translation and interpreting assistance

Seqwater is committed to providing accessible services to people from all culturally and linguistically diverse backgrounds.

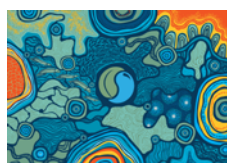
If you have difficulty understanding this corporate governance statement, please contact Seqwater to arrange an interpreter to share the statement with you.

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### Acknowledging the first Australians

Seqwater acknowledges the Traditional Custodians of the land, catchments and waterways on which we live, work and dream. We pay our respects to Elders past, present and emerging.

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# 1 About Seqwater – Corporate Profile

The Queensland Bulk Water Supply Authority (ABN 75 450 239 876, trading as Seqwater) is a statutory authority established by the Queensland Government under the *South East Queensland Water (Restructuring) Act 2007*.

Seqwater is a statutory body for the purposes of the *Financial Accountability Act 2009* and the *Statutory Bodies Financial Arrangements Act 1982* and complies with the Bulk Water Supply Code and Bulk Water Supply Agreements.

While Seqwater is not a Queensland Government Owned Corporation (GOC), it has a statutory mandate to act commercially and has been directed by its responsible Ministers to comply as far as practicable with all Queensland Government GOC policies and directives.

Seqwater's purpose is to work within its authority to ensure the provision of water for households, industry, agriculture and power generation, along with maintaining recreational facilities and managing dams and related infrastructure.

On behalf of its communities, Seqwater manages and maintains water supply assets, including dams, weirs, conventional water treatment plants, reservoirs, pumps and pipelines, the Gold Coast Desalination Plant and the Western Corridor Recycled Water Scheme. Its operations extend from the New South Wales border to the base of the Toowoomba ranges and north to Gympie.

Seqwater owns and operates the South East Queensland (SEQ) Water Grid, a 600 km two-way pipeline network that enables treated drinking water to be moved around the region, within the capacity limitations of those pipelines.

Seqwater supplies bulk treated drinking water to five retailer customers, Unitywater, Urban Utilities and the water businesses of the Logan, Redland and Gold Coast councils. These retailers in turn deliver drinking water to consumers through their distribution networks. Seqwater works with its retailer customers to achieve the best whole-of-system solutions.

In addition to urban bulk water supply, Seqwater supplies irrigation water to around 1,200 customers through seven irrigation water supply schemes. Seqwater also has arrangements in place to supply water to Toowoomba and Gympie regional councils, power stations operated by Stanwell Corporation and CleanCo and provides access to diverse recreation opportunities on many of Seqwater's land and water storages.

Further information about Seqwater, including our strategic context and commitment to Queensland Government objectives, is located in Seqwater's Annual Report 2021-22.





# SEQ Water Grid Supply Network

## Water Treatment Plants (WTP) - connected to grid

- 1 Capalaba
- 2 Ewen Maddock
- 3 Image Flat
- 4 Landers Shute
- 5 Molendinar
- 6 Mount Crosby East Bank
- 7 Mount Crosby West Bank
- 8 Mudgeeraba
- 9 Noosa
- 10 North Pine
- 11 North Stradbroke

## Water Treatment Plants (WTP) - off-grid

- 12 Amity Point
- 13 Beaudesert
- 14 Boonah Kalbar
- 15 Canungra
- 16 Dayboro
- 17 Dunwich
- 18 Esk
- 19 Jimna
- 20 Kenilworth
- 21 Kilcoy
- 22 Kooralbyn
- 23 Linville
- 24 Lowood
- 25 Point Lookout
- 26 Rathdowney
- 27 Somerset Dam (Township)

## Water Treatment Plants (WTP) - other

- 28 Hinze Dam
- 29 Kirkleagh
- 30 Maroon Dam
- 31 Moogerah
- 32 Wivenhoe Dam

## Desalination Plant

- 33 Gold Coast

## Advanced Water Treatment Plants

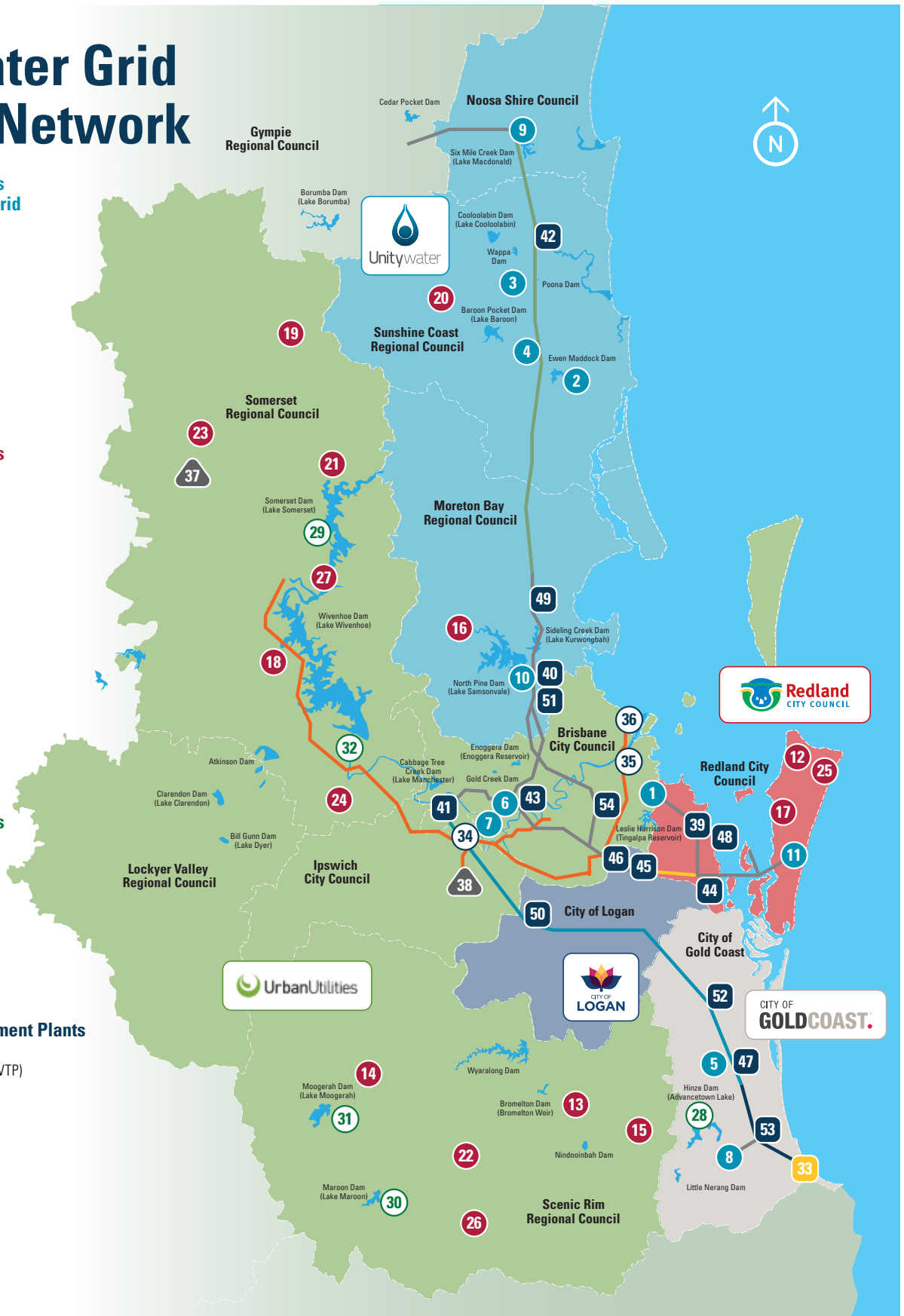
- 34 Bundamba Advanced Water Treatment Plant (AWTP)
- 35 Gibson Island AWTP
- 36 Luggage Point AWTP

## Power Stations

- 37 Tarong
- 38 Swanbank

## Reservoirs

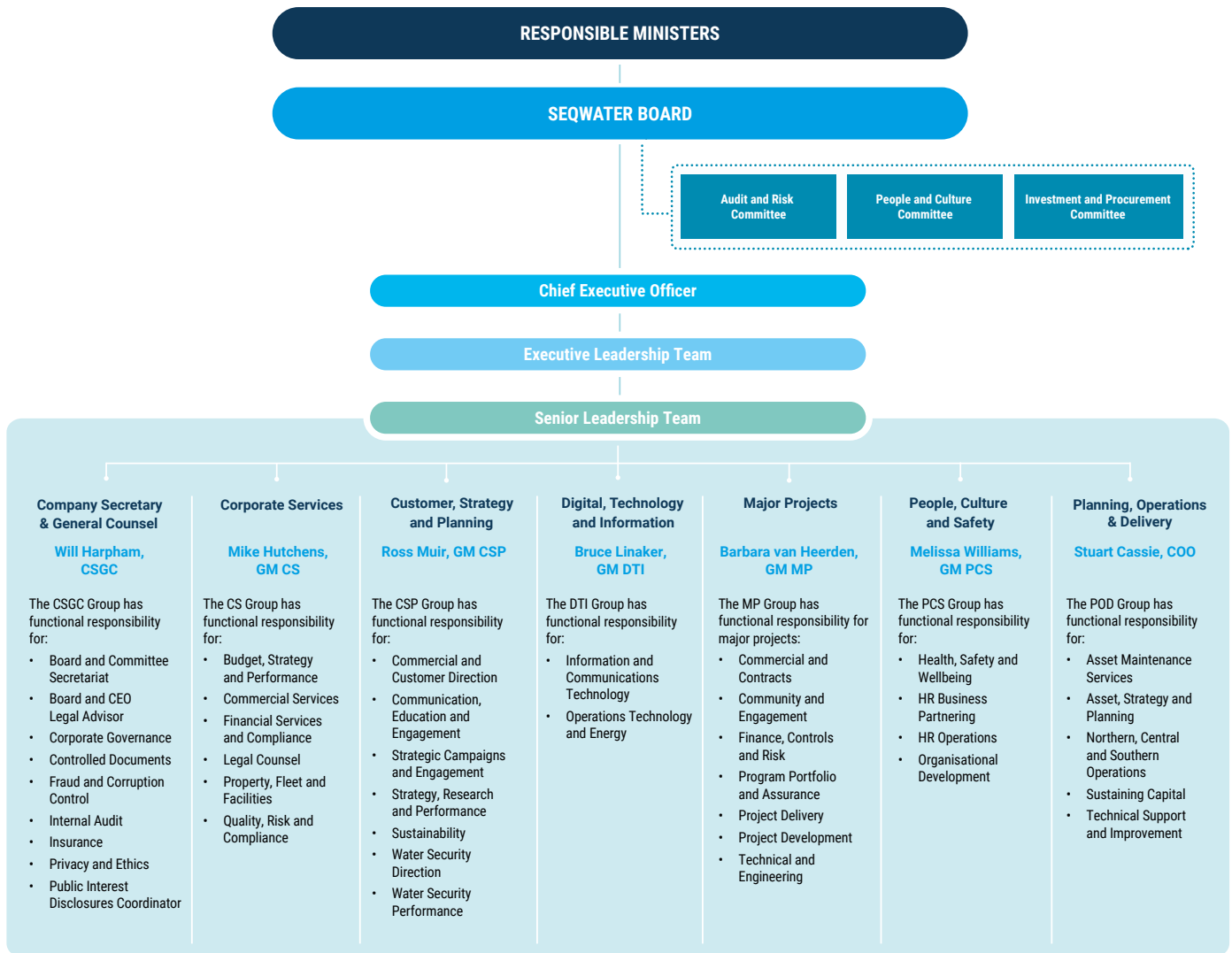
- 39 Alexandra Hills
- 40 Aspley
- 41 Camerons Hill
- 42 Ferntree
- 43 Green Hill
- 44 Heinemann Road
- 45 Kimberley Park
- 46 Kuraby
- 47 Molendinar
- 48 Mt Cotton
- 49 Narangba
- 50 North Beaudesert
- 51 Sparkes Hill
- 52 Stapylton
- 53 Robina
- 54 Wellers Hill



- Water Treatment Plants (WTP) - connected to grid
- Water Treatment Plants (WTP) - off-grid
- Water Treatment Plants (Other)
- Advanced Water Treatment Plants
- Bulk Water Storage Reservoirs
- Desalination Plant
- Power Stations
- Northern Pipeline Interconnector
- Western Corridor Recycled Water Scheme
- Southern Regional Water Pipeline
- Eastern Pipeline Interconnector
- Network Integration Pipeline
- Other bulk water pipelines connecting the SEQ Water Grid
- Local Government boundary



# 3 Organisational Structure



## 3 Organisational Structure

### 3.1 Responsible Ministers

The Board is accountable to two responsible Ministers for Seqwater's performance under the *South East Queensland Water (Restructuring) Act 2007*, the *Financial Accountability Act 2009* and the *Statutory Bodies Financial Arrangements Act 1982*.

#### Treasurer and Minister for Trade and Investment (Hon Cameron Dick MP)

Responsibilities include the state budget, taxation, economic policy, government owned enterprises, insurance, mineral and petroleum royalties.

#### Minister for Regional Development and Manufacturing and Minister for Water (Hon Glenn Butcher MP)

Responsibilities include regional economic development, cross sector coordination to enhance economic growth, manufacturing industry development, bulk water supply, regulation of water quality and supply continuity, management of water supply emergencies, catchment and water resource management and water resource allocation, planning and management.

#### Communication with responsible Ministers

Seqwater is committed to proactively communicating appropriate information to its stakeholders, including its responsible Ministers, customers and the communities it serves. Seqwater's communications with the responsible Ministers occur on a continuous disclosure basis, in addition to formal quarterly and annual reporting. Briefing notes and other updates are provided, including communications on significant matters such as major capital projects and key operational matters such as drought response.

Under the *South East Queensland Water (Restructuring) Act 2007* and related legislation, formal communications with the responsible Ministers include:

- **Strategic plan** – a four-year plan that describes Seqwater's purpose, outlines its objectives and measures of success, demonstrates how it contributes to the Queensland Government's objectives for the community and outlines the critical issues for regional water supply.
- **Operational plan** – a one-year plan that outlines how Seqwater will deliver its services, establishes undertakings and performance targets for the financial year, and is agreed with its responsible Ministers.
- **Quarterly performance reports** – report on Seqwater's progress against the undertakings and performance targets established in the operational plan.
- **Annual report** – reports on Seqwater's non-financial and financial performance and achievements for the preceding financial year.

From time to time Seqwater is required to report, communicate or engage with other government agencies. Seqwater endeavours to work collaboratively with government agencies to ensure appropriate application of government policies and directives to its operations.



## 3 Organisational Structure

### 3.2 Seqwater Board

#### Role of the Board

The Board is responsible for the way Seqwater performs its functions and exercises powers under the *South East Queensland Water (Restructuring) Act 2007* and is accountable to the responsible Ministers. It directs and monitors the affairs of Seqwater on behalf of the responsible Ministers and is accountable for Seqwater's overall corporate governance.

In addition, the responsible Ministers may issue a Statement of Obligations to further outline the overarching obligations of Seqwater, and may, in exceptional circumstances and if in the public interest, issue the Board with written directions.

A summary of the Board's role in the organisational structure and operations of Seqwater is detailed in the Board Charter (POL-00007).

#### Board composition

All members of the Board, including the Chairperson, are non-executive members. The Board members are appointed by the responsible Ministers in accordance with the *South East Queensland Water (Restructuring) Act 2007* and the Queensland Treasury *Guide for Board Appointments*.

#### Board skills, experience and attributes

The Board's performance evaluation processes support the Board Chairperson to identify, assess and enhance Board members' competencies, to ensure that the Board and each committee has members with appropriate qualifications.

The Board has developed a skills matrix which identifies the key capabilities of the Board members across the areas considered most relevant to Seqwater's strategic direction and current operations.

As part of its performance evaluation process, the Board reviews the skills currently available to the Board and identifies skills that may be required in the future. While the Board itself does not have direct input into the nomination or selection of suitable Board members, the responsible Ministers do take skills requirements into account when appointing Board members.

Details on the respective skills and experience of Seqwater's Board members is located in Seqwater's Annual Report 2021-22.

#### Performance evaluation

In accordance with its Charter, the Board undertakes performance evaluations on a periodic basis to assess the Board as a group, the Board's sub-committees and each individual member. From time to time, an independent external consultant may be engaged by the Board Chairperson to assist with the evaluation and review of Board performance. This generally occurs every two years or as required by the Board.

#### Remuneration

The remuneration arrangements for Board members are advised by the responsible Ministers in their letter of appointment to each respective member. Board member remuneration details is located in Seqwater's Annual Report 2021-22.

#### Policy governance

The Board approves Policy Statements to establish corporate policy positions and expectations for Seqwater and its employees. Policy Statements are aligned to Seqwater's statutory functions, establishment governance or significant enterprise-wide compliance requirements. Seqwater's management policies and procedures are aligned to a relevant Policy Statement.

Given their significance and relationship to Seqwater's social and legal licence to operate, Policy Statements are made available on Seqwater's website [www.seqwater.com.au](http://www.seqwater.com.au).

## 3 Organisational Structure

Seqwater currently has 13 policy statements:

- Asset Management Policy Statement
- Diversity and Inclusion Policy Statement
- Environment and Sustainability Policy Statement
- Financial Sustainability Policy Statement
- Health, Safety and Wellbeing Policy Statement
- Human Rights Policy Statement
- Modern Slavery Policy Statement
- People Policy Statement
- Quality Policy Statement (currently CEO approved)
- Recreation Policy Statement
- Risk Management Policy Statement
- Sponsorship Policy Statement
- Water Quality Policy Statement

### Access to information and independent advice

The Board and individual Board members may access information and seek independent advice as considered necessary to fulfil their relevant Board duties and responsibilities.

The Board and individual Board members will be entitled to:

- access to senior executives via the Board Chairperson or Chief Executive Officer to discuss Board matters or request relevant additional information
- independent professional advice at Seqwater's expense with the prior approval of the Board Chairperson.

Board members should share relevant information and advice received with the other Board members where appropriate.

### 3.3 Board Committees

The Board has established three standing committees to assist in the effective discharge of its responsibilities. Each committee has a Board approved charter setting out their roles and responsibilities, membership and structure. Copies of the respective charters are available on Seqwater's website [www.seqwater.com.au](http://www.seqwater.com.au) and are also linked below.

For each committee, details of membership, number of meetings held, and remuneration paid is located in Seqwater's Annual Report 2021-22.

## 3 Organisational Structure

### Seqwater Board

#### Investment and Procurement Committee

The Investment and Procurement Committee (IPC) consists of five Board members.

The IPC monitors and provides strategic guidance to Management regarding the way in which Seqwater achieves its objectives relating to asset management and end to end investment management, as contained in its corporate strategy.

In particular, the IPC's duties and responsibilities include oversight of the following elements:

- recommend for Board approval, Seqwater's Asset Portfolio Master Plan
- in accordance with its delegation of authority from the Board, consider for approval (Board approved project value <\$10m) or recommend for Board approval, significant capital works gateway framework decision points, as well as significant operational investment decisions.

The IPC's role, functions and duties are outlined in its Investment and Procurement Committee Charter (POL-00046).

#### Audit and Risk Committee

The Audit and Risk Committee (ARC) consists of four Board members.

The ARC oversees assurance and assistance to the Board on the governance, risk and compliance frameworks and Seqwater's external accountability responsibilities as prescribed in the Financial Accountability Act 2009 and Accounting Policy Standards.

The ARC's duties and responsibilities are to oversee compliance with all mandatory requirements of Seqwater's corporate governance, including the systems of internal control.

The ARC's role, functions and duties are outlined in its Audit and Risk Committee Charter (POL-00053).

#### People and Culture Committee

The People and Culture Committee (PCC) consists of four Board members.

The PCC oversees Seqwater's actions to meet its strategic and corporate obligations, while understanding and ensuring the appropriate management of the associated business risks, as they relate to people and culture matters.

In particular, the PCC's duties and responsibilities include to assist in discharging the Board's responsibilities as they relate to Seqwater's Health Safety and Wellbeing program and the associated risk management.

The PCC's role, functions and duties are outlined in its People and Culture Committee Charter (POL-00100).

### 3.4 Executive Management

The Board has delegated responsibility for day to day management and operation of Seqwater to the CEO, with the exception of certain matters reserved to the Board, as set out in the Delegations and Authorisations Manual (MAN-00076).

The CEO is responsible for managing the overall operations and resources of Seqwater. The CEO is accountable to the Board for the management and performance of Seqwater and for the development and implementation of strategy. The CEO manages Seqwater in accordance with the strategic and operational plans and Board policies.

## 3 Organisational Structure

In addition to the CEO, the Executive comprises the Chief Operations Officer, five General Managers and the Company Secretary and General Counsel (CSGC) each being the respective leaders for Seqwater's seven business groups. The Executive provides leadership and direction to Seqwater's workforce and drives the achievement of Seqwater's strategic priorities and compliance with regulatory obligations.

### Company Secretary and General Counsel

The Board is supported by the CSGC as Secretary. The CSGC is accountable to the Board for facilitating Seqwater's corporate governance processes, providing general advice to the Board, and ensuring compliance with Board policies and procedures. The appointment, performance review, and removal of the CSGC as Secretary is a Board reserved matter.

### Executive committees

The Executive has five sub-committees, each having their own charter setting out their roles and responsibilities, membership and structure. The five sub-committees and their respective purpose are:

Executive Sub-Committee	Purpose
Executive Fiscal Review Committee	The committee's primary role is to consider matters which may have financial or budgetary implications for Seqwater over defined thresholds. This includes the review and endorsement of initiatives or proposals that cannot be accommodated within existing budgets.
Health, Safety, Wellbeing and Environment Steering Committee	The committee's role is to: <ul style="list-style-type: none"> <li>• have oversight of the health, safety and wellbeing consultative framework within Seqwater</li> <li>• resolve issues raised by Health, Safety, Wellbeing and Environment Regional Committees and the Electrical Safety Improvement Group</li> <li>• monitor and review Seqwater's Health, Safety and Wellbeing Safety Management System to ensure its continuing suitability, adequacy and effectiveness</li> <li>• identify and provide direction on opportunities, priorities and strategies to improve health, safety wellbeing and environmental performance</li> <li>• provide governance over the delivery of key strategies and initiatives established to improve health, safety wellbeing and environmental performance.</li> </ul>
Major Projects Steering Group	The Major Projects Steering Group's role is to provide objective advice, insights and recommendations to the CEO and Board (including Board Committees). The Major Projects Steering Group also provides advice, insight and recommendations, and where necessary direction to the General Manager Major Projects.
Energy Strategy Steering Committee	The committee's role is to be accountable for the overall governance and direction of Seqwater's Corporate Energy Strategy. This includes ensuring that energy initiatives and investments are optimised to deliver business value and to achieve the Corporate Energy Strategy vision and objectives.
Operational Technology Steering Committee	The committee's role is to be accountable for the overall governance and direction of Seqwater's Operational Technology Strategy. This includes ensuring that the investments for the entire OT portfolio and related operational improvements are optimised to meet organisational strategic and operational goals.



# 4 Performance and Organisational Development Framework

## 4.1 Remuneration Framework

The Board has approved a Remuneration Policy (POL-00067) that forms part of Seqwater's strategy to attract and retain the right talent, while fostering a high-performance culture.

The policy sets out the remuneration framework on which Seqwater's total rewards are structured and the principles on which they are based, while embedding compliance and alignment with relevant industrial relations instruments and Government policies, community and stakeholder expectations.

### Executive

The requirements for determining employment conditions, including remuneration, for the CEO and Executives is set out in the Queensland Treasury *Chief and Senior Executive Employment Arrangements Guidelines*.

Executive remuneration details are located in Seqwater's Annual Report 2021-22.

### Common law contract employees

Common law contract employee remuneration is both underpinned by the relevant enterprise agreement wages and conditions, while also being market aligned. The market is reviewed annually based on independent remuneration advice considering the following principles:

- the relevant enterprise agreement wage and conditions
- clarity and transparency
- level and composition of remuneration is sufficient and reasonable while meeting customers' and shareholders' expectations in relation to value for money
- clear relationship between remuneration, the position and performance of individuals
- performance incentives (where applicable) are a reward for exceptional performance and are not an entitlement for performing the role.

### Enterprise Agreement employees

The majority of Seqwater's employees are engaged and remunerated in accordance with the Seqwater Enterprise Agreement 2019-2023. Seqwater actively encourages constructive working relationships with its employees, delegates and the unions that are party to its enterprise agreement. It maintains effective consultative mechanisms with unions on industrial relations matters.

## 4.2 Performance Evaluation

Individual employee performance and accountability is evaluated against a Talent and Performance Plan, which consists of organisational and individual Key Performance Indicators aligned to the delivery of strategic objectives and living Seqwater's values.

### Executive

The performance of the CEO and CSGC is assessed by the Board on an annual basis. The CEO conducts performance assessments of the Executives on an annual basis and reports the results to the Board.

## 4 Performance and Organisational Development Framework

### Employees

The performance of employees is assessed by their respective leader and General Manager on an annual basis and reported to the CEO.

### 4.3 Health, Safety and Wellbeing

Seqwater's **Safe for Life** promise reflects its commitment to protecting the health and wellbeing of everybody who works for and on its behalf. Seqwater's commitments to health, safety and wellbeing are set out in policy and a related framework and strategy.

The Board approved Health, Safety and Wellbeing Policy Statement (POL-00001) commits to Seqwater's **Safe for Life** promise. It sets out how Seqwater will achieve its promise, and acknowledges the link to achieving the strategic vision of being respected as a leading water authority.

Seqwater's Workplace Health, Safety and Wellbeing Framework (FRA-00018) supports the commitment to the **Safe for Life** promise, where the promise reflects Seqwater's employees' commitment to keeping themselves, each other and their communities healthy, safe and well at work and at home. This promise has strong links to Seqwater's values, particularly the value of Care.

The implementation of the framework is supported by the Executive Health, Safety, Wellbeing and Environment Steering Committee, and four Health Safety and Wellbeing Regional Committees.

The Health and Wellbeing Strategy 2022-2027 (PLN-00473) is founded on a vision of fostering a healthy environment where Seqwater's employees are empowered and supported to take care of themselves and others to achieve their potential.

The Health and Wellbeing program focuses on all aspects of wellbeing including mental, physical, career, social and financial.

#### Flexible working arrangements

Seqwater is a dynamic place to work, where its workspaces, policies, information technology and physical locations enable its employees to work flexibly and take accountability for their work week. Seqwater supports flexible work practices by providing employees with flexibility to work across multiple locations, including their home, where their roles permit them to do so.

Seqwater recognises that utilising hybrid working approaches can optimise productivity, while flexibility and choice can empower its employees to enhance their work life balance. In the long term, hybrid working can help Seqwater attract and retain a strong workforce, while contributing to its vision of a safe, inclusive workplace that supports diversity and opportunity.

#### Rewards and recognition

Seqwater's Excellence Awards provide an opportunity to recognise and celebrate the achievements of colleagues and outstanding leadership behaviours across all levels of the business, regardless of position. Employees have the opportunity to nominate individuals and project teams who continue to exceed the requirements of their roles, inspire Seqwater through their achievements and challenge its employees to always bring their best.

#### Learning and development

Seqwater is committed to developing a skilled and committed workforce. Through learning and development, Seqwater provides opportunities for its employees to maintain and develop capabilities, assist them to achieve their career goals and ensure that Seqwater has a workforce that can be deployed successfully to deliver on its business strategy.

As such, employees are provided with access to learning and development opportunities that will build their knowledge, skills and experience in order to improve performance in their current role and prepare them for future roles within Seqwater.

## 4 Performance and Organisational Development Framework

Development activities offered through Seqwater focus on a combination of work-based learning, formal and informal development programs. This can include study assistance and participation in professional associations. Employees that access learning are supported, and expected to share and apply their new skills and knowledge in their work practices.

### Family and domestic violence initiatives

Seqwater recognises that employees may face family and domestic violence that affects their attendance or performance at work and may have a significant impact on their lives. Seqwater takes this issue seriously and is committed to providing leave and other support to employees that experience family and domestic violence.

## 4.4 Diversity and Inclusion

Seqwater is committed to embracing the diversity of its employees and fostering an inclusive culture in which its employees are empowered to deliver innovative solutions required for the complex challenges we face now and in the future. Seqwater's diversity and inclusion ambitions are set out in policy and supporting strategy documents.

The Board has approved a Diversity and Inclusion Policy Statement (POL-00106) recognising the benefits that diversity brings to business performance and the important role that the Board plays in shaping the culture of Seqwater and delivery of Seqwater's broader Diversity and Inclusion Strategy.

The Diversity and Inclusion Strategy (PLN-00450) reflects Seqwater's commitment to ensuring a safe workplace where employees are treated with dignity and respect and where discrimination, harassment and bullying is not tolerated.

The Diversity and Inclusion Policy (POL-00071) outlines Seqwater's commitment to attracting, engaging and retaining a diverse workforce, providing a safe and inclusive environment to enable its employees to be the best they can be in pursuit of Seqwater's corporate objectives, and Seqwater's general approach to encourage diversity and inclusion across the organisation.



# 5 Ethical and Responsible Decision Making

Seqwater is committed to high standards of integrity, professionalism and accountability. Seqwater maintains several key corporate governance documents focused on ensuring public confidence and integrity in Seqwater, and clearly establishing accountability and ethical decision-making expectations of Seqwater employees in the conduct of their duties. These documents and related processes are reviewed on a periodic basis to ensure alignment with changes in best practice or statutory obligations.

## Code of conduct, culture and values

The *Way We Work – Our Code of Conduct* (POL-00038) is Seqwater’s code of conduct and establishes the organisation’s expectations for its employees for values-based behaviour and ethical decision making and describe Seqwater’s four core values.

Seqwater’s values of Integrity, Respect, Care and Courage describe the behaviours and culture expected of its employees in delivering on the **Water for Life** vision and **Safe for Life** promise. *The Way We Work* forms part of Seqwater’s recruitment process and onboarding program and is readily available internally and externally.

*The Way We Work* aligns with the *Public Sector Ethics Act 1994*, ethics principles and values and it is supported by several policies, procedures and documents. Associated human resource practices are reviewed regularly to ensure currency and alignment. In addition, Talent and Performance Plans enable regular conversations between employees and their leaders around living the values, goals and accountability.

Similarly, the Board’s Code of Conduct (POL-00145), describes the principles of conduct that are to be observed by its members while undertaking their duties representing Seqwater.

## Fraud and corruption

Seqwater has zero tolerance for fraud and corruption. As a statutory authority Seqwater has certain obligations under the *Crime and Corruption Act 2001*. Seqwater’s Fraud and Corruption Control Policy and Procedure (POL-00066) outlines the protocols to ensure compliance with its legislative obligations, and establishes accountabilities and responsibilities to prevent, detect and respond to fraud and corruption. Seqwater’s fraud and corruption control program is overseen by Seqwater’s Fraud Control Officer.

## Conflicts of interest

Seqwater manages various types of conflicts of interest through four policies, regularly monitors compliance, and provides ongoing training.

The Conflict of Interest Policy (POL-00147) establishes the requirement for identifying, declaring and managing conflicts of interest. Conflict of interest declarations are required by all new hires and annually by all employees. In addition, all employees are required to make conflict declarations related to any procurement activities they are involved in as a matter of standard practice and for transparency.

The Gifts and Benefits Policy (POL-00034) details Seqwater’s position on the giving, accepting and reporting of gifts and benefits. Like the declaration of conflicts of interest, an online declaration tool is available for employees to making the process of declaring any gifts or benefits easier to administer and ensure probity.

The Entertainment and Hospitality Policy (POL-00006) details Seqwater’s position on the giving and receiving of any work approved hospitality or entertainment when representing Seqwater.

The Trading in Securities Policy (POL-00080) establishes protocols and restrictions to guard against potential conflicts of interests created by employees trading in securities or pursuing other investments.



## 5 Ethical and Responsible Decision Making

### Human rights

Seqwater respects, protects and promotes human rights in its decision-making and actions. The Board approved Human Rights Policy Statement (POL-00156) establishes Seqwater's commitment to eliminating human rights risks in how it conducts business by doing its part to foster a culture that respects and promotes recognised human rights.

Seqwater will develop and continue to review policies, programs, procedures, practices and service delivery to ensure that decisions and actions are compatible with human rights and ensure that human rights are central to the work that it does.

In compliance with the *Human Rights Act 2019*, every year, Seqwater must report in its annual report activities taken to further the objects of the Act and report any human rights complaints received.

### Modern slavery

Seqwater is committed to minimising the risk of modern slavery in our supply chain and internal operations. This commitment is set out in the Board approved Modern Slavery Policy Statement (POL-00150).

Seqwater makes a conscious effort to source suppliers based within Australia as part of our procurement practices and in line with the *Queensland Government Procurement Policy*, which emphasises sourcing local and ethical suppliers. Seqwater's goal is to work with its suppliers to increase its understanding of its supply chain and support informed decision making within our procurement practices. This includes educating both its employees and suppliers and setting a clear expectation of Seqwater's modern slavery requirements.

In compliance with the *Modern Slavery Act 2018*, every year, Seqwater must submit a Modern Slavery Statement to the Australian Border Force. The Modern Slavery Statement includes information on Seqwater's structure, operations and supply chain, its risk assessment, actions taken and actions planned to address modern slavery risks within its operations and supply chain.

Seqwater's Modern Slavery Statements are publicly available on the [Australian Government's Online Register for Modern Slavery Statements](#).

### Public interest disclosures

Seqwater is committed to ensure the highest level of ethics. The Board and Executive encourage any person who considers that they have witnessed a wrongdoing, or has come across an activity or incident that could impact adversely on Seqwater, to come forward and make a public interest disclosure.

Seqwater is required to comply with the *Public Interest Disclosure Act 2010* and has developed the Public Interest Disclosures & Whistleblower Policy and Procedure (PRO-01748), which outlines the relevant process for disclosers to raise concerns securely, appropriately and without fear of reprisal.

Seqwater is committed to ensuring that any person who makes a public interest disclosure about, or to, Seqwater is provided the protection that they are entitled under the *Public Interest Disclosure Act 2010*.

Internal accountability for Seqwater in managing matters of interest to the Crime and Corruption Commission under the *Crime and Corruption Act 2001* and the *Public Interest Disclosure Act 2010* is assigned to CSGC as Public Interest Disclosures Coordinator, to assist the CEO in the discharge of their statutory mandate.

# 6 Risk Management

## Risk management framework

Seqwater's Risk Management Policy Statement (POL-00013) highlights its commitment to integrated, consistent and efficient assessment and management of risks to support the achievement of its strategic and operational objectives and to maximise opportunities.

Seqwater's Risk Appetite Statement (POL-00098) articulates the nature and level of risk that Seqwater is willing and prepared to take in the pursuit of its objectives, and those risks that Seqwater is not willing or prepared to take. It sets the parameters for how risk is to be managed to protect and enhance business value across the organisation. It is approved by the Board and reviewed annually by the Audit and Risk Committee.

Seqwater's Enterprise Risk Management Framework (FRA-00014) provides the overall framework, direction, and oversight for systematic, disciplined, and consistent identification and assessment of risks and their effective and efficient management. It is approved by the Board and overseen by the Audit and Risk Committee. The Framework is underpinned by Seqwater's Risk Appetite Statement and meets the requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*.

The Risk Appetite Statement and Enterprise Risk Management Framework are aligned with Seqwater's objectives and priorities, promote a streamlined risk management function and will help improve governance and management of risks and opportunities in the business.

Under the direction and leadership of the CEO, the Executive is responsible for overseeing the assessment and management of enterprise-level risks and ensuring that risks are managed in accordance with the Enterprise Risk Management Framework and within the parameters established by the Board-approved Risk Appetite Statement and risk tolerances.

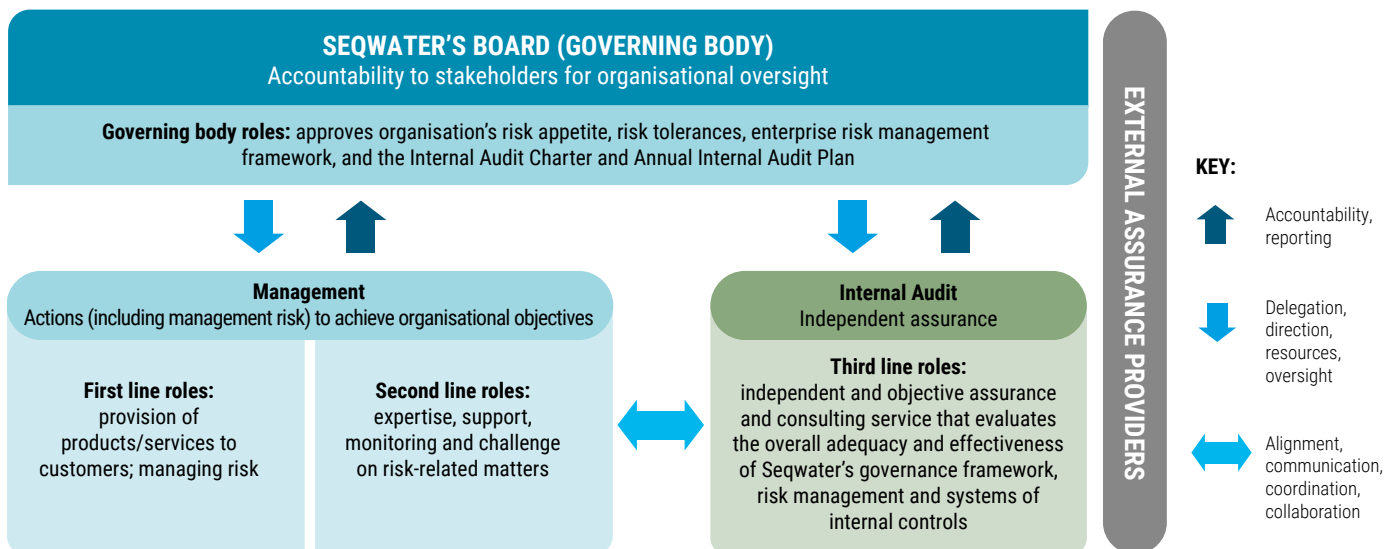
Seqwater recognises the importance of creating and continually enhancing a constructive risk management culture at all levels of the organisation to promote robust discussion around risks and opportunities towards beneficial outcomes, enabling risk management to be an integral part of management and Board thinking, discussions and decision making to achieve the right balance among risk, cost, and value.

## Responsibility

Seqwater has adopted the Three Lines Model to define the monitoring and oversight required to ensure the governance, risk management, and compliance frameworks are designed and operating to deliver the required performance while managing the key risks and compliance obligations, including management oversight and assurance, monitoring/surveillance performed by the second line roles, and independent assurance provided by the third line roles.

# 6 Risk Management

## Three Lines Model



## Integrated Management System Framework

Seqwater's Integrated Management Systems Framework (FRA-00031) establishes an integrated management system that covers elements across Seqwater's Management Systems for Quality, Health, Safety and Wellbeing, Environment and Water Quality to minimise risk through planning, implementation, review and improvement of our processes.

Seqwater's management systems are certified against international standards:

Management System	International Standard
Quality	ISO 9001:2015 Quality management systems
Health Safety and Wellbeing	ISO 45001:2018 Occupational health and safety management systems
Environment	ISO 14001:2015 Environmental management systems
Water Quality	ISO 22000:2018 Food safety management systems

Within the Integrated Management System, various key supporting corporate management plans and frameworks have been developed to assist in establishing, implementing, maintaining and continually improving the Integrated Management System. These Management approved documents outline processes across the organisation that provide specific direction to staff to enable a consistent approach across groups and teams to manage risks and support the achievement of Integrated Management System objectives.

# 7 Environment, Social and Governance (ESG) and Sustainability

Seqwater is developing an ESG and Sustainability strategy to align its operations to the *Queensland Government's Commitment to Positive Environmental, Social and Governance (ESG) Outcomes*. The incorporation of Sustainability with ESG demonstrates the direct interrelatedness of the subjects, both conceptually and practically, and is consistent with the Queensland Government's approach in the *Queensland Sustainability Report 2021*.

## Environment

As the custodian of a range of natural and built assets across SEQ, Seqwater is committed to a positive culture of environmental responsibility and recognition of cultural heritage values. Seqwater's Environment and Sustainability Policy Statement (POL-00027) provides that Seqwater will comply with environmental performance requirements set by legislation, monitor environmental performance and continually improve environmental management practice and performance through Seqwater's Environmental Management System.

To support its commitment to sustainability, Seqwater applies sustainability principles across all organisational activities to enhance and protect environmental, cultural, economic and social values.

To support the commitment to the environment, Seqwater's energy vision is to have a secure transition to a sustainable energy future. This will be achieved by supporting the achievement of sustainability targets, ensuring energy security, and using energy more efficiently. Seqwater has a corporate greenhouse gas emissions target of net zero emissions by 2050, in line with both the Queensland Government policy and community expectations.

## Social

As the provider of drinking water to over 3 million people and the owner of significant green space and recreational areas, Seqwater has an important role in offering services to the people of SEQ. Seqwater's Water Quality Policy Statement (POL-00012) provides that Seqwater will provide safe, high-quality and fit-for-purpose water, by complying with or exceeding water quality requirements, monitoring its performance and seeking to continually improve its water quality provision through auditing, review, industry benchmarking and meeting the objectives of the Strategic Plan.

Seqwater owns and operates dams across SEQ. In addition to supplying drinking water, these dams provide essential flood mitigation services to the community. Seqwater manages these dams in accordance with the *Water Supply (Safety and Reliability) Act 2008*, and Queensland Government's *Queensland Dam Safety Management Guidelines* and *Guidelines on Safety Assessments for Referable Dams* (Department of Regional Development, Manufacturing and Water), to ensure the community is protected from the risks associated with dam failure.

Seqwater's Recreation Policy Statement (POL-00143) establishes how Seqwater will provide access to diverse recreation opportunities on Seqwater's land and water storages without compromising its ability to provide safe, reliable and affordable water and catchment services.

As an employer, Seqwater is committed to creating a great employment experience so its employees can provide a great customer experience, as set out in the People Policy Statement (POL-00081). Seqwater further supports its employees through a commitment to diversity, inclusion and equal access to employment opportunities.



## 7 Environment, Social and Governance (ESG) and Sustainability

### Governance

Seqwater owns and manages billions of dollars in assets and provides essential services to SEQ. The significance of this necessitates the need for strong corporate governance and the implementation of best practices to demonstrate good governance and sustainable financial management.

Seqwater recently developed a consolidated single-source internally focussed reference document called the Corporate Governance Framework (CGF). The CGF provides a clear, concise, overarching organisational document encompassing a framework of rules, relationships, systems and processes outlining how Seqwater is organised, managed, and controlled. The CGF is a living document and, along with this Corporate Governance Statement, is maintained regularly to ensure alignment with strategic objectives.

Similarly, Seqwater's strong financial management is a critical component successfully fulfilling its statutory mandate. The Financial Sustainability Policy Statement (POL-00065) supports the commitment to outcomes which maximise long-term value to the SEQ community.



# 8 Integrity in Financial and Corporate Reporting

The Board and the Audit and Risk Committee monitor and safeguard the integrity of Seqwater's financial reporting. The Audit and Risk Committee provide assurance for financial reporting through review of accounting policy appropriateness, significant assumptions and judgements, and material estimations impacting on financial reporting.

## CEO and Chief Financial Officer declaration

Seqwater's Board Chairperson, CEO and General Manager Corporate Services annually certify that the financial statements represent Seqwater's financial performance and position and have been prepared in accordance with the *Financial Accountability Act 2009*, *Financial and Performance Management Standard 2019* and other prescribed requirements.

## External auditor

In accordance with the *Auditor-General Act 2009*, the external audit function of Seqwater is performed by the Queensland Audit Office. The Audit and Risk Committee monitors the review and implementation of recommendations made by the internal audit function and external auditors.

## Internal auditor

Internal Audit is an independent and objective assurance and consulting activity that is intended to add value and improve the operations of Seqwater's business. It assists Seqwater in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of Seqwater's governance, risk management and internal controls. The Internal Audit function is delivered through a co-sourced model with an independent external specialist service provided and managed in-house.

The mission of Internal Audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight. The *Financial and Performance Management Standard 2009* requires Seqwater to develop and implement systems for ensuring the Internal Audit function operates efficiently, effectively and economically. Accordingly, the Board has approved the Internal Audit Charter (POL-00009) establishing Seqwater's Internal Audit function, and outlines its role, responsibilities and operating guidelines.

Internal Audit regularly reviews and tests the effectiveness of Seqwater's systems of internal controls, risk management and governance processes, and reports its findings to the Audit and Risk Committee. Internal Audit prepares an annual risk based Internal Audit Plan and three-year Strategic Internal Audit Plan. The Internal Audit Plan and Strategic Internal Audit Plan are Board approved.

## Periodic corporate reporting

Seqwater provides corporate reporting on a continuous disclosure basis, in addition to formal quarterly and annual reporting as described in section 3.1 (Responsible Ministers) above.

# 9 Information Systems, Cyber Security and Record Keeping

## Information Systems

Seqwater's Digital, Technology and Information Group provides an Information Communications and Technology (ICT) and Operational Technology (OT) environments that are sustainable, effective, innovative, agile and secure. Seqwater's information systems environment is guided by the Queensland Government Chief Information Office (QGClO) and its associated architecture, frameworks and policies.

Each year pursuant to *QGClO Information Security Policy IS18*, the CEO endorses Seqwater's Information Security Annual Return, including a statement on Seqwater's information security position and compliance of its Information Security Management System (ISMS).

Seqwater's Information Security Annual Return is published annually in Seqwater's annual report.

## Information and Cyber Security

With digital systems now intrinsic to modern operations, the need to effectively and efficiently manage cyber risk is essential to meeting regulatory obligations and delivering safe and reliable water services to the community. Seqwater has a Cyber Security Strategy (2019-2022) (PLN-00334), Information Security Policy (POL-00091) and Cyber Security Standards (SPE-00502 and SPE-00429) that govern the way in which it approaches Cyber Security. Seqwater, as a statutory body, must have regard to *QGClO Information Security Policy IS18* in the context of internal controls, financial information management systems and risk management.

Seqwater is continuously adapting and improving its posture through a range of activities, initiatives and projects. This includes activities such as:

- reacting to changing global cyber threats
- monitoring changes to the cyber standards and regulatory environments
- updating and enhancing controls to technical networks, systems and environments
- using systems to monitor, detect and react to anomalous behaviour in technology systems.

Information on cyber security exercises can be found in Seqwater's Annual Report 2021-22.

## Record Keeping

Records are retained and disposed in compliance with *Queensland State Archives, General and Retention Disposal Schedule*, as authorised under section 26 of the *Public Records Act 2002*. Seqwater's Records and Information Management Policy (POL-00103) governs the management and expectations of its employees with respect to compliance with record keeping obligations.



# 10 Privacy

Seqwater complies with the requirements of the *Information Privacy Act 2009*, including the Information Privacy Principles, and publishes a Privacy Policy on its website. In addition, Seqwater maintains a publication scheme and disclosure log on its website in compliance with the *Right to Information Act 2009*. Seqwater's Right to Information and Information Privacy Policy (POL-00075) governs the management and expectations of its employees with respect to compliance with privacy obligations.





**Reference Table 1:** Summary of where Seqwater's Corporate Governance Statement maps to the various corporate governance disclosure obligations under the current *Corporate Governance Guidelines for GOCs (2009)* and the current ASX corporate governance principles.

Section reference Seqwater's Corporate Governance Statement	Reporting and disclosure requirements Corporate Governance Guidelines for GOCs (2009)	Guideline reference	ASX Corporate Governance Principle
2. Our Board	The board should have a formal statement or board charter which clearly defines the roles and responsibilities of the board and individual directors and the matters which are delegated to management. This also applies to any committees established by the board.	1	1
6. Diversity and Inclusion	Not included	Not included	1
2. Our Board: Performance Evaluation	A majority of the board should be independent directors.  Disclose the process for performance evaluation of the board, committees and individual directors.  The board and committees regularly review their information needs (quality, quantity and timeliness) to ensure the information they receive is appropriate for the effective discharge of their duties.  Develop and implement appropriate, formal self-evaluation processes for the board and committees.	2	1
4. Performance and Organisational Development Framework: Performance Evaluation	Not included	Not included	1
2. Our Board: Board Skills, Experience and Attributes	The corporate governance section of the annual report should disclose the skills, experience and expertise relevant to the position of director held by each director in office at the date of the report.	2	2
2. Our Board	Not included	Not included	2
7. Ethical and Responsible Decision Making: Code of Conduct	The [Board] code of conduct and trading policy, or a summary of their provisions, should be made publicly available, preferably on the GOC's website in a clearly marked corporate governance section and communicated to employees as part of the induction process and on an ongoing basis. GOCs should also consider making advisers, consultants and contractors aware of the GOC's expectations as set out in the code of conduct.	3	3
7. Ethical and Responsible Decision Making: Whistleblowing	Not included	Not included	3
7. Ethical and Responsible Decision Making: Fraud and Corruption	In relation to systems for fraud and corruption control, the Crime and Misconduct Commission has produced Fraud and Corruption Control: Guidelines for best practice. Although GOCs are not subject to the jurisdiction of the CMC, this provides a useful guide as to the elements of such a system.	7	3
3. Board Committees	The board should establish an audit committee.	4	4

Section reference Seqwater's Corporate Governance Statement	Reporting and disclosure requirements Corporate Governance Guidelines for GOCs (2009)	Guideline reference	ASX Corporate Governance Principle
9. Integrity in Financial and Corporate Reporting: Verification of Periodic Corporate Reports	GOCs must also keep shareholding Ministers informed in relation to any significant issues relating to corporate governance, including any significant changes to their corporate governance practices, as and when they occur. This disclosure may be made through the regular quarterly reporting process, although for more important or urgent issues (e.g., suspected or actual breaches of securities trading policies) specific reporting would be appropriate at the relevant time.	Summary of Reporting Requirements	4
Message from the Chairperson	Not included	Not included	6
1. Responsible Ministers: Communication with Shareholding Ministers	A description of the arrangements the GOC has to promote communication with shareholding Ministers should be made publicly available, preferably on the GOC's website in a clearly marked corporate governance section.	6	6
3. Board Committees	A description of the GOC's risk management policy and internal compliance and control systems should be made publicly available, preferably on the GOC's website in a clearly marked corporate governance section.	7	7
8. Risk Management	The corporate governance section of the annual report should also disclose that the GOC's management has reported to the board as to the effectiveness of the GOC's management of its material business risks.	7	7
9. Integrity in Financial and Corporate Reporting: Internal Auditor	Not included	Not included	7
8. Risk Management: Environmental and Social Risks	GOCs should also adequately disclose material risk factors and any material changes in the GOC's risk profile.	5	7
5. Performance and Organisational Development Framework: Remuneration Framework	Not included	Not included	8

