

Dumaresq-Barwon Border Rivers Commission



Annual Report 2018-19

In accordance with the provisions of Clause 15(c) of the New South Wales-Queensland Border Rivers Agreement, the Dumaresq-Barwon Border Rivers Commission has the honour to present its report for the year ended 30 June 2019.

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Dumaresq-Barwon Border Rivers Commission
c/- PO Box 318
TOOWOOMBA Q 4350

The Honourable Dr Anthony Lynham, MP
Minister for Natural Resources, Mines and Energy
PO Box 15216
CITY EAST Q 4002

Dear Dr Lynham

Pursuant to the provisions of the New South Wales-Queensland Border Rivers Act 1946 I have pleasure in enclosing, for presentation to the Parliament, the Annual Report and Financial Statements of the Dumaresq-Barwon Border Rivers Commission for the year ended 30 June 2019.

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.

Yours sincerely

Shaun Cox
Chair

Paul Sanders
Commissioner for Queensland



Dumaresq-Barwon Border Rivers Commission
c/- PO Box 318
TOOWOOMBA Q 4350

The Honourable Melinda Pavey, MP
Minister for Water, Property & Housing
GPO Box 5341
SYDNEY NSW 2001

Dear Minister,

Pursuant to the provisions of the New South Wales-Queensland Border Rivers Act 1947 and the Annual Reports (Statutory Bodies) Act 1984, I have pleasure in enclosing, for presentation to the Parliament, the Annual Report and Financial Statements of the Dumaresq-Barwon Border Rivers Commission for the year ended 30 June 2019.

Yours sincerely

Shaun Cox
Chair

Mitchell Isaacs
Commissioner for NSW

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The Dumaresq-Barwon Border Rivers Commission was established by the governments of Queensland and New South Wales under an agreement made in November 1946 called the New South Wales-Queensland Border Rivers Agreement. That agreement was subsequently ratified by legislation in both states.

The Commission is responsible for controlling, on behalf of the two states, the operation and maintenance of Glenlyon Dam, Boggabilla Weir and a number of other small weirs and regulators in the border catchments and arranging for certain river flows and groundwater levels in the border catchments to be monitored.

It is also responsible for implementing the agreements made between the two states in relation to sharing the waters of the Border Rivers and providing advice in relation to water infrastructure and water sharing in the border catchments.

As the “owner” of a referable dam in Queensland, the Commission is also a registered water service provider under the Queensland *Water Supply (Safety and Reliability) Act 2008*.

The Commission is funded jointly by the state governments of Queensland and New South Wales on a 50:50 basis.

2018-19 at a glance

Water Sharing

At the start of the water year on 1 July 2018, Glenlyon Dam was storing forty-nine per cent (49%) of its full supply volume and the Queensland and New South Wales share of the dam was 59,940 megalitres and 63,160 megalitres respectively. At the end of the water year on 30 June 2019, the Queensland and New South Wales share of the Dam was 8,140 megalitres and 13,130 megalitres respectively. Due to the lack of inflow there was no water made available to either state for a resource distribution to the Essential Supplies or General Use accounts.

Due to the continuing drought and lack of inflow, there were no periods throughout the water year where the flow in the Border Rivers was declared as unregulated; therefore there were no announcements to access supplementary¹ water in New South Wales or unsupplemented water in Queensland for the entire water year.

In addition to the above, approximately 7400 megalitres of environmental water was released from Glenlyon Dam contributing to the Northern Fish Flow, a collaborative effort between the Commonwealth Environment Water Holder, Qld and NSW Governments to replenish critical waterholes, and also providing relief to communities along the river.

The take of water from the Border Rivers Alluvium this year was higher than normal in both States due to the drier weather. Queensland and New South Wales water use for the water year was 8,952 megalitres and 8,738 megalitres respectively.

Water Resource Management

The extreme dry conditions across all the catchments in the border region throughout the year meant there were extended periods of low or no flow. At the end of 2018-19 Glenlyon Dam was at nine per cent (9%) capacity with the majority of private on-farm storages in the border region at zero or low capacity.

Beardmore Dam environmental, stock and domestic releases and intersecting streams

Inflows of environmental, stock and domestic water have declined from the previous water year with the majority of inflow occurring in December 2018, April 2019 and May 2019. A total of 18,450 megalitres of environmental, stock and domestic water was released in December, April and May for the 2018-19 water year.

¹ In New South Wales, water released from storages is referred to as regulated water. Supplemented (unregulated) water is effectively surplus flow that cannot be captured or regulated into storages.

In Queensland, water released from storages is referred to as supplemented whilst water not released from storages is referred to as unsupplemented.

The release of environmental, stock and domestic water occurring in late December replenished waterholes in the Balonne River downstream of St George, reaching the bifurcation weirs in the Culgoa and Balonne-Minor Rivers.

Inflows to Beardmore Dam from the Maranoa catchment in late April – early May resulted in 17,600 megalitres of water being released downstream of St George. The release included a total of 8,430 megalitres of environmental, stock and domestic water. The water released additional to the environmental, stock and domestic water was to draw down the volume of water stored in Beardmore Dam to allow for the commencement of necessary dam safety works by the dam operator and was not accounted for as environmental, stock and domestic water.

Financial position

The Commission is working on a range of initiatives to ensure it is financially sustainable into the future. Such initiatives include reviewing our costs in conjunction with our main service providers, Sunwater and WaterNSW; reviewing our Asset Management Plans and thus further optimising our depreciation expenses. We have already requested an increased call up from the two States for the 2019/20 financial year. These initiatives are aimed at ensuring the Commission remains financially viable into the future and capable of continuing to provide the services expected by the two States.

The Commission during 2018-19:

- Received total revenue of \$2,693,000 comprising the call-up from the States of \$2,600,000, investment revenue of \$78,000 and other revenue of \$15,000;
- Had expenses due to ordinary activities of \$6,192,000 which included depreciation of \$1,975,000;
- Had a net operating deficit of \$3,499,000 and
- Had a cash balance of \$2,685,000 as at 30 June 2019, which will be available to fund future works and their operations over the shorter term.

Chair's Report

This year saw extremely dry conditions throughout the Border Rivers catchment with Glenlyon Dam storage ending the year with only 23,012 megalitres, which is its second lowest recorded volume since construction in 1976. Despite the extremely dry conditions, 33,500 megalitres of regulated water was taken by Queensland, 143,000 megalitres by New South Wales and 18,450 megalitres was released for the environment. These releases benefited irrigation water users, town water users and the environment on both sides of the Border.

The Commission has undergone considerable change during the year with the development and implementation of a new Business Plan. This plan provides a clear strategic direction for business improvements that will support the Commission in meeting its governance and risk requirements. To assist the Commission with these activities, a Chief Executive Officer has been appointed and three new sub-committees have been established.

A Service Delivery and Asset Committee, which will include representatives from our service providers, a Finance Risk and Audit Committee and a Remuneration and Nominations Committee have been established. The new organisation and governance structures are detailed later in this report.

In September of each year, a strategic planning day will be held with all Commission personnel to ensure that the Commission's objectives continue to be relevant and are being met. In conjunction with last year's planning day, an inspection tour of the Commission's assets was undertaken to enable Commission personnel to have a better understanding of the condition and purpose of these assets.

The Commission met formally on two occasions this financial year and plans to convene four times each financial year from now on. Some new Commissioners were appointed to the Commission during the year with the details available further in this annual report.

Whilst the annual "call-up" from each state remained at \$1.3 million for 2018-19, a review of proposed asset management budgets for the next five years has required the "call-up" to increase to \$1.8 million from the 2019-20 financial year.

The Queensland Audit Office has audited the Commission's finances for 2018-19 and found them to be in order.

I wish to thank Sunwater Ltd and WaterNSW for their operation and management of the Commission's assets and delivery of water to the States during the year and the New South Wales Department of Planning, Industry and Environment and the Queensland Department of Natural Resources, Mines and Energy for their continued support during 2018-19.

In closing, I also thank the Commissioners and Deputy Commissioners, the Commission's Chief Executive Officer, Accountant and Secretary and members of the Committees and other departmental staff from both States, for their dedication, efforts and support throughout the year.

Mr Shaun Cox
Chair
Dumaresq-Barwon Border Rivers Commission

The Commission

Vision

That the Border Rivers are managed sustainably, with clear and simple governance, and secure service delivery arrangements are in place.

Purpose

The purpose of the BRC is to implement the agreement made between the governments of Queensland and New South Wales in relation to:

- Implement agreed water sharing arrangements in the Queensland-New South Wales border region
- Operate and maintain jointly “owned” water infrastructure (investigating, constructing and operating works to converse and regulate those waters where considered desirable).

Commission’s duties and functions

In summary, the statutory functions and duties of the Commission are to:

- Determine the quantities of water available to the States, under the agreed water sharing arrangements, from the Border Rivers and from the shared dams and weirs
- Control the construction, operation and maintenance of works taken over or constructed through the Commission under the Agreement
- Report and make recommendations to the governments of New South Wales and Queensland regarding the construction/maintenance of works, sharing the waters of the Intersecting Streams, sharing groundwater and other matters
- Arrange for river flows and groundwater levels to be effectively monitored.

Operational area

The Commission’s operational area of responsibility includes:

- Glenlyon Dam on Pike Creek in Queensland
- The “Border Rivers” which includes the parts of the Dumaresq, Macintyre and Barwon Rivers that constitute the boundary between New South Wales and Queensland from Mingoola to Mungindi
- The “Intersecting Streams” which include the Moonie, Bokhara, Narran, Culgoa, Ballandool, Warrego, and Paroo Rivers and their effluents and tributaries, and any stream or watercourse which forms part of the Darling River drainage system and crosses the New South Wales-Queensland border west of the town of Mungindi
- The Border Rivers alluvial groundwater shared resource upstream from Keetah Bridge to the junction of the Dumaresq and Mole Rivers.

Meetings

The Commission met formally on 12 September 2018 and 20 March 2019 with all other business conducted out-of-session.

Management Committee

The Management Committee, comprising staff from the Queensland Department of Natural Resources, Mines and Energy and the New South Wales Department of Planning, Industry and Environment - Water manages the day-to-day affairs of the Commission on its behalf.

During 2018-19 the Management Committee consisted of Mr Rob Welsh and Ms Emma Howey, both of the New South Wales Department of Planning, Industry and Environment - Water and Mr Craig Gordon and Mr Steve Goudie, both of the Queensland Department of Natural Resources, Mines and Energy. The Chair of the Management Committee is traditionally rotated between the states at two yearly intervals with Mr Goudie being the chair in 2018-19. The Management Committee met face-to-face on two occasions during the year on 14 February and 4 June 2019.

Management Team

Ms Donna Hodgson was appointed as Chief Executive Officer on 17 December 2018 for a period of two years. Ms Hodgson is an employee of the New South Wales Department of Planning, Industry and Environment - Water.

Business support to the Commission was provided by its Secretary Mr Brian Cook, and its Accountant, Mr David Sandercock. Mr Cook is an employee of the Queensland Department of Natural Resources, Mines and Energy whilst Mr Sandercock is an employee of New South Wales Department of Planning, Industry and Environment.

Access

The Commission may be contacted through its Secretary as follows:

The Secretary

Dumaresq-Barwon Border Rivers Commission

c/- Department of Natural Resources, Mines and Energy

PO Box 318

Toowoomba Q 4350

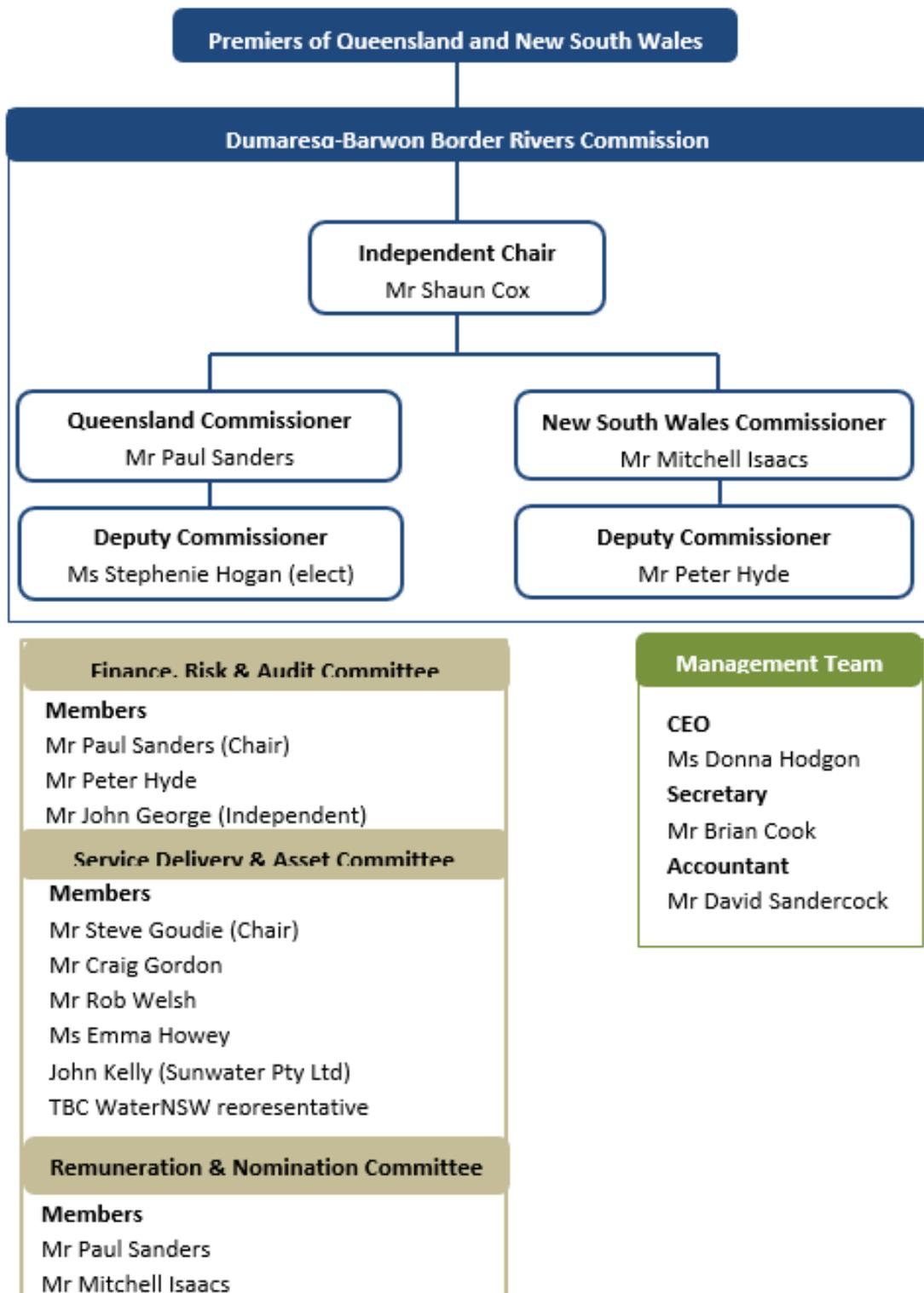
Phone: (07) 4529 1242

Fax: (07) 4529 1554

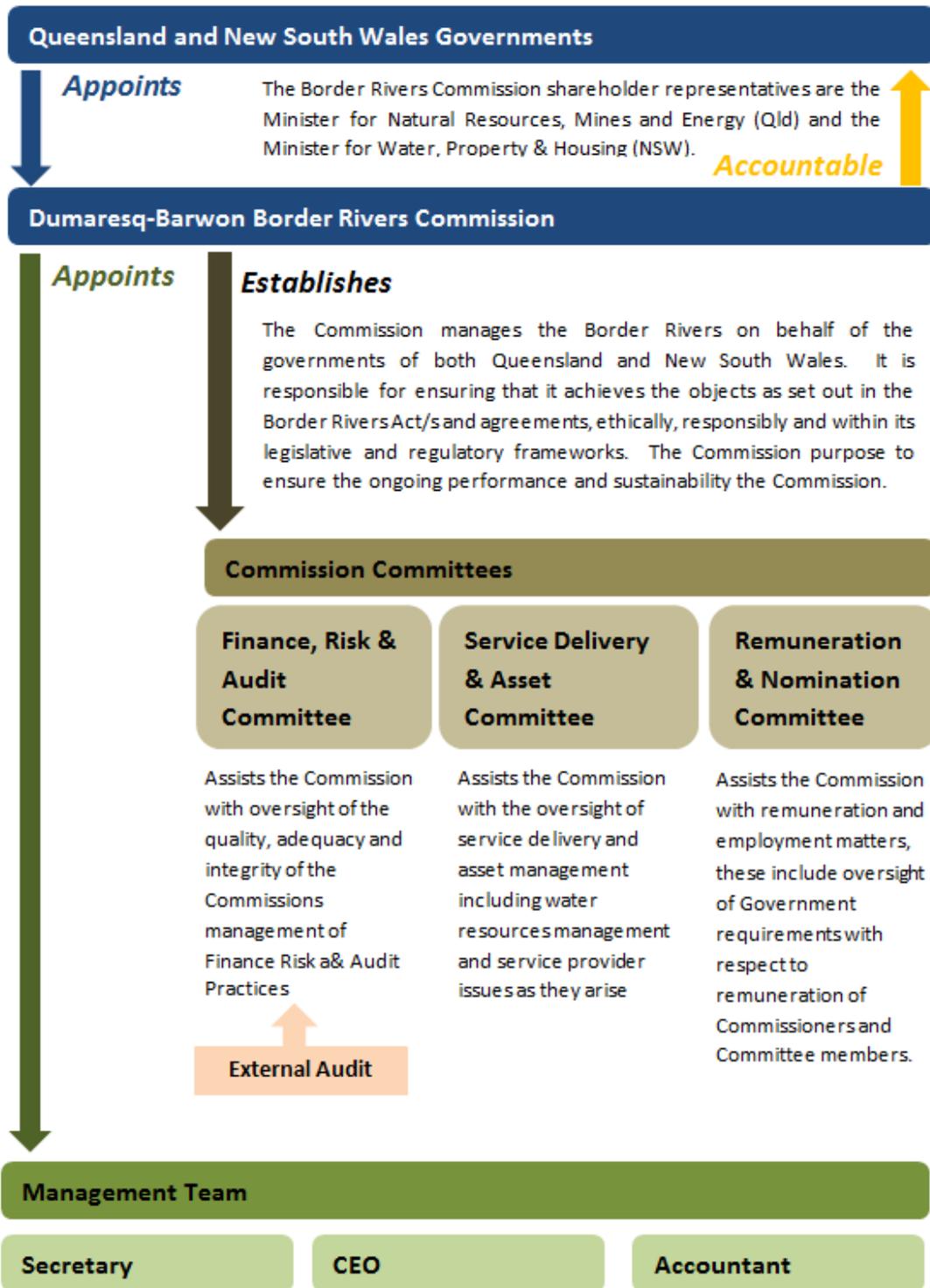
Email: brc@dnrme.qld.gov.au

Web: www.brc.gov.au

Organisation Structure



Governance Structure



The management team supports the overall management of the Commission by the provision of support services and by monitoring business performance.

The Commissioners

Shaun Cox

BEng (Civil), METM, FAICD, FIEAust, CPEng, FAIM

Chair

Appointed as Chair in April 2018

Term of appointment through to October 2021

Skills, experience and expertise

Shaun has led various Australian water utilities for more than eighteen years. This includes Melbourne Water, South East Water and Gold Coast Water. He also has over seventeen years of Board experience being a past Director and Chair of both the Smart Water Fund and the Water Services Association of Australia (WSAA). He has also served as the Managing Director of Melbourne Water and South East Water and was on the inaugural Board of the Cooperative Research Centre for Water Sensitive Cities. He's now enjoying running his own consultancy business, which he has done for the past five years. He is also Chair of Water Research Australia.

Shaun has extensive leadership experience in the water industry, and a passion for creating and adding value in any role he takes on. He holds a degree in Civil Engineering and a Masters of Engineering and Technology Management. Shaun is an Adjunct Professor at the University of Queensland and is a Fellow of The Australian Institute of Company Directors, Engineers Australia and the Australian Institute of Management.

Paul Sanders

BEng (Ag)

Commissioner representing Queensland

Appointed as Commissioner in June 2016

Term of appointment through to June 2021

Skills, experience and expertise

Paul has worked in water related roles in the Queensland Government since 1994. He is currently employed as Regional Manager Water Services within the Department of Natural Resources, Mines and Energy. He leads water related activities within South Region which includes water plan development, water monitoring, water management and access, and water entitlement dealings. Paul's roles have revolved around day-to-day engagement with various stakeholders including landholders, industry bodies and councils. In 2013 Paul was appointed as Deputy Commissioner, he took up his present role of Commissioner in 2016.

Mitchell Isaacs

BSc Adv. (Honours), GAICD

Commissioner representing New South Wales

Appointed as Commissioner in September 2018

Term of appointment through to September 2023

Skills, experience and expertise

Mitchell has worked in water related roles in the New South Wales (NSW) Government since 2009 and is currently the Director Strategic Relations in the NSW Department of Planning, Industry and Environment's Water Group. This role includes responsibility for intergovernmental relations, drought, and stakeholder engagement.

Prior to joining the NSW Government, Mitchell worked as a research scientist in Australia and Japan, and as a project management advisor to the Cambodian Government's Fisheries Administration.

Stephenie (Steph) Hogan

BAppSc (App. Geology)

Deputy Commissioner representing Queensland - Elect

Will be appointed to the Commission in late 2019

Term of appointment will be through to 2024

Skills, experience and expertise

Steph has worked in water related roles in the Queensland Government since 1999 and is currently the Director for Water Planning in the Water Policy unit of the Queensland Department of Natural Resources, Mines and Energy. This role includes responsibility for developing water plans across the State; underpinned by stakeholder engagement and the best available science. These plans aim to deliver a range of social, economic, cultural and environmental outcomes relevant to the catchment and its communities.

Peter Hyde

BAppSc, MEnv.Mgmt

Deputy Commissioner representing New South Wales

Appointed to the Commission in September 2018

Term of appointment through to September 2023

Skills, experience and expertise

Peter has over twenty years' experience in the water area and has worked with the NSW Government since 2017. He is currently the Director Inland Water Planning in the NSW Department of Planning, Industry and Environment's Water Group. This role includes responsibility for the NSW inland surface and groundwater water sharing plans and the development of the Basin plan water resource plans.

Prior to joining the NSW Government, Peter worked at the Murray – Darling Basin Authority and the National Water Commission. Prior to working for the Commonwealth Government, he worked in consulting in various locations including Papua New Guinea, China, Western Australia and the Hunter region of NSW.

Water Infrastructure

Objectives

Plan for and develop ways to conserve, manage and deliver water for beneficial use.

Operate structures safely and manage the delivery of water to ensure each state's share of the waters is supplied in a timely, equitable and cost-efficient manner.

Maintain the integrity of the works to defined asset management standards.

Protect the investment of the states in the works under the control of the Commission.

Provide public access to a range of water-based leisure and recreation opportunities.

Strategic Focus

Under the provisions of the Border Rivers Agreement, the Commission is responsible for controlling the operation and maintenance of Glenlyon Dam, Boggabilla Weir and a number of other small weirs and regulators which it either took over when it was established or constructed after the date of the Agreement. The Commission aims to ensure the infrastructure it controls is operated and maintained in accordance with best practice, dam safety conditions and standards and the relevant Asset Management Plans, Risk Management Policies, Operations and Maintenance Manuals, Standing Operating Procedures and Emergency Action Plans as outlined in the Strategic Asset Management Plan.

The Commission has arrangements with the Queensland water service provider, Sunwater Limited, to provide asset facility management services and the New South Wales water service provider, WaterNSW, to provide river management services on its behalf.

Further details of the infrastructure controlled by the Commission may be found in its report, *Annual Statistics 2018-19*, which is available from the Commission.

Key Outcomes during 2018-19

Dam safety

To meet the required dam safety provisions for Glenlyon Dam, the annual periodic inspection and also the annual reviews of the Data Book, Emergency Action Plan, Standard Operating Procedures and Operations and Maintenance Manual were completed.

Regular and routine dam surveillance activities were performed at all other works in accordance with industry standards and best practice. There were no major issues arising from such surveillance.

Emergency event operations

With Glenlyon Dam remaining below full capacity throughout the year, there were no flows over the spillway and subsequently no emergency flow events recorded. No environmental emergencies were recorded.

Water service provider obligations

There were no water quality matters experienced with the Glenlyon Dam town water supply system during 2018-19.

Planned maintenance and renewals

The Commission continued its program of planned maintenance and renewals to maintain the infrastructure under its control in good order, as advised by its service provider, Sunwater Ltd.

Asset management

The Commission undertook its annual scheduled maintenance program with the majority of work being performed at Glenlyon Dam and Boggabilla Weir by Sunwater Ltd.

Public access and recreation

The Commission continued to provide and maintain recreation facilities at Glenlyon Dam to cater for the public interested in picnicking, swimming, recreational fishing, boating and water skiing. The caravan park and camping area are operated by private lessees and they provide facilities for those wishing to stay longer.

It was estimated that approximately 56,000 people visited Glenlyon Dam during the year, which was a slight decrease on the previous year.

Future Directions

Activities to be commenced, advanced and/or completed during 2019-20 include:

- Continue to improve the overall governance of the Commission as per the Business Plan
- Secure appropriate contractual arrangements with Sunwater Ltd

Water Resource Management

Objectives

Provide timely and relevant advice to the states on water sharing and water management issues.

Measure flows in accordance with defined standards to support water resource planning and development, effective water sharing, management and delivery.

Monitor the water quality in streams to identify emerging aquatic issues affecting river health.

Investigate and monitor the quality and quantity of the groundwater resources in the Border Rivers regions and provide advice to the states on the quantities available for use.

Strategic Focus

The Commission is accountable for overseeing the implementation of the agreed arrangements for sharing the waters of the Border Rivers between the states as prescribed in the New South Wales-Queensland Border Rivers Agreement (the Agreement).

In addition, the Commission is responsible for ensuring that effective and uniform systems are in place to monitor and record river heights and flows in the Border Rivers and Intersecting Streams and groundwater levels in the alluvial aquifers associated with the Dumaresq River.

New South Wales and Queensland state agencies undertake the required monitoring funded by the Commission. The data obtained is utilised for assessing the quantities of water available for sharing by the States, regulating flow in the Border Rivers to meet environmental and economic use, as well as input to each states' water resource planning and management activities.

Whilst it is not a statutory requirement under the Agreement, the Commission supports a coordinated program undertaken by the states to monitor water quality in both the Border Rivers and the Intersecting Streams to obtain an ongoing record of key water quality indicators and to identify emerging water quality issues.

Key Outcomes During 2018-19

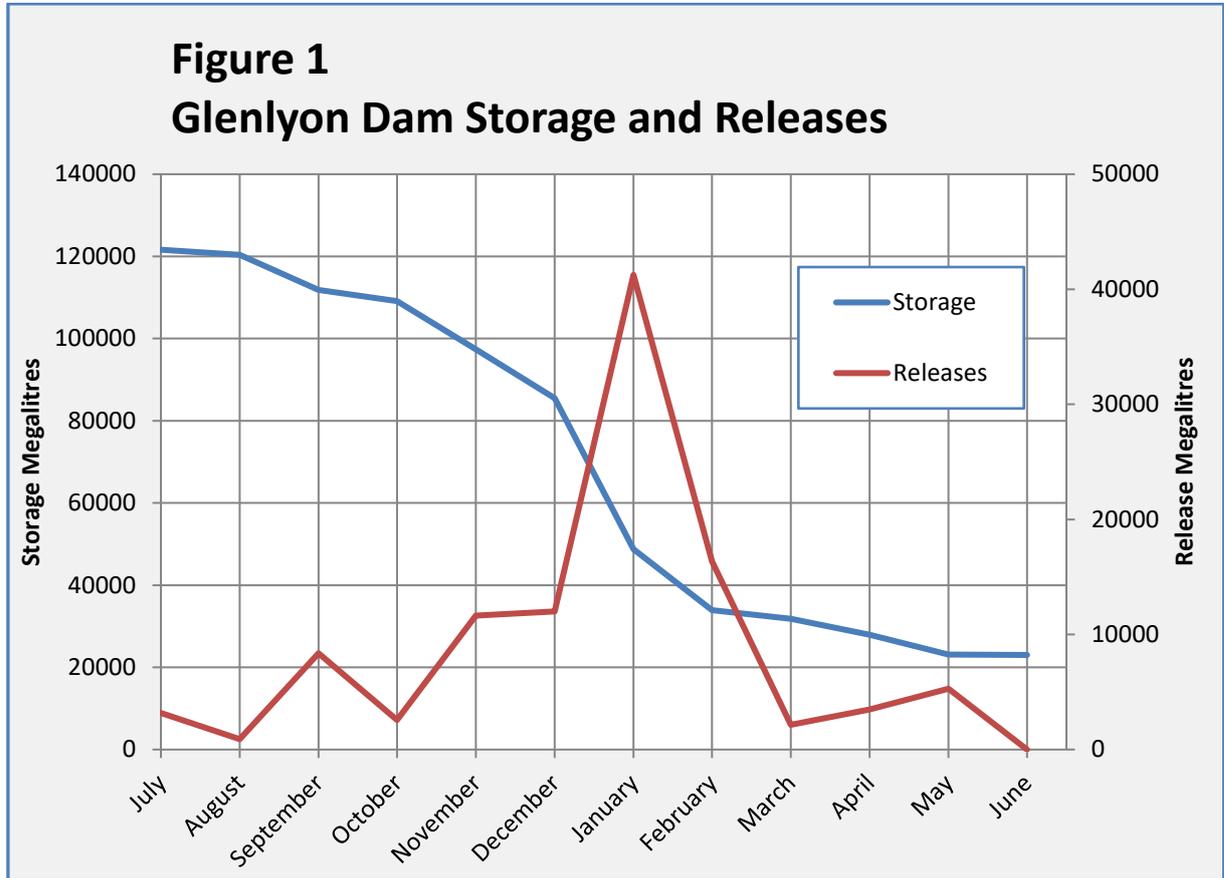
Water sharing

Resource assessments were carried out by the Commission at least once per month, and more often when required, to calculate the volumes of regulated water in the Border Rivers available to be shared between the two states.

During the year, no water was distributed to either state's essential supplies or general use accounts via the monthly resource assessments.

Unfavourable climatic conditions during the year saw the storage volume of Glenlyon Dam drawn down to 23,012 megalitres or 9% of its capacity by the end of June 2019 as shown in Figure 1 below.

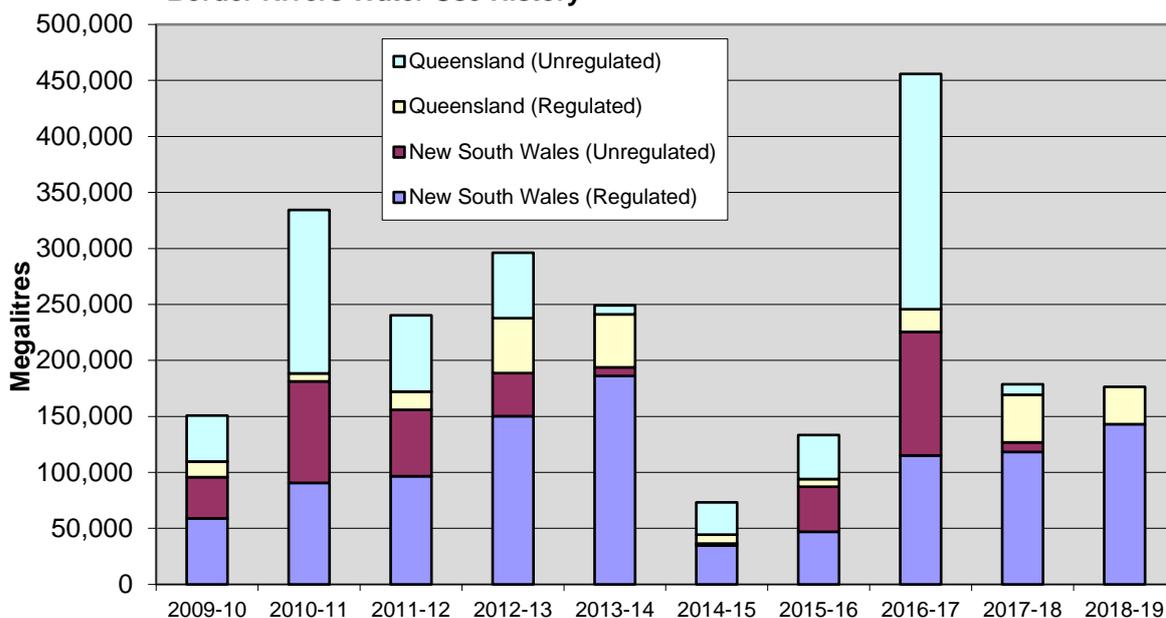
The volume of regulated water released for Queensland and New South Wales water users was 33,500 megalitres and 143,000 megalitres respectively (noting that the New South Wales volume is for water taken and accounted for against both Glenlyon Dam and Pindari Dam).



During the water year there were no periods where the flow in the Border Rivers was declared as an unregulated flow. This was due to the prevailing dry weather and no naturally occurring flows that met the thresholds specified in the NSW-QLD Border Rivers Intergovernmental Agreement 2008.

Figure 2 below illustrates the history of regulated and unregulated water use by both states from the Border Rivers since 2009.

**Figure 2
Border Rivers Water Use History**



Beardmore Dam environmental, stock and domestic releases

Inflows of environmental, stock and domestic water declined from the previous water year with the majority of inflow occurring in December 2018, April 2019 and May 2019. A total of 25,750 megalitres of environmental, stock and domestic water inflows occurred during the 2018-19 water year. The inflows of environmental, stock and domestic water prior to 25 December were used to replace the balance of 7,650 megalitres of additional water released as environmental, stock and domestic water under the Lower Balonne flow event management rules in March and April during the previous water year. Following the replacement of the additional water, a total of 18,450 megalitres of environmental, stock and domestic water was released in December, April and May during the remainder of the 2018-19 water year.

The release of environmental, stock and domestic water occurring in late December replenished waterholes in the Balonne River downstream of St George, reaching the bifurcation weirs in the Culgoa and Balonne-Minor Rivers. The following release in April extended past the bifurcation weir on the Balonne–Minor River downstream to the Dirranbandi town weir and downstream of the Dirranbandi area on the Culgoa River.

Inflows to Beardmore Dam from the Maranoa catchment in late April – early May resulted in 17,600 megalitres of water released downstream of St George. The release included a total of 8,430 megalitres of environmental, stock and domestic water. The water released additional to the environmental, stock and domestic water was to drawdown the volume of water stored in Beardmore Dam to allow for the commencement of necessary dam safety works by the dam operator and was not accounted for as environmental, stock and domestic water. Due to the extremely dry antecedent conditions of the Lower Balonne Distributary System the release was not sufficient to announce water harvesting.

The additional water released augmented the environmental, stock and domestic water released and inflow from the Nebine catchment which resulted in a flow through the Culgoa River to the Barwon/Darling. The flows also reached downstream of the Queensland/New South Wales border in the Narran and Bokhara Rivers and reached downstream of the Ballandool River gauge near Hebel.

Stream gauging and flow history

The Commission continued to provide funding to WaterNSW and the Queensland Department of Natural Resources, Mines and Energy to operate and maintain a network of forty-nine (49) river gauging stations including twenty-six (26) in the Border Rivers catchment and twenty-three (23) on the Intersecting Streams to the west of Mungindi. In accordance with the Agreement, the States provided the Commission with the streamflow data it required for river operations and water sharing purposes.

Flow in the Border Rivers

The prevailing weather conditions across the Border Rivers catchment has been extremely dry with well below average rainfall being recorded for the 2018-19 water year. At a rainfall station in the vicinity of Goondiwindi 410 millimetres of rainfall was recorded for the water year compared to an average of 600 millimetres. This followed the below average rainfall in 2017-18 where a total of 390 millimetres was recorded for the water year.

The extent of this below average rainfall is reflected in there being no meaningful inflow into either Glenlyon Dam or Pindari Dam and no flow declared as unregulated. While 158,000 megalitres was recorded passing the Goondiwindi stream gauging station, the vast majority of this volume was regulated water released from either Glenlyon Dam or Pindari Dam. This is reflected in the end of system flow passing Mungindi being only 7,300 megalitres.

Flow in the intersecting streams

The recorded flows in the Warrego River, Nebine Creek and the Paroo River were significantly higher than for the previous year with the flows occurring in April/May following an extended period of extremely dry conditions. The recorded flows in the Lower Balonne Distributary System were significantly lower with a low flow occurring in May. The Moonie River had no flow in the lower reaches. Most of the catchment area is in drought and has experienced extremely dry conditions during the year.

Runoff across the intersecting streams has resulted in significant differences in the cross border flows for those streams:

- The Warrego River had three months of continuous flow from April through to July. The majority of the flow occurred in the first week of April with 250,000 megalitres passing the Cunnamulla stream gauging station. A total of 318,000 megalitres was recorded passing the Cunnamulla stream gauging station during the three month period;
- Nebine Creek also had three months of continuous low flows from April through to July. The majority of the flow occurred in the first two weeks of May with 4,800 megalitres passing the Roseleigh stream gauging station. A total of

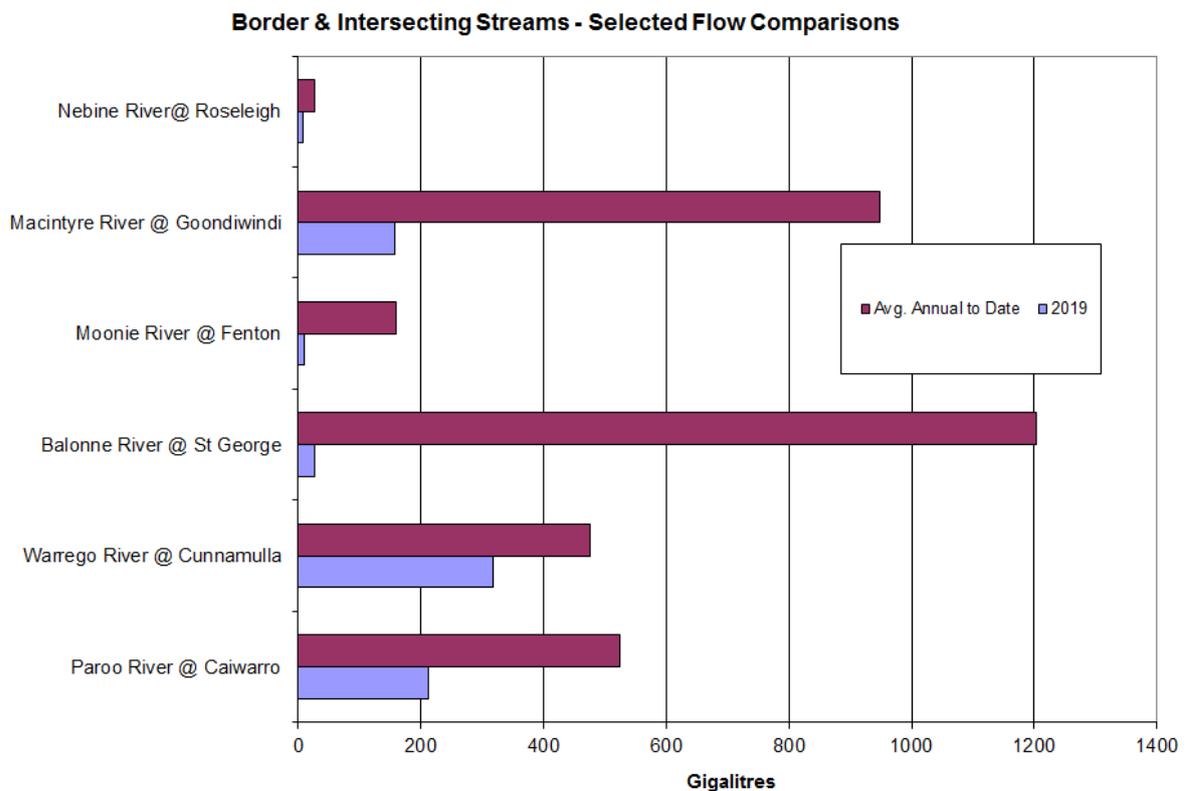
7,250 megalitres was recorded passing the Roseleigh stream gauging station during the 2018-19 water year;

- There were also good flows in the Paroo River with three months of continuous flows totaling 213,500 megalitres from April through to July recorded passing the Caiwarro stream gauging station on the Paroo River during the 2018-19 water year. The majority of the flow occurred at the end of April with 185,000 megalitres passing the Caiwarro stream gauging station in a two week period;
- No flow was recorded passing the Fenton stream gauging station on the Moonie River during the 2018-19 water year.
- In the Lower Balonne Distributary System, a total of 6,500 megalitres is estimated to have passed the stream gauging stations on the Narran, Bokhara, Ballandool and Culgoa Rivers, immediately upstream of the New South Wales – Queensland border during May and June 2019.

Unregulated flow events

There were no flow events in the Border Rivers declared to be unregulated by the Border Rivers Commission during the 2018-19 water year.

Figure 3: Border and Intersecting Streams – Selected Flow Comparisons.



Surface and Groundwater Water Quality Monitoring Program

The Border Rivers Commission's water quality program involves annual sampling at designated surface water and ground water sites for salinity, turbidity and nutrient content. This section contains extracts from the full report. A copy of the full report is available by contacting WaterNSW's Tamworth office.

Electrical conductivity is used to calculate salinity. Level changes are highly influenced by river flows and land management practices. High salinity can impact water for drinking and agricultural use.

Turbidity measures water clarity for suspended sediments. Erosion and rainfall runoff can result in increases. High turbidity can inhibit aquatic plant growth; impacting riverine habitats and increases treatment costs for urban water supplies.

Excessive nutrients can facilitate problem algae growth in low flow periods and warmer months affecting the aquatic environment.

Water Quality in the Border Rivers

A major feature of water quality in the Border Rivers for 2018-19 has been the lack of rainfall, resulting in a significant reduction of river flows. This has resulted in many water quality monitoring sites having no flow for extended periods in the systems without a regulated water supply. In many of the unregulated waterways, there were sites where samples could not be collected due to the site being dry. Two sites, Pike Creek at Glenlyon Dam and Oaky Creek at Texas were dry for every sampling visit of 2018-19.

Salinity

Generally, it would be expected that the low river flows of 2018-19 would likely have influenced the many water quality parameters. However, when comparing the electrical conductivity results for the Border Rivers during 2018-19 to that of the previous year's results, only Tenterfield Creek showed an obvious deviation from the past median values. The median value recorded at this site for this sampling year was 553 $\mu\text{s}/\text{cm}$ which is well up on the median results for the last five years. For this site the past results averaged 339 $\mu\text{s}/\text{cm}$.

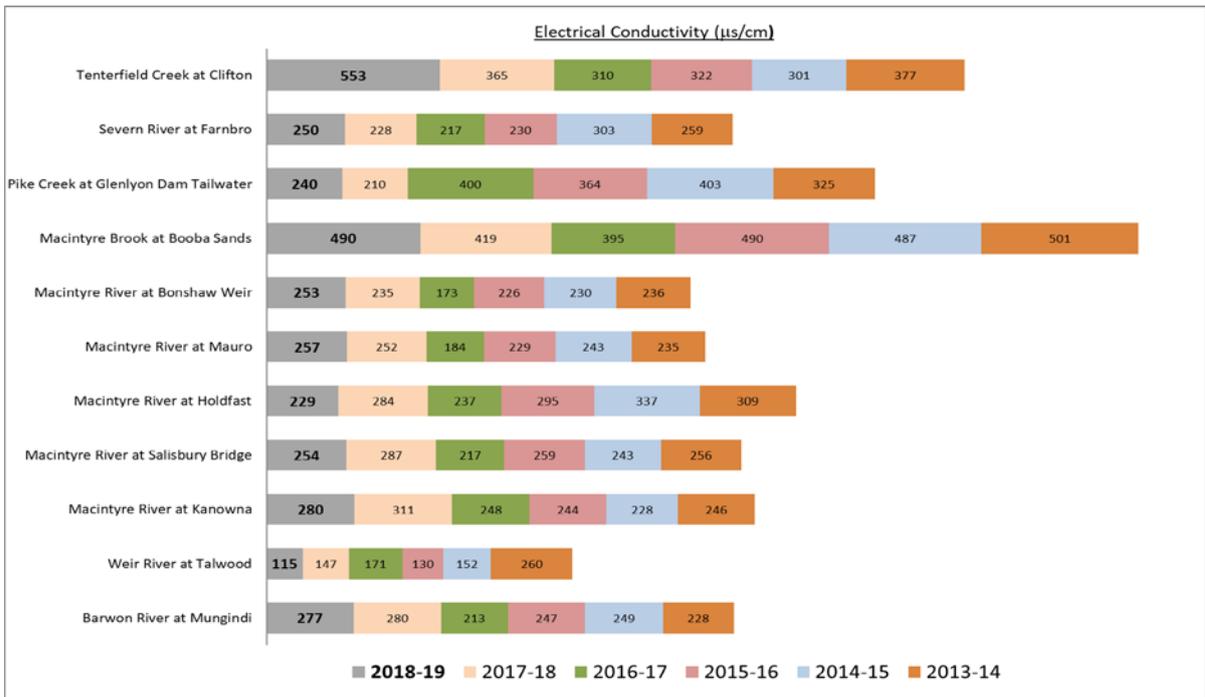


Figure 4: Comparison of the 2018-2019 Electrical Conductivity medians in microsiemens ($\mu\text{s}/\text{cm}$) with the medians of the last five years for the Border Rivers. Median values are displayed in the relevant box.

Turbidity

The highest median turbidity results occurred in the Weir River with a median of 515 NTU, which is similar to last year’s median result of 538 NTU. The Weir River has consistently produced the highest turbidity results in the Border Rivers Catchment. Interestingly, there is no significant correlation at this site between total suspended solids and turbidity for this site. This lack of correlation is not what would be generally expected. This is probably indicative of extremely fine sediments that appear to be continually held in suspension, likely the result of the geology specific to the catchment area.

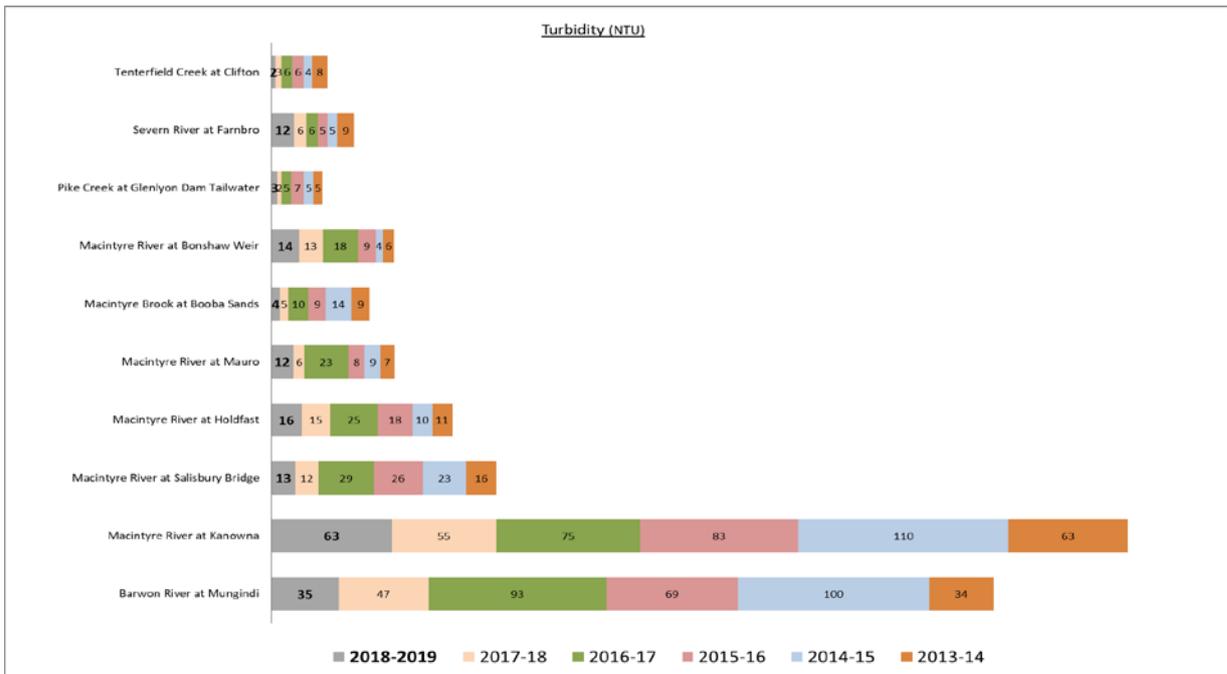


Figure 5: Comparison of the 2018-2019 Turbidity medians in nephelometric turbidity units (NTU) with the medians of the last five years for the Border Rivers. Median values are displayed in the relevant box.

Nutrients – Total Nitrogen (TN) and Total Phosphorous (TP)

Analysing TN results revealed that two sites had relatively high TN medians, with these being at the Severn River at Farnbro and Weir River at Talwood. These two sites both had median values at or over 1.2 mg/L. These two sites also exceeded the Basin Plan 2012 (Cwlth) water quality targets for fresh water-dependent ecosystems. It is indicative that this nutrient could potentially cause algae problems under the right conditions, however the presence of consistently high turbidity levels in Weir River would likely prevent the outbreaks of algae blooms.

Across most of the water quality sites, the levels of TP concentrations were noticeably lower than that of the previous years. The lack of rainfall runoff into the river system would likely have been a key factor for this reduction of phosphorous. The highest median result for total phosphorous was at Weir River at Talwood with 0.38 mg/L.

Water Quality in the Intersecting Streams

The rivers in the Intersecting streams received very little in the way of river flows for 2018-19. The only flows that did occur were not until late April 2019 in the Warrego and Paroo Rivers. The Narran and Birrie Rivers did not receive any flows at all for this sampling season. The sites were still sampled at the remaining pools to keep a continuity of record until conditions did not warrant any more samples to be collected.

Salinity

All the sites in the Intersecting Streams had a median electrical conductivity result below 400 $\mu\text{s}/\text{cm}$. The highest individual results for electrical conductivity came from the Culgoa River with a peak reading of 1,205 $\mu\text{s}/\text{cm}$.

Turbidity

Turbidity can vary greatly in the intersecting streams, the least turbid result this year came from the Narran River at Angledool Weir Pool with a median of 167 NTU and a lowest sample result of 7.4 NTU in May 2019. This low result is validated by a coinciding low suspended solid result of 6.0 mg/L from the same sample. The highest result came from the Warrego River, with a result over 1700 NTU during November 2018. However, the median result for this site was well below this, with a median of 555 NTU. Considering the low flows this year's turbidity results are similar to the previous five years of median results, with the exception of Narran River which had a considerably lower median result this year.

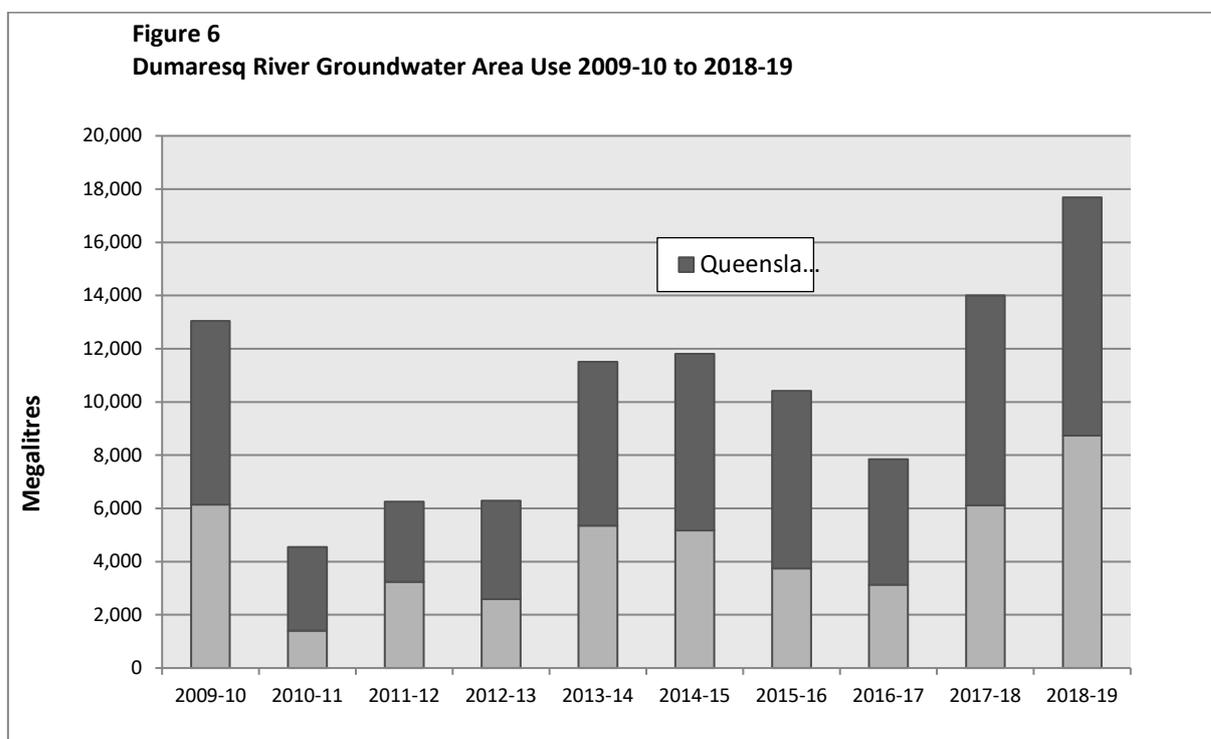
Nutrients – Total Nitrogen (TN) and Total Phosphorous (TP)

Analysing TN in the Intersecting Streams reveals that the Bokhara River at Goodooga had the highest median result of 2.00 mg/L. However, the highest sample results occurred in the Paroo River with 5.1 mg/L in April 2019. All the median and almost all the individual sample values this sampling year exceeded the Basin Plan 2012 (Cwlth) target value of 1.00 mg/L for TN. Other than the Narran River at Angledool, all other sites in the Intersecting Streams have higher medians than any of the previous 5 years results.

The TP medians for the Intersecting Streams sites were all very similar throughout the year except for the Narran River. All were between 0.4 and 0.6 mg/L while the median for the Narran River at New Angledool being 0.16 mg/L. This was the only median result that was less than the Basin Plan 2012 (Cwlth) target value of 0.3 mg/L. The highest result for TP was 1.52 mg/L occurring in the Culgoa River in April 2019.

Groundwater

During the year, irrigators in the New South Wales and Queensland sections of the Border Rivers Alluvial shared resource used 8,738 megalitres and 8,952 megalitres of groundwater respectively. This represented approximately fifty-eight per cent (58%) of entitlement for New South Wales and sixty per cent (60%) for Queensland. This level of use was higher than that of the previous water year for both New South Wales and Queensland as illustrated in Figure 6.



The Queensland Department of Natural Resources, Mines and Energy continued to monitor groundwater levels on the Commission's behalf in the shared alluvial aquifers associated with the Dumaresq River in both New South Wales and Queensland via a network of monitoring bores consisting of fifty-two (52) piezometers in thirty-six (36) bores located in the area between Mingoola and Keetah Bridge.

Future Directions

With respect to the management of the water resources of the Border Rivers and Intersecting Streams, the Commission under current arrangements will continue to:

- ensure that the agreed water sharing arrangements are maintained
- ensure the structural and hydraulic integrity of its water infrastructure is maintained through asset management plans, which cover routine maintenance, regular planned inspections and risk assessments
- provide funding to the states to operate and maintain the existing stream gauging and groundwater monitoring networks and

- monitor water quality at sixteen sites on the Border Rivers and six sites on the Intersecting Streams.

The Business

Objectives

Provide responsible and accountable management of the Commission's assets and the Border River systems water resources in a cost effective and businesslike manner.

Implement change to address the water reform agendas of the shareholding governments as per the 1994 COAG Agreement and National Water Initiatives.

Promote awareness of and involve customers and the public in water sharing and water management issues.

Strategic Focus

The Dumaresq-Barwon Border Rivers Commission manages a "business" responsible for securing and providing bulk water services to two customers, the State of Queensland and the State of New South Wales.

Traditionally the work of operating and maintaining the Commission's infrastructure was undertaken on the Commission's behalf by the two state departments responsible for water. However, as a result of the water reforms and the institutional changes in both states, the state departments no longer have the responsibility to operate and maintain major water infrastructure. Sunwater Ltd and WaterNSW have undertaken these roles for a number of years now.

As a result, the Commission now engages both Sunwater Ltd and WaterNSW to provide commercial services to operate and maintain its works on its behalf. The two state departments responsible for water management, the New South Wales Department of Planning, Industry and Environment and the Queensland Department of Natural Resources, Mines and Energy, continue to undertake resource-monitoring activities on behalf of the Commission and to assist in administrative management. From July 2016, WaterNSW has provided the monitoring services in New South Wales.

The Commission's five year forward projections indicate that annual expenditure will be directed fifty per cent (50%) to infrastructure refurbishment/maintenance and river operations; thirty-five per cent (35%) to surface water and groundwater monitoring and fifteen per cent (15%) to planning and administration.

Key Outcomes during 2018-19

Summary of financial results

The Commission is working on a range of initiatives to ensure it is financially sustainable into the future. Such initiatives include reviewing our costs in conjunction with our main service providers, Sunwater and WaterNSW, reviewing our Asset Management Plans and thus further optimising our depreciation expenses. We have

already requested an increased call up from the two States for the 2019/20 financial year. These initiatives are aimed at ensuring the Commission remains financially viable into the future and capable of continuing to provide the services expected by the two States

During 2018-19, the Commission received total revenue of \$2,693,000 comprising the call-up from the states of \$2,600,000, investment revenue of \$78,000 and other revenue of \$15,000. Total expenses due to ordinary activities were \$6,192,000 which included depreciation of \$1,975,000. The Commission's net operating result for 2018-19 was a deficit of \$3,499,000.

The Commission had a cash balance of \$2,685,000 as at the 30 June 2019, which will be available to fund future works and their operations.

Consultation

It was necessary during 2018-19 for the Commission to ensure close working relationships were maintained with personnel in Sunwater Ltd and WaterNSW, each being engaged in managing the Commission's assets and/or in delivering water through the border river system.

In other areas of responsibility Commission personnel have maintained liaison with the Murray Darling Basin Authority and various other departments in both states.

The Commission was not approached by water users, nor did it approach water users during 2018-19.

Website

The Commission's website at <www.brc.gov.au> is maintained as required to include the latest editions of the Commission's Annual Report. Copies of older Annual Statistics, dating back to the first year of publication in 1999, are also made available on the site. The website framework is reviewed from time to time and updated for currency and scope.

Consultants

Because the Commission is not a corporate entity, its ability to enter into contracts is uncertain and any organisations providing services to the Commission, including consultants, are engaged on the Commission's behalf by one or other of the states' water service providers or by the relevant New South Wales or Queensland government departments.

No consultants were engaged on the Commission's behalf during 2018-19.

Insurance

The Commission's assets are insured under policies held on the Commission's behalf by the Queensland Department of Natural Resources, Mines and Energy and the New South Wales Department of Planning, Industry and Environment through the

Queensland Government Insurance Fund (QGIF) and the New South Wales Treasury Managed Fund (TMF) respectively.

The Commission, its servants and the departments are covered in those arrangements with respect to any public liability claim. No claims were made during 2018-19.

Internal audit and risk management

The Commission has in place a three-part strategy for managing risk, namely:

- Firstly, the Commission maintains a risk register to record identified institutional and business risks and to detail risk treatment strategies for each of those risks;
- Secondly, from time to time, the Department of Natural Resources, Mines and Energy undertakes an internal audit of the Commission's financial processes and practices on its behalf; and
- Thirdly, Sunwater Ltd as the Commission's operations and maintenance service provider, maintains on the Commission's behalf a best practice risk management system relating to the Commission's infrastructure.

Payment of accounts

The Commission paid all accounts during the year in a timely manner so as not to incur any interest for late payment.

Freedom of information/Right to Information

No Right to Information requests were received during the year.

Privacy management

The Commission complies with the privacy management requirements applying to the Queensland Department of Natural Resources Mines and Energy and the New South Wales Department of Planning, Industry and Environment. No complaints were received during the year.

Overseas travel

No Commissioners, officers of the Commission or employees of the Controlling Authorities who support the activities of the Commission undertook any overseas travel during 2018-19 related to any Commission activity.

Other legislative requirements

The Commission complies with the requirements of other relevant legislation in Queensland and New South Wales through the adoption of the practices and

procedures implemented by the Queensland Department of Natural Resources Mines and Energy and the New South Wales Department of Planning, Industry and Environment. No evident breach of compliance occurred during 2018-19.

Production of the Annual Report

Due to new Annual Reporting guidelines in both states and the fact the report was compiled and printed in-house the cost of printing the 2018-19 Annual Report was minimal.

Copies of Annual Report

Paper copies of the Commission's Annual Report may be obtained by contacting the Secretary of the Dumaresq-Barwon Border Rivers Commission at 203 Tor Street or PO Box 318 Toowoomba Q 4350, by phoning 07 4529 1242 or by email at brian.cook@dnrme.qld.gov.au.

Alternately, the Commission's Annual Report may be viewed on or downloaded from the Commission's website at www.brc.gov.au.

Future Directions

Apart from the Commission continuing to meet its statutory responsibilities, significant projects/activities in relation to our business and our customers which will be commenced, advanced and/or completed during 2019-20 include:

- continued dialogue with the Controlling Authorities and other relevant agencies in both states and
- minor repairs to Bifurcation Weirs Nos. 1 and 2

DUMARESQ-BARWON BORDER RIVERS COMMISSION

2018-19 Financial Statements

CERTIFICATE OF THE DUMARESQ-BARWON BORDER RIVERS COMMISSION

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;

- b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Dumaresq-Barwon Border Rivers Commission for the financial period ended 30 June 2019 and of the financial position of the Commission at the end of that year.

We acknowledge responsibility under s.8 and s.15 of the *Financial and Performance Management Standard 2009* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Chairman

Date:26/8/19

DUMARESQ-BARWON BORDER RIVERS COMMISSION

**Statement of comprehensive income
for the year ended 30 June 2019**

	Notes	2019 \$'000	2018 \$'000
Income from Continuing Operations			
Grants and other contributions	2a	2,600	2,600
Interest Income	2b	78	89
Other revenue	2c	15	18
Total revenue		2,693	2,707
Expenses from Continuing Operations			
Supplies and services	3a	4,187	2,635
Depreciation	3b	1,975	1,886
Other expenses	3c	30	19
Total Expenses from Continuing Operations		6,192	4,540
Operating Result from Continuing Operations		(3,499)	(1,833)
Other comprehensive income			
Items that will not be classified subsequently to operating result: (Decrease)/Increase in asset revaluation surplus	7	2,023	4,036
Total Other Comprehensive Income		2,023	4,036
Total Comprehensive Income		(1,476)	2,203
Total comprehensive income attributable to:			
Department of Industry - NSW Office of Water (NSW)		(738)	1,102
Department of Natural Resources, Mines and Energy(Qld)		(738)	1,102
Total Comprehensive Income		(1,476)	2,203

The accompanying notes form part of these financial statements.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Statement of financial position
As at 30 June 2019

	Notes	2019 \$'000	2018 \$'000
Assets			
Current Assets			
Cash and cash equivalents	4	2,614	4,587
Receivables	5	71	-
Total Current Assets		2,685	4,587
Non-Current Assets			
Property, plant and equipment	7	135,780	135,732
Total Non-Current Assets		135,780	135,732
Total Assets		138,465	140,319
Liabilities			
Current Liabilities			
Payables	8	830	1,208
Total Current Liabilities		830	1,208
Total Liabilities		830	1,208
Net Assets		137,635	139,111
Equity			
Accumulated funds		(2,620)	879
Asset revaluation surplus	10	140,255	138,232
Total Equity		137,635	139,111

The accompanying notes form part of these financial statements.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

**Statement of changes in equity
As at 30 June 2019**

	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance at 1 July 2018		879	138,232	139,111
Operating Result from Continuing Operations		(3,499)		(3,499)
Total Other Comprehensive Income				-
Increase in Asset Revaluation Surplus	7		2,023	2,023
Balance at 30 June 2019		(2,620)	140,255	137,635
Balance at 1 July 2017		2,712	134,196	136,908
Operating Result from Continuing Operations		(1,833)		(1,833)
Total Other Comprehensive Income				-
Increase in Asset Revaluation Surplus	7		4,036	4,036
Balance at 30 June 2018		879	138,232	139,111

The accompanying notes form part of these financial statements.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

**Statement of cash flows
As at 30 June 2019**

	Notes	2019 \$'000	2018 \$'000
Cash flow from operating activities			
Inflows			
Grants and Other Contributions		2,600	2,600
Interest		78	89
Other		-	87
GST Collected from customers		260	260
GST input tax credits from ATO		402	231
Outflow			
Supplies and Services		(4,565)	(2,089)
Other		(47)	(19)
GST Paid to Suppliers		(441)	(243)
GST Remitted to ATO		(260)	(249)
Net cash provided by operating activities	9	(1,973)	667
Cash flow from investing activities			
Outflow			
Payments for Property, Plant and Equipment		-	-
Net cash used in investing activities		-	-
Net increase in cash and cash equivalents		(1,973)	667
Cash and cash equivalents at beginning of financial year		4,587	3,920
Cash and cash equivalents at end of financial year	4	2,614	4,587

The accompanying notes form part of these financial statements.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2019

Objectives and Principal Activities of the Commission

Note 1	Summary of Significant Accounting Policies
Note 2	Income from Continuing Operations
Note 3	Expenses from Continuing Operations
Note 4	Cash and Cash Equivalents
Note 5	Receivables
Note 6	Prepayments
Note 7	Property, Plant and Equipment
Note 8	Payables
Note 9	Reconciliation of Operating Result to Net Cash provided by Operating Activities
Note 10	Asset Revaluation Surplus by Class
Note 11	Key Executive Management Personnel and Remuneration
Note 12	Contingent Liabilities
Note 13	Financial Instruments
Note 14	Commitments for Expenditure
Note 15	Events occurring after Balance Date

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2019

Objectives and principal activities of the Commission

The objective of the Dumaresq-Barwon Border Rivers Commission (the Commission) is to implement the agreement made between the governments of Queensland and New South Wales in relation to:

- sharing the waters of the rivers and streams which either form or intersect the boundary between the two states and the associated groundwater resources;
- the investigation, construction and operation of works to conserve and regulate those waters where considered desirable.

1 Summary of Significant Accounting Policies

(a) Statement of Compliance

The Commission was constituted by an agreement made in 1946 between the Governments of New South Wales and Queensland. The ratifying legislation is the *New South Wales-Queensland Border Rivers Act 1946* (Queensland) and *New South Wales-Queensland Border Rivers Act 1947* (New South Wales).

Under Part IV Section 31 of the Agreement, the Commission shall be audited at least once in every year by the Auditors-General of New South Wales and Queensland or such one of them as may be agreed upon from time to time by the Premiers of New South Wales and Queensland. On October 8, 2012, the Premier of Queensland signed an instrument of agreement that the Auditor General of the State of Queensland shall conduct all financial audits for the 2011-2012 and subsequent financial years.

As the Auditor General of Queensland took over responsibility to audit the Commission's financial statements from the year ended 30 June 2012, the Commission has prepared these financial statements in compliance with section 43 of *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis (except for Statement of Cash Flow which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury's Minimum Reporting Requirements for the year ending 30 June 2019, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the Commission has applied those requirements applicable to not-for-profit entities, as the Commission is a not-for-profit Commission. Except for land, buildings and infrastructure systems, which are recorded at fair value, the historical cost convention is used.

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in note 1(x).

(b) The Reporting Entity and Authorisation of Financial Statements for Issue

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of the Commission.

The Commission is responsible for controlling the construction, operation and maintenance of the water infrastructure assets taken over by it or constructed under the Agreement and to regulate and implement the agreed sharing arrangements in relation to the Dumaresq, Macintyre and Barwon Rivers where they form the boundary between the States of Queensland and New South Wales. The main administrative office is currently located at 203 Tor Street, Toowoomba, Queensland 4350.

Under the current agreement embodied in the constituting legislation, the two states, being New South Wales and Queensland, will continue to share equally the costs associated with the Commission's activities. The Commission has current arrangements for secretarial and accounting support to be provided by the Queensland Department of Natural Resources, Mines and Energy, and the New South Wales Department of Industry.

The financial statements are authorised for issue by the Commissioners at the date of signing the Management Certificate.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2019

1 Summary of Significant Accounting Policies (continued)

(c) Grants and Contributions

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the Commission obtains control over them. Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements.

(d) User Charges and Other Revenue

User charges and fees controlled by the Commission are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. The following specific criteria must be met before revenue is recognised:

(i) Interest

Interest income is recognised as it accrues.

(ii) Rental income

Rental income is recognised on the basis of the contract and when the control of the right to receive the rentals has been attained.

(e) Cash and Cash Equivalents

For the purpose of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked at 30 June 2019 as well as deposits at call with financial institutions. It also includes the Queensland Treasury Corporation capital guaranteed cash fund Investment that is readily convertible to cash on hand at the Commission's option and is subject to a low risk of a change in value.

(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 14 days from invoice date.

(g) Acquisitions of Assets

Historical 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 asset ready for use, including architects' fees and engineering design fees. However, any training costs are expensed as incurred.

Assets acquired at no cost or for nominal consideration are recognised at their fair value at date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

(h) Property, Plant and Equipment

Items of property, 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:

Building and Infrastructure Assets	\$10,000
Land	\$1
Plant and Equipment	\$5,000

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

(i) Revaluations of Property, Plant and Equipment

Land, buildings and infrastructure are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement* and Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector.

These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable. In respect of the abovementioned asset classes, the cost of items acquired during the financial year has been judged by management of the Commission to materially represent their fair value at the end of the reporting period.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2019

1 Summary of Significant Accounting Policies (continued)

(i) Revaluations of Property, Plant and Equipment (continued)

Plant and equipment is measured at cost in accordance with the Non-Current Asset Policies. The carrying amounts for such 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.

Revaluations using independent professional valuer or internal expert appraisals are undertaken at least once every five years or by the use of appropriate and relevant indices. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal. The revaluation in June 2015 was completed by Cardno.

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

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 Commission ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. The State Valuation Service (SVS) supplies the indices used for the various types of assets. Such indices are either publicly available, or are derived from market information available to SVS. SVS provides assurance of their robustness, validity and appropriateness for application to the relevant assets.

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 (according to the *Framework for the Preparation and Presentation of Financial Statements*) are considered in deterring whether the difference between the carrying amount and the fair value of an asset is material (in which case revaluation is warranted).

The fair values reported by the Commission are based on appropriate valuation techniques that maximise the use of the available and relevant observable inputs and minimise the use of unobservable inputs (refer note 1 (k)).

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

(j) Maintenance

Day to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2019

1 Summary of Significant Accounting Policies (continued)

(k) Fair Value

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

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

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

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

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the Commission include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the Commission's 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.

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

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2019

1 Summary of Significant Accounting Policies (continued)

(l) Depreciation of Property, Plant and Equipment

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

Property, plant and equipment is 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 Commission. The estimates of useful life and remaining useful life for each of the Commission's assets are reviewed annually and adjusted, if necessary, based on an assessment of the condition of the assets.

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.

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 Commission.

For each class of depreciable asset the following useful lives are used:

Class	Category	Number of years
Buildings:	Buildings -workshop/depot	55
	Buildings- houses/office complex	80
Water Infrastructure:	Dam- structural components	75-150
	Dam - mechanical/electrical components	20-50
	Major weir- structural components	60-150
	Major weir- mechanical/electrical components	20-50
	Minor weir- regulator/structural components	40-75
	Signs	10
Plant and equipment:	Plant and equipment (at cost)	15
	Scientific Equipment	8

(m) Impairment of Non-current Assets

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Commission 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.

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 the receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled within 14 to 30 day terms.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2019

1 Summary of Significant Accounting Policies (continued)

(o) Insurance

The Commission's non-current physical assets and other risks are insured jointly through the Queensland Government Insurance Fund and the New South Wales Treasury Managed Fund Scheme of self-insurance for government agencies.

(p) Employee Benefits

The Commission does not employ any staff on a permanent basis. The staff used by the Commission are employed by New South Wales and Queensland government agencies. The costs associated with the annual leave and long service leave of these staff are included in those agencies' claims for reimbursement of expenses incurred on behalf of the Commission and are included in the Commission's financial statements in the expense item "Supplies and Services".

Key Executive Management Personnel, Remuneration and Related Party Transactions

Key executive management personnel and remuneration disclosures are made in accordance with section 5 of the *Financial Reporting Requirements* for Queensland Government Agencies issued by Queensland Treasury. Refer to note 11 for the disclosures on key executive management personnel, remuneration and related party transactions.

(q) Accounting Estimates and Judgements

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

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

- Valuation of Property, Plant and Equipment - Note 7
- Contingent Liabilities - Note 12
- Depreciation Rates - Note 1(l)

(r) Accounting for the Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST: except:

- (i) where the amount of GST incurred by the agency as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- (ii) where receivables and payables are stated with the amount of GST included.

(s) Taxation

The commission is a statutory body as defined under the *Income Tax Assessment Act 1936* and is generally exempt from Commonwealth taxation with the exception of fringe benefit tax (FBT) and goods and services tax (GST). GST are the only taxes accounted for by the Commission.

(t) Issuance of Financial Statements

The financial statements are authorised for issue by the Commission at the date of signing the Management Certificate.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2019

1 Summary of Significant Accounting Policies (continued)

(u) Rounding and Comparatives

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

(v) Current/Non-Current Classification

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

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

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

(w) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the statement of financial position when the commission 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 and loss
- Receivables – held at amortised cost
- Payables – held at amortised cost

The commission does not enter transactions for speculative purposes. Apart from cash and cash equivalents, the commission holds no financial assets classified at fair value through profit and loss. The commission has no borrowings for the financial year. All other disclosures relating to the measurement and financial risk management of financial instruments held by the commission are included in the financial instruments note.

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

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

The adoption of AASB 9 did not have a material impact on the transactions and balances recognised in the Commission's financial statement.

(x) New and Revised Accounting Standards

The Commission did not voluntarily change any of its accounting policies during 2018-19. Australian accounting standard changes applicable for the first time for 2018-19 have had minimal effect on the Commission's financial statements, as explained below.

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

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2019

1 Summary of Significant Accounting Policies (continued)

(x) New and Revised Accounting Standards (continued)

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

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

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

The Commission has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts.

Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from sales of the Commission's goods and services such that some revenue may need to be deferred to a later reporting period to the extent that the Commission has received cash but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime). The Commission's assessment of the impact of AASB 15 and AASB 1058, the Commission does not believe that the initial adoption of either of these standards will have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

AASB 16 Leases

This standard will first apply to the Commission from its financial statements for 2019-20. When applied, the standard supersedes AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation 115 Operating Leases – Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. There will be no impact on the Commission, as the Commission has no operating leases.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2019

	2019	2018
	\$'000	\$'000
2 Income from Continuing Operations		
(a) Grants and other contributions		
Department of Industry - NSW Office of Water (NSW)	1,300	1,300
Department of Natural Resources, Mines and Energy (QLD)	1,300	1,300
	2,600	2,600
(b) Interest Income		
Interest on QTC investment	78	89
	78	89
(c) Other revenue		
Rental income	15	18
	15	18
3 Expenses from Continuing Operations		
(a) Supplies and Services		
Fees for services:		
SunWater Limited (QLD)	2,193	1,343
Water NSW [Statewater] (NSW)	1,000	835
Department of Natural Resources, Mines and Energy (QLD)	734	424
Department of Industry - NSW Office of Water (NSW)	150	(69)
Insurance	82	88
Administrative allowances	23	13
Superannuation	2	1
Legal expenses	3	-
	4,187	2,635
(b) Depreciation		
Infrastructure	1,941	1,854
Buildings	26	24
Plant and equipment	8	8
	1,975	1,886
(c) Other expenses		
Audit fee-financial statements*	16	14
Bank fees and charges	4	5
Other expenses from ordinary activities	10	-
	30	19

*Audit fees payable to the Queensland Audit Office to perform an audit of the Commission's transactions for 2018-19 are quoted to be \$15k (2018: \$15k). There are no non-audit services included in this amount.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2019

4 Cash and Cash Equivalents

	2019	2018
	\$'000	\$'000
Cash at bank and on hand	177	1,134
At call interest bearing investment	2,437	3,453
Closing cash and cash equivalents	2,614	4,587

Investments deposited with the Westpac Banking Corporation earned interest at rates 0.01%. (2017-18: Westpac Banking Corporation 0.01%).

Investments deposited with the Queensland Treasury Corporation capital guaranteed fund earned interest at rates between 2.38% to 3.20% (2017-18: Queensland Treasury Corporation 2.20% to 2.85%).

Refer Note 13 for details regarding credit risk, liquidity risk and market risk arising from financial instruments

5 Receivables

Goods and Services Tax recoverable from ATO	55	-
Receivables	16	-
	71	-

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 13.

6 Prepayments

There were no prepayments as at 30 June 2019.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2019

7 Property, Plant and Equipment

	2019 \$'000	2018 \$'000
Buildings (at valuation)	1,677	1,653
less: accumulated depreciation	(888)	(850)
	<u>789</u>	<u>803</u>
Infrastructure (at valuation)	203,732	200,741
less: accumulated depreciation	(70,671)	(67,721)
	<u>133,061</u>	<u>133,020</u>
Land (at valuation)	1,914	1,885
	<u>1,914</u>	<u>1,885</u>
Plant and equipment (at cost)	55	55
less: accumulated depreciation	(39)	(31)
	<u>16</u>	<u>24</u>
Total property, plant and equipment	<u>135,780</u>	<u>135,732</u>

Property, Plant and Equipment Reconciliation	Buildings	Infrastructure	Land	Plant and Equipment	Total
	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000
Carrying amount at 1 July 2018	803	133,020	1,885	24	135,732
Revaluation increments (decrements)	12	1,982	29	-	2,023
Depreciation	(26)	(1,941)	-	(8)	(1,975)
Addition	-	-	-	-	-
Disposals	-	-	-	-	-
Net carrying amount at 30 June 2019	789	133,061	1,914	16	135,780
	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000
Carrying amount at 1 July 2017	795	130,938	1,817	31	133,581
Revaluation increments (decrements)	32	3,936	68	-	4,036
Depreciation	(24)	(1,854)	-	(7)	(1,885)
Addition	-	-	-	-	-
Disposals	-	-	-	-	-
Net carrying amount at 30 June 2018	803	133,020	1,885	24	135,732

Land, buildings and water infrastructure assets were last revalued based on an independent assessment completed on 11 May 2015. Management has assessed the report provided by Cardno as appropriate for the Commission and have endorsed the use of the revaluation figures. In 2019, the assets have been measured through indexation based on indices obtained from State Valuation Services. The next external valuation is due in 2020.

Categorisation of fair values recognised as at 30 June 2019

	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land	1,914	-	1,914
Buildings	789	-	789
Infrastructure	-	133,061	133,061

Level 3 fair value reconciliation (refer note 1 (i))

	Infrastructure \$'000	Total \$'000
Carrying amount at 1 July 2018	133,020	133,020
Acquisitions	-	-
Disposals	-	-
Revaluation increments/(decrements)	1,982	1,982
Impairment losses recognised in operating surplus/(deficit)*	-	-
Depreciation/amortisation	(1,941)	(1,941)
Carrying amount at 30 June 2019	<u>133,061</u>	<u>133,061</u>

	Infrastructure \$'000	Total \$'000
Carrying amount at 1 July 2017	130,938	130,938
Acquisitions	-	-
Disposals	-	-
Revaluation increments/(decrements)	3,936	3,936
Impairment losses recognised in operating surplus/(deficit)*	-	-
Depreciation/amortisation	(1,854)	(1,854)
Carrying amount at 30 June 2018	<u>133,020</u>	<u>133,020</u>

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2019

7 Property, Plant and Equipment (cont.)

Level 3 significant valuation inputs and relationship to fair value

Description		Fair value at 30 June 2019 \$'000	Type and amount for significant level 3 inputs	Possible alternative amounts for significant level 3 inputs	Impact of alternative amounts for significant level 3 inputs
Infrastructure		133,061	Condition rating / remaining useful life	1% - 5% \$1.3M - \$6.7M	Increase/decrease in condition rating / useful life would increase/decrease the fair value

Description		Fair value at 30 June 2018 \$'000	Type and amount for significant level 3 inputs	Possible alternative amounts for significant level 3 inputs	Impact of alternative amounts for significant level 3 inputs
Infrastructure		133,020	Condition rating / remaining useful life	1% - 5% \$1.3M - \$6.5M	Increase/decrease in condition rating / useful life would increase/decrease the fair value

During the financial year ended 30 June 2015, the Commission engaged an external independent review of the fair value of the fixed assets in accordance with the accounting policy at note 1(i).

The following key assumptions have been used to fair value the assets effective at the reporting date:

- Infrastructure assets were revalued based on replacement cost as a level 3 category asset, as there were no observable inputs available;
 - The highest and best use of the infrastructure assets were deemed to be the existing use;
 - Valuation unit rates for infrastructure assets were increased by 20% from the previous valuation to allow for the increases to the Commission's project overheads as detailed below;
- | | |
|--|------|
| Planning, survey, environmental, investigation | 6.0% |
| Engineering design | 6.0% |
| Procurement and project management | 8.0% |
- Land and building assets have been determined as level 2 assets, as there are inputs (other than quoted prices) that are observable;
 - Land and building assets have been estimated based on comparisons of recent sales of similar assets in the local region as observable inputs;
 - All assets revalued by the commission have been deemed to have no residual value - as these assets are not deemed fit for another purpose.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2019

8 Payables

	2019 \$'000	2018 \$'000
Accrued expenditure	813	1,191
Accrued audit fees	17	17
	830	1,208

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 13

9 Reconciliation of Operating Result to Net Cash provided by Operating Activities

Operating result	(3,499)	(1,833)
Depreciation	1,975	1,886
(Increase) Decrease in receivable	(16)	69
(Decrease)/Increase in payable	(378)	545
(Increase)/Decrease in GST receivable	(55)	-
Net cash provided by operating activities	(1,973)	667

10 Asset Revaluation Surplus by Class

Land

Balance as at 1 July	932	864
Revaluation increments / (decrements)	29	68
Balance as at 30 June	961	932

Buildings

Balance as at 1 July	1,161	1,129
Revaluation increments / (decrements)	12	32
Balance as at 30 June	1,173	1,161

Infrastructure

Balance as at 1 July	136,139	132,203
Revaluation increments / (decrements)	1,982	3,936
Balance as at 30 June	138,121	136,139

Total

	140,255	138,232
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DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2019

11 Key Executive Management Personnel and Remuneration

(a) Key Executive 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 2018-19. Further information on these positions can be found in the body of the Annual Report under the section relating to the Commission.

Position	Responsibilities	Current Incumbents	
		Appointment Authority	Date appointed to position (Date ceased in position)
Chair of the Commission	<ul style="list-style-type: none"> Determine the quantities of water available to the states, under the agreed water sharing arrangements, from the Border Rivers and from the shared dams and weirs Control the construction, operation and maintenance of works taken over or constructed by the Commission under the Agreement Investigate matters to enable the Commission to exercise the powers and discharge the duties conferred upon it by the Agreement Report and make recommendations to the governments of New South Wales and Queensland regarding the construction of works, sharing the waters of the Intersecting Streams, sharing groundwater and other matters Arrange for river flows and groundwater levels to be effectively monitored. 	Premiers of Queensland and New South Wales	19/4/18 to 7/10/21
Commissioner representing Queensland		Order in Council	30/6/16 to 29/06/21
Commissioner representing New South Wales		Order in Council	14/2/18 to 13/2/23
Deputy Commissioner representing Queensland		Order in Council	30/6/16 to 29/06/21
Deputy Commissioner representing New South Wales		Order in Council	6/6/18 to 5/6/23
Chief Executive Officer	<ul style="list-style-type: none"> Leading and driving the necessary tasks to ready the Commission for a reform process to be undertaken by the joint State Governments. Responsible for the oversight of the operational management of the Commission including the implementation of effective corporate planning and governance frameworks Effective allocation of resources to ensure the Commission meets its legislative and strategic objectives. 	Resolution of Commission	17/12/18
Secretary	<ul style="list-style-type: none"> Executive support to the Commission 	Resolution of Commission	23/11/11
Accountant	<ul style="list-style-type: none"> Accounting support to the Commission 	Resolution of Commission	1/2/18

(b) Remuneration

Remuneration is paid only to the Chair of the Commission in the form of an allowance and statutory superannuation. Others do not receive any form of remuneration from the Commission.

2018-19

Position	Short Term		Long Term Employee Benefits \$'000	Post Employment Benefits \$'000	Termination Benefits \$'000	Total Remuneration \$'000
	Base \$'000	Non-Monetary Benefits \$'000				
	Chair of the Commission	23				

2017-18

Position	Short Term		Long Term Employee Benefits \$'000	Post Employment Benefits \$'000	Termination Benefits \$'000	Total Remuneration \$'000
	Base \$'000	Non-Monetary Benefits \$'000				
	Chair of the Commission	13				

(c) Related Parties

As outlined in note 1b, under the current agreement embodied in the constituting legislation, the two States, being New South Wales and Queensland, continue to share equally the costs associated with the Commission's activities.

With the exclusion of the Chair, all key management personnel are employees of either the Queensland or New South Wales Governments. The Commission has specific arrangements for secretarial and accounting support to be provided by employees of the Department of Natural Resources, Mines and Energy (Queensland) and the Department of Industry (NSW).

It is also noted that all material expenditure that the Commission undertakes is with a State Government Department that employs a number of the Commission's key management personnel or is with a State Government owned corporation. Note 3(a) details the value of transactions by supplier. The Chair and Management of the Commission receive no benefit other than an allowance/salary from their respective employer for duties conducted on behalf of the Commission.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2019

12 Contingent Liabilities

	2019	2018
Number of Cases	-	1

The Commission has further considered the Dam Safety Assessments undertaken by Sunwater. The Commission have endorsed recommendations made by Sunwater to undertake further work which will ensure a full understanding of all risks before a final decision on any future work on the Dam is made. It is anticipated that the Commission will consider the outcomes of this work as and when the new risk assessments become available.

13 Financial Instruments

The Commission has the following categories

(a) Financial instrument categories

Financial Assets			Carrying Amount 2019 \$'000	Carrying Amount 2018 \$'000
	Note	Category		
Class:				
Cash and cash equivalents	4		2,614	4,587
Receivables	5		71	-
			<u>2,685</u>	<u>4,587</u>
Financial Liabilities			Carrying Amount 2019 \$'000	Carrying Amount 2018 \$'000
	Note	Category		
Class:				
Payables	8	Financial liabilities measured at amortised cost	830	1,208
			<u>830</u>	<u>1,208</u>

(b) Financial Risk Management

The Commission's financial instruments arise directly from the Commission's operations or are required to finance the Commission's operations. The Commission does not enter into or trade financial instruments for speculative purposes. The Commission does not use financial derivatives.

The Commission's main risks arising from financial instruments are outlined below, together with the Commission's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial statement.

The Commissioners have overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risk. Risk management policies are established to identify and analyse the risks faced by the Commission, to set risk limits and controls and to monitor risk.

Compliance with policies is reviewed by the Commissioners on a continuous basis.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2019

13 Financial Instruments (continued)

(c) Credit risk

Credit risk arises when there is a possibility of Commission's debtors defaulting on their contractual obligations resulting in financial loss to the Commission. Maximum exposure to credit risk is generally represented by carrying amount of financial assets. Credit risk arises from the financial assets of the Commission including cash, receivables, and authority deposits. No collateral is held by the Commission. The Commission has not granted any financial guarantees.

Cash

Cash comprises cash on hand and bank balances. Interest is earned on daily bank balances at the bank's annual effective rate.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at end of reporting period. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amount. No interest is earned on trade debtors.

(d) Liquidity Risk

The Commission manages its liquidity risk as much as practicable through the effective application of cash management practices. These practices aim to reduce the exposure to liquidity risk by ensuring the Commission has sufficient funds available to meet supplier obligations at all times. 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 supplier liabilities.

The liabilities are recognised for amounts due to be paid in the future for goods or services received whether or not invoiced.

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

	Note	Maturity Dates			Total \$'000
		1 year or less \$'000	1 to 5 years \$'000	Greater than 5 years \$'000	
30 June 2019					
Payables	8	830			830
		<u>830</u>	-	-	<u>830</u>
30 June 2018					
Payables	8	1,208			1,208
		<u>1,208</u>	-	-	<u>1,208</u>

	Note	Maturity Dates			Total \$'000
		1 year or less \$'000	1 to 5 years \$'000	Greater than 5 years \$'000	
30 June 2019					
Receivables	5	71			71
		<u>71</u>	-	-	<u>71</u>
Receivables	5	-			-
		<u>-</u>	-	-	<u>-</u>

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2019

13 Financial Instruments (continued)

(e) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Commission's exposure to market risk is through interest rate risks in relation to its interest earning deposits. The Commission has no exposure to market risk related to borrowings or foreign currency dealings and it does not enter into commodity contracts.

Interest rate risk

Exposure to interest rate risk arises primarily through the Commission's interest earning deposits. The Commission

	Carrying Amount \$'000	-1%		1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2019					
Financial assets					
Cash and cash equivalents	2,614	(26)	(26)	26	26
Financial liabilities					
Payables	830	-	-	-	-
2018					
Financial assets					
Cash and cash equivalents	4,587	(46)	(46)	46	46
Financial liabilities					
Payables	1,208	-	-	-	-

14 Commitments for Expenditure

There are no other commitments for expenditure in 2018-19 or beyond.

15 After Balance Date Events

There are no known events occurring after balance date that would have an effect on the Commission's financial statements.

End of audited financial statements