



*Dumaresq-Barwon  
Border Rivers Commission*

*Annual Report  
2010-11*

To their Excellencies the Governors of the State of New South Wales and the State of Queensland.

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 2011.

ISSN 1839-4752

© Dumaresq-Barwon Border Rivers Commission 2011

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



The Honourable Rachel Nolan, MP  
Minister for Finance, Natural Resources and The Arts  
GPO Box 611  
Brisbane Q 4001

Dear Ms Nolan

Pursuant to the provisions of the New South Wales-Queensland Border Rivers Act 1946, the Financial Accountability Act 2009 and the extension to the tabling period for the Commission's annual report granted by you, I have pleasure in enclosing, for presentation to the Parliament, the Annual Report of the Dumaresq-Barwon Border Rivers Commission for the year ended 30 June 2011.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Warren Martin', with a long horizontal stroke extending to the right.

Warren Martin  
Chairman

---

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



The Honourable Katrina Hodgkinson, MP  
Minister for Primary Industries and Minister for Small Business  
Level 30  
Governor Macquarie Tower  
1 Farrer Place  
SYDNEY NSW 2000

Dear Ms Hodgkinson

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 of the Dumaresq-Barwon Border Rivers Commission for the year ended 30 June 2011.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Warren Martin', with a long horizontal stroke extending to the right.

Warren Martin  
Chairman

A handwritten signature in black ink, appearing to read 'Peter Christmas', with a long horizontal stroke extending to the right.

Peter Christmas  
Commissioner for New South Wales



# Contents

- 2010-11 at a glance ..... 1
- Chair’s report..... 2
- The Commission..... 3
- The water infrastructure..... 6
- The water resources..... 8
- The business and our customers ..... 13
- Financial statements for the year ended 30 June 2011 ..... 18

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 all 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.

## 2010-11 at a glance

### **Meetings**

- The Commission met twice during the year and dealt with all other business out-of-session.

### **Operating environment**

- As foreshadowed in the 2009-10 Annual Report the Commission undertook a series of activities to maintain and improve its operating environment. These included updates to the Risk Register and commencement of work to review the Policy Dossier and set Key Performance Indicators.

### **Asset revaluation**

- The Commission's fixed assets were revalued during the year resulting in the estimated replacement value of the Commission's assets increasing from \$102 million at the end of 2009-10 to \$194 million at the end of 2010-11.

### **Emergency event operations**

- A wet spring in 2010 followed by significant rainfall in December and January saw major flooding occur in the Border Rivers. As a consequence Glenlyon Dam filled to full supply level and subsequently spilled, thereby triggering an emergency event. The Commission's contractor, SunWater Limited, managed the event without significant incident.
- Very high rainfall in the upper reaches of the Condamine-Balonne system over the New Year period led to major flooding across the whole of this system. Over-border flows continued past the end of 2010-11.

### **Water sharing**

- Due to above average rainfall ample volumes of regulated water were available to be pumped with 90.7 gigalitres and 7.2 gigalitres being pumped by New South Wales and Queensland respectively.
- Pumping from unsupplemented flows was well above average with 90.5 gigalitres and 145.9 gigalitres of water being taken from the Border Rivers by New South Wales and Queensland respectively.
- Improved access to surface water supplies saw groundwater use well below the average in recent years with 1.4 gigalitres and 3.2 gigalitres of groundwater being taken from the Dumaresq River Groundwater Area by New South Wales and Queensland respectively. The groundwater monitoring network funded by the Commission showed the commencement of a partial recovery of shallow and deep aquifers.

### **Resource Position**

- At the end of 2010-11 Glenlyon Dam was close to its full capacity as were other public and private storages in the Border region.

### **Major planned maintenance**

- Projects completed in accordance with the planned program included the repair and reseal of the roadway across Glenlyon Dam, refurbishment of the Glenlyon Dam inlet tower bulkhead gate and further repairs to and refurbishment of, the buildings at Glenlyon Dam.

### **Beardmore Dam compensation releases**

- Major flooding occurred in the Condamine-Balonne system which saw compensation releases commence in September 2010 and continue through until June 2011.

### **Financial position**

- The Commission's net operating result for 2010-11, excluding depreciation and a loss on disposal, was a surplus of \$218,000.

## Chair's report

The significant rain events which occurred throughout South East Queensland in late 2010 and early 2011 saw major flooding not only in the Border Rivers system but also in the majority of the rivers in the northern Murray-Darling Basin. This led to the recovery of water levels in both public and private storages, improvements in water availability for users, rising groundwater levels and the generation of significant inflows to the upper reaches of the Barwon-Darling River system. Glenlyon Dam and the state-owned dams in the region all spilled during this period.

In total New South Wales users diverted about 181,000 megalitres and Queensland users about 153,000 megalitres from the Border Rivers during the year. Substantial improvement in the flows in some of the intersecting-streams also resulted from this rainfall. It is heartening to know that these flows contributed significantly to improving the health of the Barwon-Darling River system and the lower Murray-Darling River system.

Due to the increased availability of surface water, groundwater use from the alluvium along the Dumaresq River was the lowest recorded since 1998-99 with monitoring indicating that recharge from flooding has resulted in some recovery of both shallow and deeper aquifers.

In my 2009-10 report I indicated a need to provide greater clarity and transparency of the Commission's policies. The Commission addressed these issues in 2010-11 through the preparation of a policy dossier, rationalisation of the Commission's current risk management strategies, development of more corporate based performance management for the key statutory functions and attempting to resolve those management constraints which limit the Commission's ability to effectively perform its duties.

The major focus this year has been on conducting a review of the Commission's Risk Register which was completed in mid 2011. The highest risk issue identified relates to the Commission having inadequate institutional powers to effectively manage an interstate agreement within the current water services provision environment. A consultancy is to be initiated in 2011-12 to identify/investigate the constraints affecting the Commission's ability to effectively undertake its statutory responsibilities.

The Commission also initiated discussions with managers from SunWater Limited to enhance its delivery of management services for the assets under the Commission's control. At the end of 2010-11, these discussions were continuing. Work also commenced on updating the Policy Dossier and while no major work was undertaken on addressing the review and establishment of Key Performance Indicators, completion of work these tasks is expected in 2011-12.

During the year the Commission participated in matters within its statutory functions associated with actions relating to a review of the Murray-Darling Basin Agreement. The Murray-Darling Basin Officials Committee intends to look further at the costs and potential benefits of integrating the functions and assets of the Border Rivers Commission into the Murray-Darling Basin Authority during the coming year. The Commission will assist this review where appropriate.

With respect to financial management, 2010-11 expenditure was within the budget, and not including depreciation and loss on disposal items, the annual operating surplus amounted to \$218,000. The Audit Office of New South Wales has audited the Commission's financial statements for 2010-11 and found them to be in order.

I would like to thank the Management Committee members for their continuing diligence during 2010-11 and acknowledge the continued dedication of the Commission's Secretary/Project Officer, Accountant and their assistants. The Commission also thanks SunWater Limited and State Water Corporation for their management of the Commission's works and delivery of water to the states during the year on behalf of the Commission.



Warren Martin  
Chair

# The Commission

## Purpose

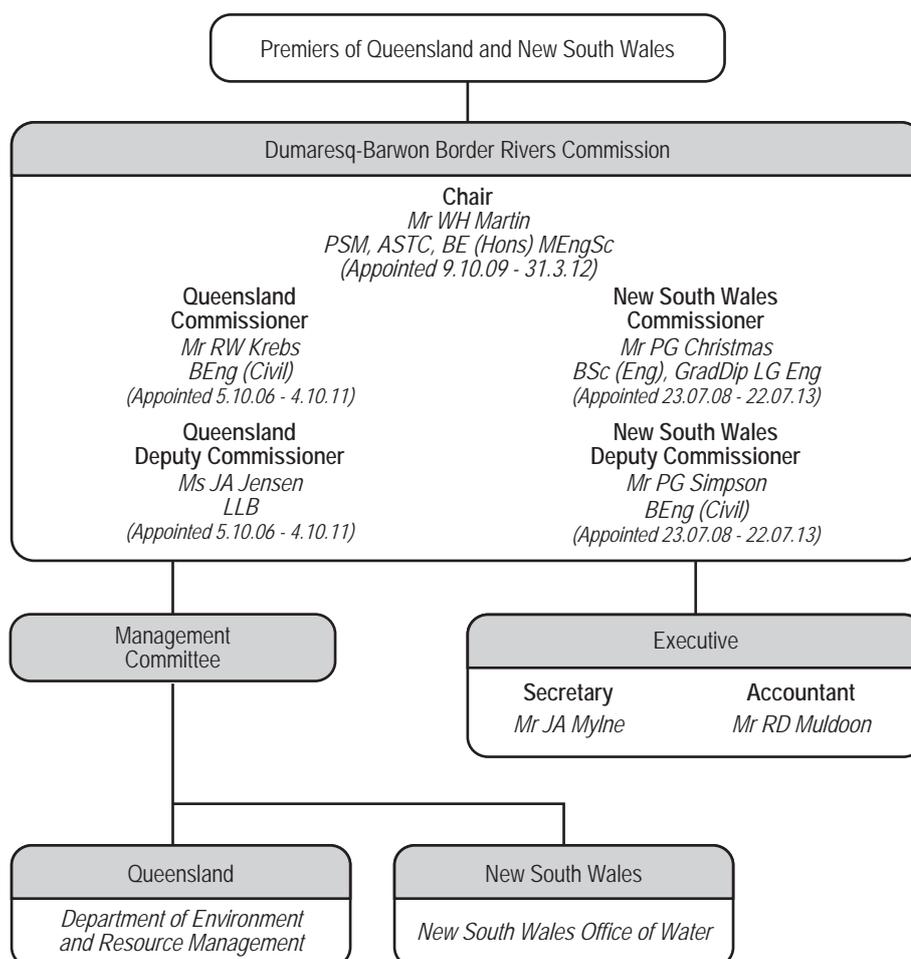
The Commission was established by the States of New South Wales and Queensland to give effect to the *New South Wales-Queensland Border Rivers Agreement* (the Agreement) and the legislation enacted in both states to ratify the Agreement.

## 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 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.

In addition to its statutory functions the Commission has arranged for water quality in the Border Rivers and the Intersecting Streams to be 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.

### **Membership**

The Commission consists of three commissioners. One is appointed by the Governor of Queensland; another by the Governor of New South Wales; while the third, the chair, who must be a person not in the service of either government, is appointed by the premiers of the two states. Each commissioner is appointed for a term not exceeding five years. Each state may also appoint a deputy commissioner to act in the case of illness or absence of a commissioner.

The commissioners during 2010-11 were:



- **Mr WH (Warren) Martin**  
**Commissioner and chair of the Commission**

Appointed to the position for the period from 9 October 2009 to 31 March 2012. Mr Martin is a civil engineer with significant experience in hydrology and water resources management including the development and implementation of water resources policy and institutional reforms.



- **Mr RW (Ross) Krebs**  
**Commissioner representing Queensland**

Appointed to the position for the period from 5 October 2006 to 4 October 2011. During 2010-11 Mr Krebs was Regional Manager, Water Services, South West Region in the Queensland Department of Environment and Resource Management.



- **Mr PG (Peter) Christmas**  
**Commissioner representing New South Wales**

Appointed to the position for the period from 23 July 2008 to 22 July 2013. During 2010-11 Mr Christmas was Program Coordinator, Water Management and Implementation in the New South Wales Office of Water.

The deputy commissioners during 2009-10 were:

- **Ms JA (Judith) Jensen**  
**Deputy Commissioner representing Queensland**

Appointed to the position for the period from 5 October 2006 to 4 October 2011. During 2010-11 Ms Jensen was General Manager, Water and Ecosystems Outcomes in the Queensland Department of Environment and Resource Management.

- **Mr PG (Paul) Simpson**  
**Deputy Commissioner representing New South Wales**

Appointed to the position for the period from 23 July 2008 to 22 July 2013. During 2010-11 Mr Simpson was Manager, Surface Water Management in the New South Wales Office of Water.

Administrative support to the the Commission was provided by its secretary, Mr Jim Mylne and its accountant, Mr Robert Muldoon. Mr Mylne and Mr Muldoon are employees of the Queensland Department of Environment and Resource Management and the New South Wales Office of Water respectively.

### **Meetings**

The Commission met on two occasions during the year. Meeting No 169 of the Commission was held in Brisbane on 17 November 2010 and meeting No 170 in Sydney on 12 May 2011. Commissioners Martin, Krebs and Christmas attended both meetings of the Commission. All other business during the year was conducted out-of-session.

### **Management committee**

A management committee, comprising staff from the Queensland Department of Environment and Resource Management and the New South Wales Office of Water, manages the day-to-day affairs of the Commission on its behalf.

During 2010-11 the management committee consisted of Mr PG (Peter) Christmas and Mr AJ (Andrew) Scott of the New South Wales Office of Water and Mr GK (Gary) Burgess and Mr SL (Steve) Goudie of the Queensland Department of Environment and Resource Management. The chair of the committee is traditionally rotated between the states at two yearly intervals. Mr Christmas was chair of the management committee in 2010-11.

The management committee met formally on two occasions during the year. Those meeting were held on 13 October 2010 and 30 March 2011. Other business during the year was conducted out-of-session.

A project officer employed by the Queensland Department of Environment and Resource Management on behalf of the Commission, provides executive and technical support to the management committee.

### **Access**

The Commission may be contacted through its secretary as follows:

- The Secretary  
Dumaresq-Barwon Border Rivers Commission  
c/- Department of Environment and Resource Management  
PO Box 318  
Toowoomba Qld 4350
- Phone: (07) 4529 1242
- Fax: (07) 4529 1554
- Email: [brc@derm.qld.gov.au](mailto:brc@derm.qld.gov.au).

The address of the Commission's website is [www.brc.gov.au](http://www.brc.gov.au).

## The 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 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 operate and maintain the infrastructure it controls in accordance with best practice, dam safety conditions and standards and the relevant Asset Management Plans, 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, and the New South Wales water service provider, State Water Corporation, to provide facility management and river management services on its behalf.

Further details of the infrastructure controlled by the Commission may be found in its report, *Annual Statistics 2010-11*, which is available from the Commission or from its web site.

### KEY OUTCOMES DURING 2010-11

#### ***Dam safety***

As required by the dam safety conditions for Glenlyon Dam, the annual periodic inspection and also the annual reviews of the Data Book, Emergency Action Plan, Standing Operating Procedures and Operations and Maintenance Manual were completed.

The Commission's contractor, SunWater Limited, undertook an inspection of the outlet conduit at Glenlyon Dam and prepared a supplementary report to the Five-Year Comprehensive Inspection completed in 2009-10. It also commenced work to update the Emergency Action Plan.

Regular and routine dam surveillance activities were performed at all other works in accordance with industry standards and best practice.

#### ***Emergency event operations***

Major flooding in the December 2010 to January 2011 period resulted in Glenlyon Dam filling to full supply level and then spilling. The total volume of water to pass through the spillway was 133,000 megalitres and the peak spillway discharge was 313 cubic metres per second.

The Commission's contractor, SunWater Limited, managed the emergency event, without significant incident, in accordance with the procedures documented in the Glenlyon Dam Emergency Action Plan.

#### ***Water service provider obligations***

In accordance with its obligations as a water service provider under the Queensland *Water Supply (Safety and Reliability) Act 2008*, the Commission arranged for its Strategic Asset Management Plan to be audited and commenced work to develop a Drinking Water Quality Management Plan. Both the audit and development of the Commission's Drinking Water Quality Management Plan will be completed in early 2011-12.

Performance indicators for planned and unplanned supply interruptions and meeting targets for end of system flow at Mungindi, as outlined in the Strategic Asset Management Plan, were met during the year.

### ***Planned maintenance and renewals***

The Commission continued its program of planned maintenance and renewals to maintain the infrastructure under its control in good order. The major projects undertaken during the year included:

- repairs to and reseal of the roadway across Glenlyon Dam
- refurbishment of the Glenlyon Dam inlet tower bulkhead gate
- further repairs and refurbishment of the buildings at Glenlyon Dam.

Several other planned maintenance tasks were completed to address public safety as well as workplace health and safety issues including the installation of warning buoys immediately upstream of Boggabilla Weir.

### ***Asset management***

The major revaluation of the Commission's fixed assets conducted during the year resulted in the estimated replacement value of the Commission's assets increasing from \$102 million at the end of 2009-10 to \$194 million at the end of 2010-11. The valuers attribute the significant rise in the estimated replacement value to substantial increases in major civil construction costs in recent years, particularly since the last major revaluation in 2006.

### ***Public access and recreation***

The Commission continued to provide and maintain recreation facilities at Glenlyon Dam to cater for day trippers interested in picnicking, swimming, recreational fishing, boating and water skiing whilst the caravan park and camping area, operated by private lessees, provided facilities for those wishing to stay longer. It was estimated that more than 76,000 people visited Glenlyon Dam during the year.

Whilst the local fish stocking group has released many fingerlings into Glenlyon Dam over the years it did not release any during 2010-11.

### **FUTURE DIRECTIONS**

Work will be commenced and/or completed during 2011/12 on projects to:

- revise the dam break analysis for Glenlyon Dam
- complete the work scheduled for the Whyenbah Bifurcation Weir and Newinga Regulator which was deferred to 2011-12 due to the continued high level of river flows in 2010-11
- develop a revised the Emergency Action Plan for Glenlyon Dam.

# The water resources

## OBJECTIVES

*Provide timely, relevant and expert 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 and water management and delivery.*

*Monitor the aquatic environment to identify emerging water quality issues.*

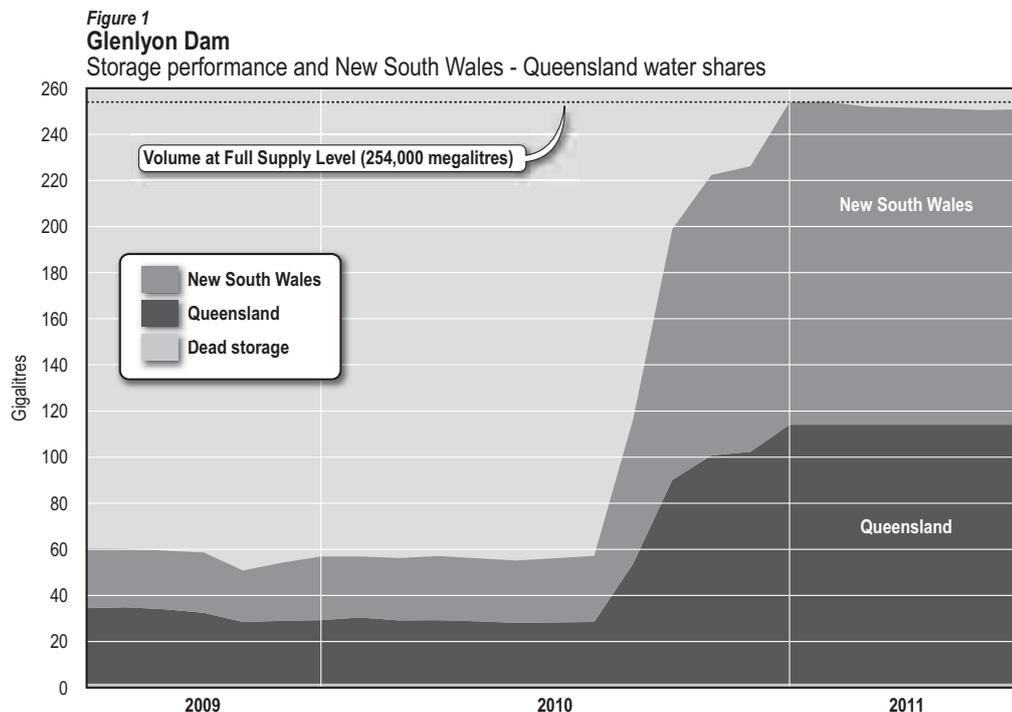
*Investigate and monitor the quality and quantity of the underground water resources of the Border Rivers and provide advice to the states on the quantities available for use.*

## 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) and the New South Wales-Queensland Intergovernmental Agreement 2008.

In addition, the Commission is responsible for ensuring that effective and uniform systems are in place to monitor and record river flows in the Border Rivers and Intersecting Streams and groundwater levels in the alluvial aquifers associated with the Dumaresq River. The Controlling Authorities of New South Wales and Queensland undertake the required monitoring at the cost and expense of the Commission. The data obtained is utilised for assessing the quantities of water available for sharing, regulating flow in the Border Rivers as well as input to the states' water resource planning and management activities.

Whilst it is not a statutory requirement under the Agreement, the Commission is also responsible for implementing a coordinated program of water quality monitoring 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 2010-11

### **Water sharing**

Resource assessments were routinely 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 states. Due to the occurrence of significant inflows to both Glenlyon Dam and Pindari Dam and significant unregulated tributary inflows during the year, 336,000 megalitres and 70,000 megalitres of water was distributed during the year to New South Wales and Queensland respectively for general use.

In the 12 month period from 1 July 2010 New South Wales water users diverted 90,715 megalitres of regulated water and Queensland water users diverted 7,206 megalitres. Despite the significant level of regulated use during the year, significant inflows resulted in Glenlyon Dam finishing the year at just below full supply level as illustrated in Figure 1.

Water users were granted a number of opportunities to pump unregulated water from the Border Rivers during the year. In total 90,475 megalitres and 145,860 megalitres were diverted from unregulated flows during the year by New South Wales and Queensland respectively.

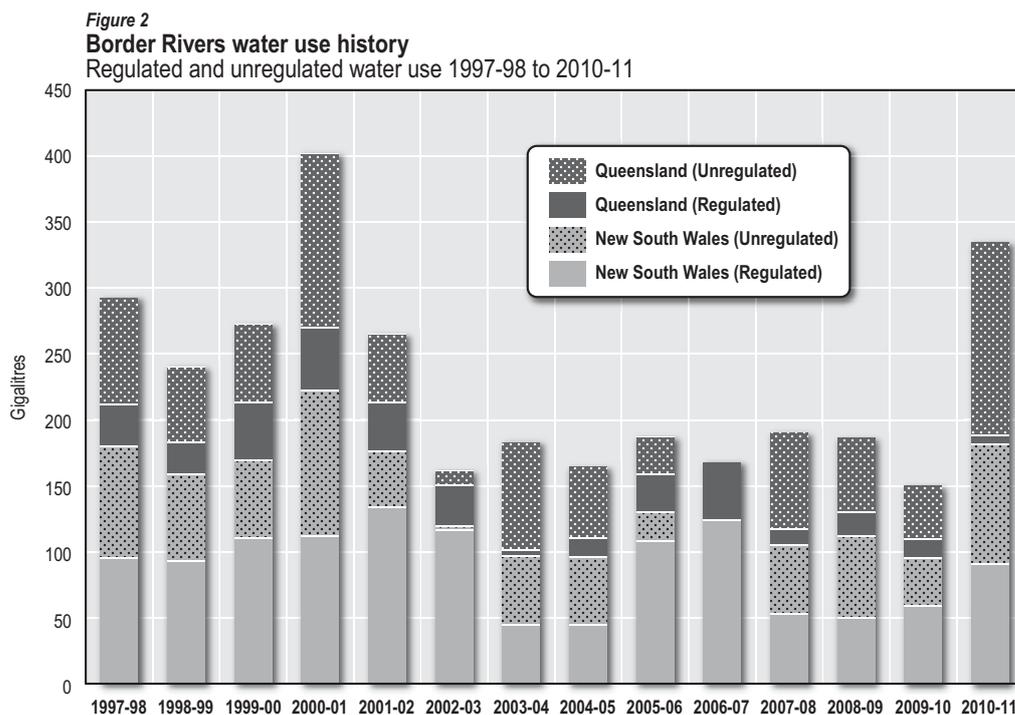
Figure 2 below illustrates the history of regulated and unregulated water use from the Border Rivers over the previous fourteen years. This clearly illustrates the impact of the prolonged period of drought on water use from the Border Rivers in the previous eight years.

### **Beardmore Dam environmental, stock and domestic releases**

With the amended Condamine and Balonne Resource Operations Plan being in effect since April 2010, environmental and stock and domestic water was managed in accordance with the flow event management rules. Previously this water was referred to as compensation water in the interim resource operations licence for the St George Water Supply Scheme.

Beardmore Dam was around 80 per cent full when significant inflows due to above average rainfall commenced in mid-September 2010. Environmental and stock and domestic water was not stored but passed through the dam as the volume of inflow was sufficient to fill the dam and provide for low level water harvesting.

Inflows continued with minor to moderate flooding occurring through to December 2010 followed by moderate to major flooding through to the end of February 2011. Minor to moderate flooding occurred in March and April with inflows continuing past the end of 2010-11 which maintained Beardmore Dam at 100 per cent of capacity.



**Flow in the intersecting streams**

The significant rainfall over the summer period following-on from a wet spring generally saw close to record annual flows in most of the intersecting stream catchments except the Paroo where flow was marginally below the mean.

**Stream gauging**

The Commission continued to provide funding to the New South Wales Office of Water and the Queensland Department of Environment and Resource Management to operate and maintain a network of 48 river gauging stations including 25 in the Border Rivers catchment and 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.

**Water quality**

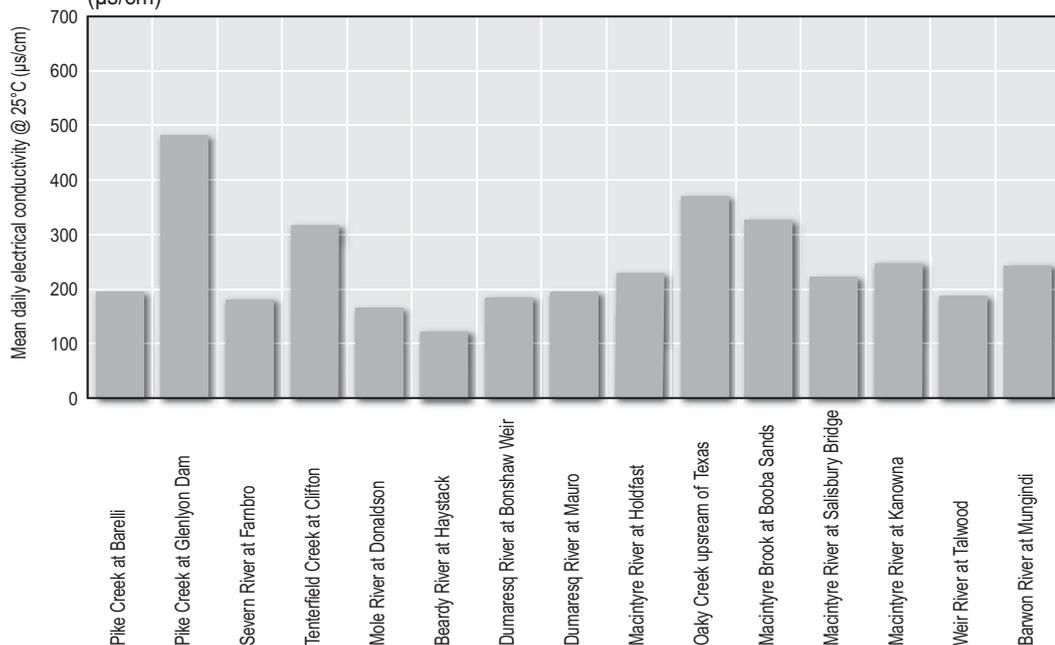
The New South Wales Office of Water monitored water quality during the year at 16 sites in the Border Rivers and six sites in the Intersecting Streams on behalf of the Commission on a monthly basis. The parameters measured include water temperature, electrical conductivity, turbidity, total nitrogen and total phosphorus. This information provides baseline water quality data which is used to identify emerging water quality issues and assess trends over time. A summary of the results of the water quality monitoring program is provided in the Commission's *Annual Statistics 2010-11* report that is available from the Commission or from its website. Figure 3 shows the median electrical conductivity measured at sites in the Border Rivers during 2010-11.

River flows in the Border Rivers and intersecting streams were characterised by a series of very high flows in the first half of 2011 with major flooding occurring in the Border Rivers during January 2011. Despite these high flows the median electrical conductivity across the 16 sites did not vary significantly from the previous season when flows were lower. High flows tend to dilute salts after the first flush on a rising river and no medians exceeded 500µs/cm, with most being under 300µs/cm. Likewise the median turbidity at sites upstream from Mungindi did not exceed 100 NTU which is low considering the high flows experienced during the year. In contrast, the western river systems were distinctly more turbid with levels being about four times those recorded in the Border Rivers. The total nutrient (nitrogen and phosphorus) levels were generally similar to those recorded last year with the levels in the western rivers being notably higher than in the Border Rivers. Overall nutrient levels were slightly lower this year.

**Groundwater**

During the year, irrigators in the New South Wales and Queensland sections of the Dumaresq River Groundwater Area used 1,404 megalitres and 3,150 megalitres of groundwater. This amounts to 9.1 and 21.8 per cent of entitlement, respectively. This level of use was considerably lower than in the previous nine years due above average rainfall during 2011-11 as illustrated in Figure 4.

**Figure 3**  
**Median Electrical Conductivity 2010-11**  
(µs/cm)



The Queensland Department of Environment and Resource Management continued to monitor groundwater levels on the Commissions's behalf in the alluvial aquifers associated with the Dumaresq River via a network of monitoring bores consisting of 50 piezometers in 36 bores located in the area between Mingoola and Keetah.

**Figure 4**  
**Dumaresq River Groundwater Area**  
 Groundwater use 1997-98 to 2010-11

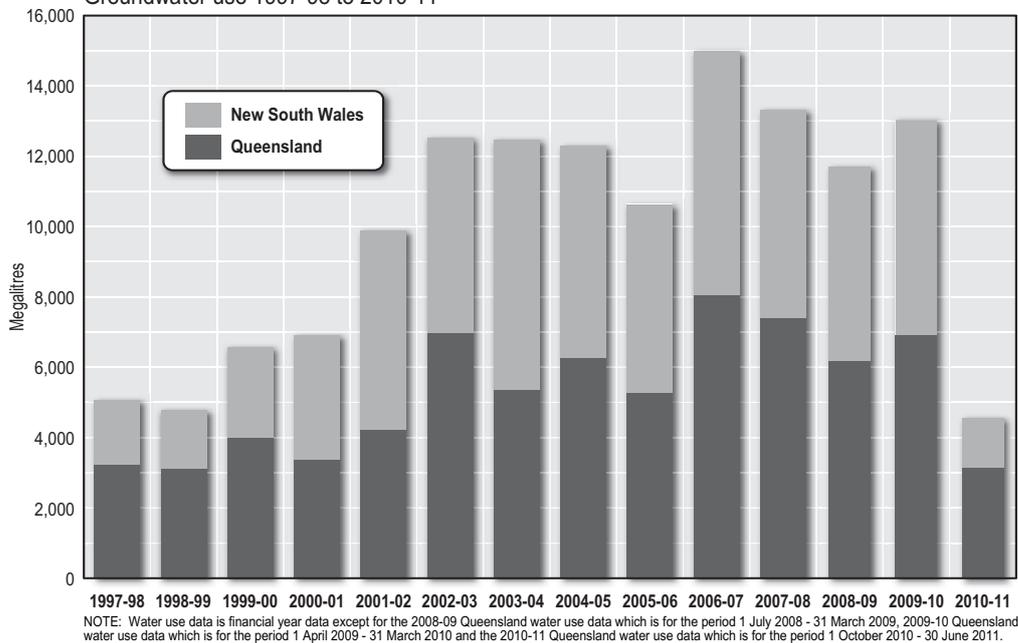
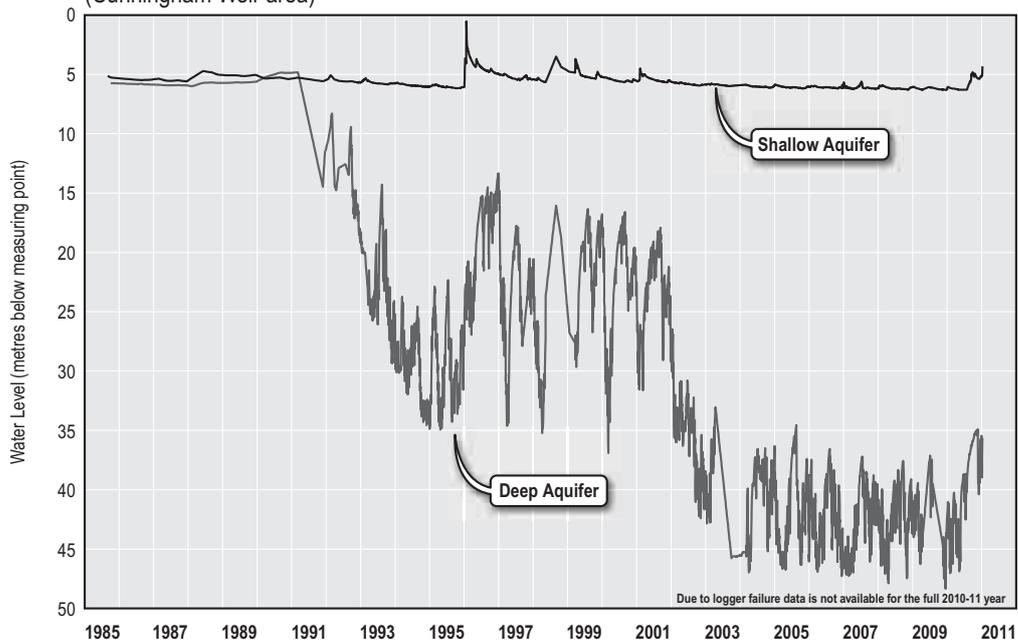


Figure 5 shows groundwater levels in an observation bore located in the vicinity of Cunningham Weir over the past twenty-six years. No data is available for the latter part of the reporting period due to equipment damage that occurred during the flooding in January 2011. The performance of this observation bore is typical of most of the observation bores throughout the area. It shows that whilst groundwater levels have dropped in recent years they appear to be remaining reasonably stable at the current level of use with a slight rise due to the wet season.

**Figure 5**  
**Observation Bore 41630072**  
 (Cunningham Weir area)



## FUTURE DIRECTIONS

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

- ensure that the agreed water sharing arrangements are implemented
- provide funding to the states to operate and maintain the existing stream gauging and groundwater monitoring networks
- monitor water quality at 16 sites on the Border Rivers and six sites on the Intersecting Streams.

## The business and our customers

### OBJECTIVES

*Provide responsible and accountable management of the Commission's 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 Border Rivers Commission is a "business" responsible for providing 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.

As a result, the Commission now employs the commercial water service providers in Queensland and New South Wales, SunWater Limited and State Water Corporation, to operate and maintain its works on its behalf whilst the two state departments continue to undertake resource monitoring activities on behalf of the Commission.

The Commission's five year forward projections indicate that annual expenditure will be directed 50 per cent to infrastructure refurbishment, operations and maintenance, 35 per cent to surface water and groundwater monitoring and 15 per cent to administration.

### KEY OUTCOMES DURING 2010-11

#### **Summary of financial results**

During 2010-11 the Commission received total revenue of \$2,444,000 comprising the call-up from the states of \$2,200,000, investment revenue of \$215,000 and miscellaneous income of \$29,000. Total expenses due to ordinary activities were \$3,270,000 which included depreciation of \$1,044,000. The Commission's net operating result for 2010-11 was a deficit of \$1,012,000.

Although the Commission regularly records a deficit operating result, the Commission's net financial position continues to improve as the value of its asset base increases at a proportionately higher rate than the annual depreciation expense.

After allowing for depreciation and a loss on disposal of \$186,000, the Commission had an operating surplus of \$218,000 which will be available to fund future works.

#### **Customer consultation**

The Commission did not convene a meeting of the Border Rivers Water Services Advisory Committee during the year as there were no operational concerns requiring discussion.

#### **Institutional reform investigations**

Late in the year the Murray-Darling Basin Officials Committee commenced planning for stage two of its Review of the Murray-Darling Basin Agreement which, the Commission understands, will include a consultancy to look further at the costs and potential benefits of integrating the functions and assets of the Commission into the Murray-Darling Basin Authority. The Commission will assist the consultants to undertake the work following their engagement in 2011-12.

#### **Arrangements for the provision of services to the Commission**

Discussions with the Queensland water service provider, SunWater Limited, about the arrangements under which it provides facility management services to the Commission, continued during the year.

### **Website**

The Commission's website at [www.brc.gov.au](http://www.brc.gov.au) was updated as required during the year to include the latest editions of the Commission's Annual Report and Annual Statistics report. Copies of the Annual Statistics dating back to the first year of publication in 1999 were also made available on the site.

### **Consultants**

Because the Commission is not a corporate body it is not able to enter into a contracts with consultants itself. Any consultants providing services to the Commission are engaged on the Commission's behalf by one or other of the states' water service providers or by the relevant state government department in either New South Wales or Queensland.

During 2010-11 SunWater Limited engaged consultants Brandon and Associates to conduct an audit of the Strategic Asset Management Plan and Cardno (Queensland) Pty Ltd to revalue the Commission's assets.

### **Insurance**

The Commission's assets are insured under policies held on the Commission's behalf by the Queensland Department of Environment and Resource Management and the New South Wales Office of Water through the Queensland Government Insurance Fund (QGIF) and the New South Wales Treasury Managed Fund (TMF) respectively. The cover held by the departments on behalf of the Commission also covers the Commission, its servants and the departments with respect to a public liability claim.

### **Internal audit and risk management**

The Commission has in place a three part strategy for managing risk. 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 relevant Queensland or New South Wales department undertakes an internal audit of the Commission's financial process and practices on its behalf. Finally, the Commission's operations and maintenance contractor, SunWater, is required to manage a risk management system relating to the infrastructure it manages on the Commission's behalf.

The Commission held two workshops during 2011-12 to review and, where necessary, develop action plans and risk management strategies to address the high level risks identified.

The Commission is aware of the requirements of the *Internal Audit and Risk Management Policy for the NSW Public Sector* issued in 2009 by New South Wales Treasury and has instigated investigations into how the Commission, which is a very small statutory authority, will achieve compliance. During 2011-12 the Commission will seek expert advice from the relevant New South Wales and Queensland departments about the design and delivery of a "compliant" internal audit process for the Commission.

### **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 freedom of information or 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 Environment and Resource Management and the New South Wales Office of Water. No complaints were received during the year.

### **Queensland Carers (Recognition) Act 2008**

The Commission ensures awareness of the Carers Charter by providing copies to Commissioners and to Commission officers. The Commission does not provide services or make strategic policy or planning decisions which affect or are relevant to carers or the persons they care for.

### ***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 Environment and Resource Management and the New South Wales Office of Water

### ***Production of the annual report***

The cost of printing the 2010-11 Annual Report and 2010-11 Annual Statistics was \$8.42 and \$6.66 per copy respectively.

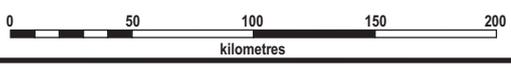
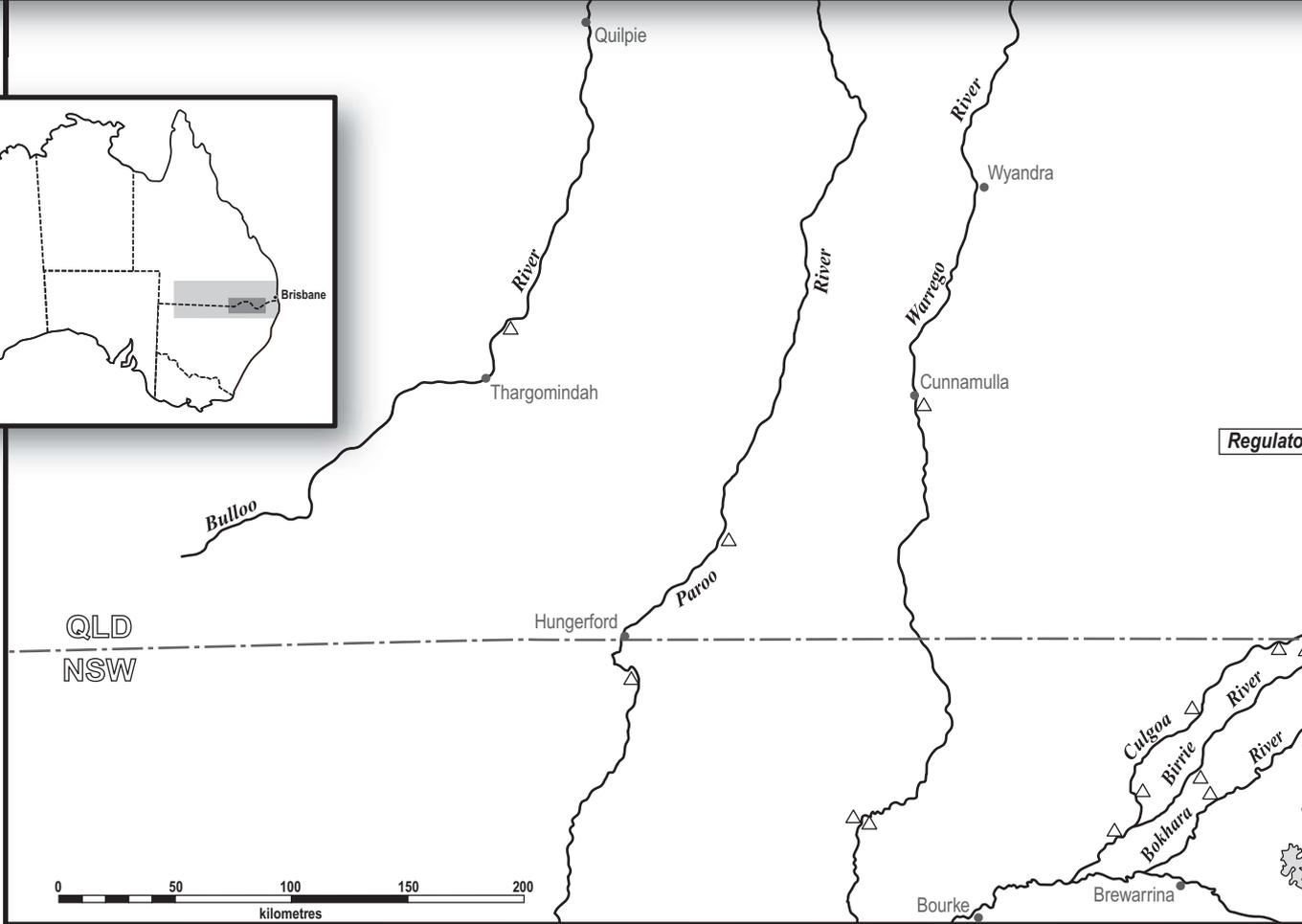
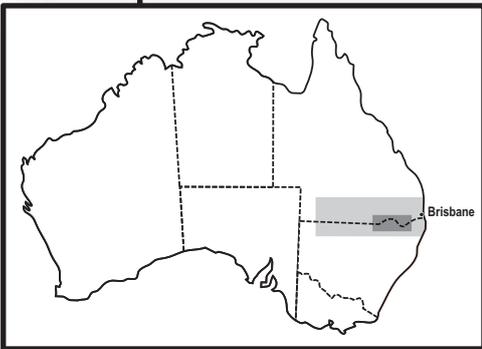
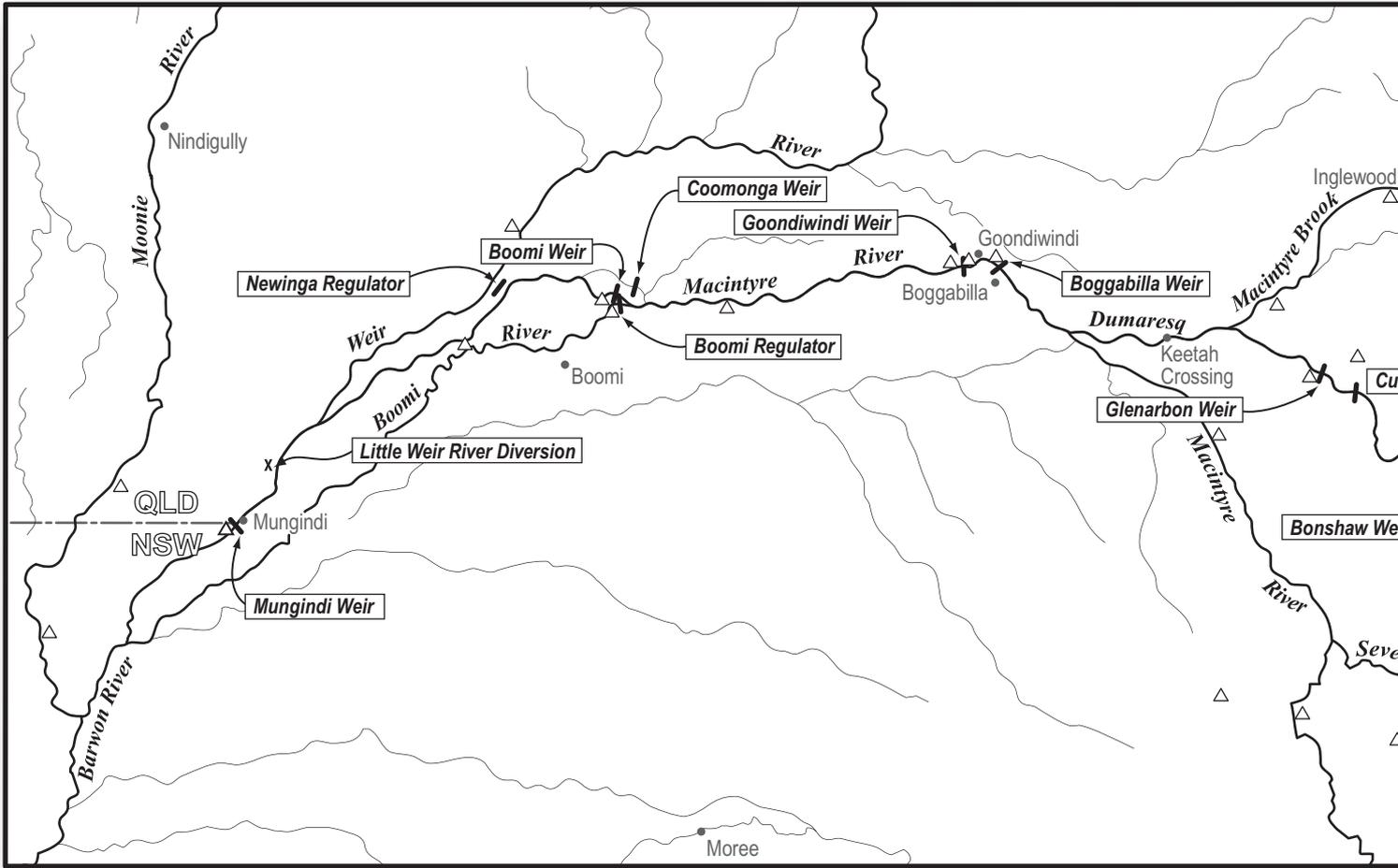
### ***Copies of annual report***

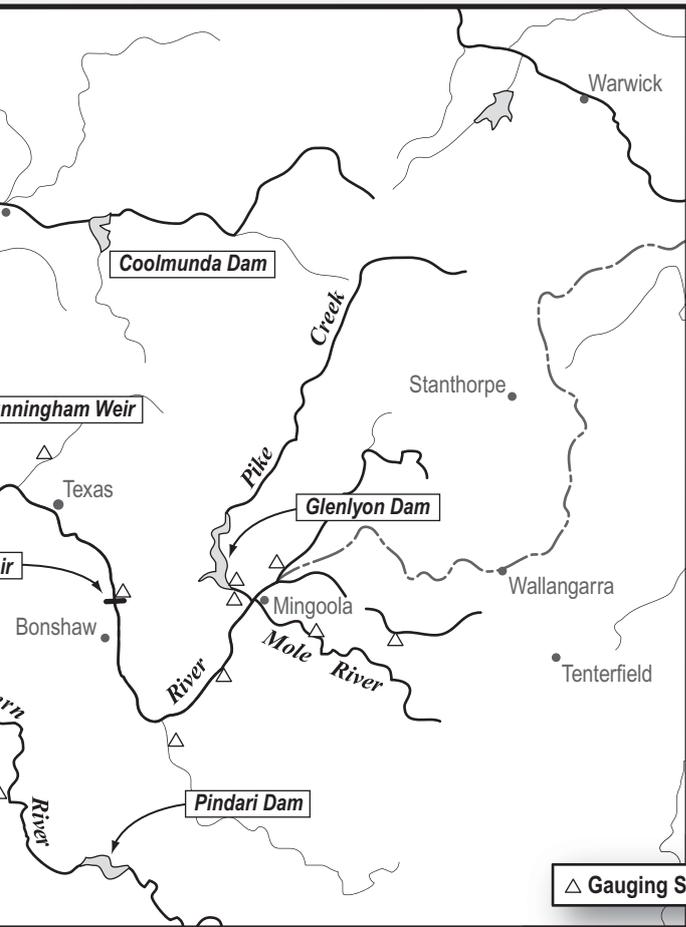
Paper copies of the Commission's annual report may be obtained by contacting the Secretary of the Dumaresq-Barwon Border Rivers Commission at 203 Tor St or PO Box 318 Toowoomba Q 4350, by phoning 07 4529 1242 or by email at [brc@derm.qld.gov.au](mailto:brc@derm.qld.gov.au). Alternately the Commission's annual report may be viewed on or downloaded from the Commission's website. The address of the Commission's website is [www.brc.gov.au](http://www.brc.gov.au).

### **FUTURE DIRECTIONS**

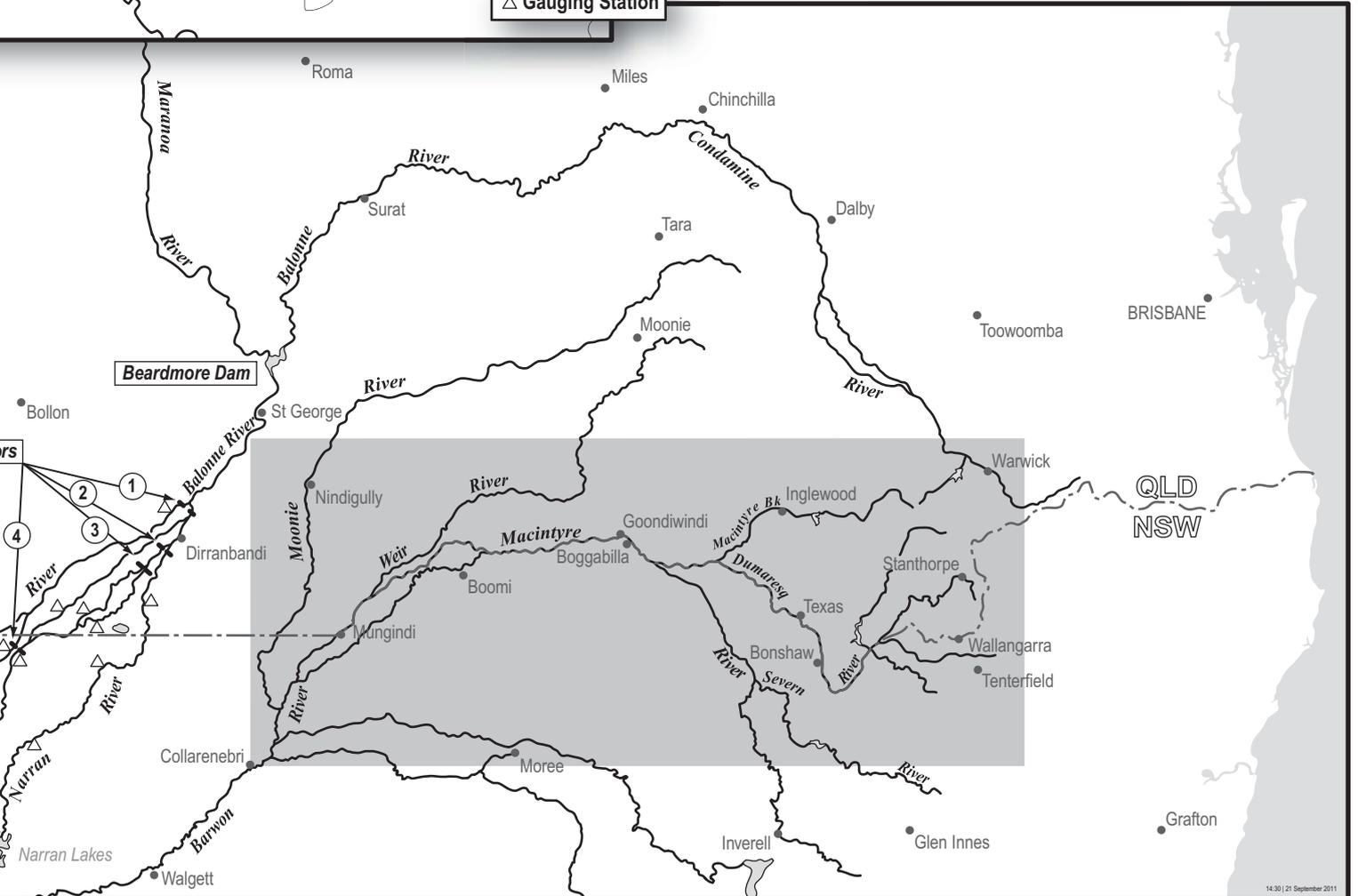
Significant projects/activities in relation to our business and our customers which will be commenced and/or completed during 2011-12 include:

- a consultancy to investigate and identify the constraints affecting the Commission's ability to effectively undertake its statutory responsibilities
- the provision of information and assistance to the consultants engaged by the Murray-Darling Basin Officials Committee to look further at the costs and potential benefits of integrating the functions and assets of the Commission into the Murray-Darling Basin Authority
- formalisation of the arrangements under which SunWater Limited provides facility management services to the Commission
- completion of an update of the Commission's Policy Dossier
- completion of Key Performance Targets for both short-term and longer-term objectives





# DUMARESQ - BARWON BORDER RIVERS COMMISSION OPERATIONS AREAS





# Financial Statements for the year ended 30 June 2011

Statement by the Commissioners..... 20

Independent Audit Report..... 21

Statement of comprehensive income ..... 23

Statement of financial position..... 24

Statement of changes in equity ..... 25

Statement of cash flows ..... 26

Notes to the financial statements ..... 27

# Dumaresq-Barwon Border Rivers Commission

## Statement by the Commissioners



### Dumaresq-Barwon Border Rivers Commission

#### Certificate under Section 41C (1B) and (1C) of the Public Finance and Audit Act 1983 and under clause 7 of the Public Finance and Audit Regulation 2010

Pursuant to the *Public Finance and Audit Act 1983* and under clause 7 of the *Public Finance and Audit Regulation 2010*, we declare that in our opinion:

- (a) The accompanying financial statements exhibits a true and fair view of the financial position of the Dumaresq-Barwon Border Rivers Commission as at 30 June 2011, and financial performance for the year then ended.
- (b) The report has been prepared in accordance with :
  - applicable Australian Accounting Standards (which include Australian Accounting Interpretations) and other authoritative pronouncements of the Australian Accounting Standard Board; and
  - the provisions of the *Public Finance and Audit Act 1983* and under clause 7 of *Public Finance and Audit Regulation 2010*.
- (c) As at the date of this Certificate, there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Signed in accordance with a resolution of the Chairman and NSW Commissioner:

Mr Warren Martin  
Chairman

Date: 16.09.2011

Mr Peter Christmas  
NSW Commissioner

Date: 16 Sep 2011

# Independent Audit Report



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

### Dumaresq-Barwon Border Rivers Commission

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Dumaresq-Barwon Border Rivers Commission (the Commission), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

#### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Commission as at 30 June 2011, and of its financial performance for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

#### The Commissioners' Responsibility for the Financial Statements

The Commissioners' are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the Commissioners' determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Commissioners', as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Commission
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

#### Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



M T Spriggins  
Director, Financial Audit Services

20 September 2011  
SYDNEY

## DUMARESQ-BARWON BORDER RIVERS COMMISSION

### Statement of comprehensive income for the year ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
<b>Expenses excluding losses</b>			
Administrative allowances	2a	22	16
Insurance expense	2b	39	61
Fees for services	2c	2,145	1,833
Depreciation	2d	1,044	1,047
Other expenses	2e	20	13
<b>Total expenses excluding losses</b>		<b>3,270</b>	<b>2,970</b>
<b>Revenue</b>			
Contributions by the states	3a	2,200	2,200
Investment revenue	3b	215	157
Other revenue	3c	29	19
<b>Total revenue</b>		<b>2,444</b>	<b>2,376</b>
<b>Gain(loss) on disposal</b>	6	<b>(186)</b>	<b>-</b>
<b>DEFECIT FOR THE YEAR</b>		<b>(1,012)</b>	<b>(594)</b>
<b>Other comprehensive income</b>			
Net increase/(decrease) in property, plant and equipment asset revaluation reserve	6	70,734	445
<b>Other comprehensive income for the year</b>		<b>70,734</b>	<b>445</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>69,722</b>	<b>(149)</b>
<b>Total comprehensive income attributable to:</b>			
Department of Trade and Investment, Regional Infrastructure and Services - NSW Office of Water (NSW)		34,861	(75)
Department of Environment and Resource Management (Qld)		34,861	(75)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>69,722</b>	<b>(149)</b>

*The accompanying notes form part of these financial statements.*

## DUMARESQ-BARWON BORDER RIVERS COMMISSION

### Statement of financial position as at 30 June 2011

	Notes	2011 \$'000	2010 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	3,284	3,007
Receivables	5	67	68
<b>Total Current Assets</b>		<b>3,351</b>	<b>3,075</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	6		
- Land and buildings		2,454	2,258
- Plant and equipment		7	9
- Infrastructure systems		136,496	67,186
Total property, plant and equipment		138,957	69,453
<b>Total Non-Current Assets</b>		<b>138,957</b>	<b>69,453</b>
<b>Total Assets</b>		<b>142,308</b>	<b>72,528</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	7	348	290
<b>Total Current Liabilities</b>		<b>348</b>	<b>290</b>
<b>Total Liabilities</b>		<b>348</b>	<b>290</b>
<b>Net Assets</b>		<b>141,960</b>	<b>72,238</b>
<b>EQUITY</b>			
Accumulated funds	8	13,443	14,455
Asset revaluation reserve		128,517	57,783
<b>Total Equity</b>	8	<b>141,960</b>	<b>72,238</b>

*The accompanying notes form part of these financial statements.*

## DUMARESQ-BARWON BORDER RIVERS COMMISSION

### Statement of changes in equity for the year ended 30 June 2011

	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
<b>Balance at 1 July 2010</b>		14,455	57,783	72,238
<b>Surplus/(deficit) for the year</b>		(1,012)	-	(1,012)
<b>Other comprehensive income:</b>				
Revaluation increments in property, plant and equipment		-	70,734	70,734
<b>Total other comprehensive income</b>		-	70,734	70,734
<b>Total comprehensive income for the year</b>		<b>(1,012)</b>	<b>70,734</b>	<b>69,722</b>
<b>Balance at 30 June 2011</b>	8	<b>13,443</b>	<b>128,517</b>	<b>141,960</b>
<b>Balance at 1 July 2009</b>		15,049	57,338	72,387
<b>Surplus/(deficit) for the year</b>		(594)	-	(594)
<b>Total other comprehensive income</b>		-	445	445
<b>Total comprehensive income for the year</b>		<b>(594)</b>	<b>445</b>	<b>(149)</b>
<b>Balance at 30 June 2010</b>	8	<b>14,455</b>	<b>57,783</b>	<b>72,238</b>

*The accompanying notes form part of these financial statements.*

## DUMARESQ-BARWON BORDER RIVERS COMMISSION

### Statement of cash flows for the year ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Insurance		(39)	(61)
Payments for services		(2,109)	(1,847)
Other		(20)	(13)
<b>Total Payments</b>		<b>(2,168)</b>	<b>(1,921)</b>
<b>Receipts</b>			
Contributions by the states		2,200	2,200
Rental income		34	29
Interest received		215	157
Other		(4)	(3)
<b>Total Receipts</b>		<b>2,445</b>	<b>2,383</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	9	<b>277</b>	<b>462</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of land and buildings, plant and equipment and infrastructure systems	6	-	(127)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>-</b>	<b>(127)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>			
Opening cash and cash equivalents		3,007	2,672
Net increase in cash		277	335
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	4	<b>3,284</b>	<b>3,007</b>

*The accompanying notes form part of these financial statements.*

# DUMARESQ-BARWON BORDER RIVERS COMMISSION

## Notes to the financial statements

### Objectives and principal activities of the Commission

The objective of the Dumaresq-Barwon Border Rivers 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) Basis of accounting

The Commission's financial statements are general purpose financial statements which have been prepared in accordance with:

- (i) applicable Australian Accounting Standards (which include Australian Accounting Interpretations) and
- (ii) the requirements of the *Public Finance and Audit Act 1983* and *Regulation 2010*.

Judgements, key assumptions and estimations made by management are disclosed in the relevant notes to the financial statements.

Except for land, buildings and infrastructure systems, which are recorded at fair value, the financial statements are prepared in accordance with the historical cost convention.

#### (b) The reporting entity

The Commission is a not-for-profit entity.

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).

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 support to be provided by the officer of the Department of Environment and Resource Management (Queensland) and accounting support to be provided by the Department of Trade and Investment, Regional Infrastructure and Services (NSW). Prior to this current arrangement, the Department of Environment and Resource Management (Queensland) provided secretarial support and Department of Environment, Climate Change and Water provided accounting support.

The financial statements have been authorised for issue by the Commission on 13 September 2011.

#### (c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

#### (d) Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured. The following specific criteria must also be met before income is recognised:

##### (i) Interest

Interest income is recognised as it accrues.

##### (ii) Grants and contributions

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

##### (iii) 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.

# DUMARESQ-BARWON BORDER RIVERS COMMISSION

## Notes to the financial statements

### 1 Summary of Significant Accounting Policies (continued)

#### (e) Cash and cash equivalents

For the purposes of the Statement of financial position and the Statement of cash flows, cash assets include cash at bank and cash on hand. It also includes the Queensland Treasury Corporation capital guaranteed cash fund investment that is convertible readily 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 nominal amounts due at the time of sale or service delivery. Settlement on these amounts is required within 14 days from invoice date. An allowance for impairment has not been established as it is considered by the Commission that all debts owing are recoverable.

#### (g) Acquisition of assets

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the 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 AASB116 *Property, Plant and Equipment*.

#### (h) Property, plant and equipment capitalisation thresholds

Items of property, plant and equipment, with a cost 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
Other (including heritage and cultural)	\$5,000

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

#### (i) Revaluations of property, plant and equipment

Land, buildings, infrastructure, major plant and equipment are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment*, NSW Treasury's "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper and Queensland Treasury's (TPP07-01) *Non-Current Asset Accounting Policies for the Queensland Public Sector*.

Plant and equipment, other than water infrastructure systems, are measured at cost. The carrying amounts for plant and equipment at cost should not materially differ from their fair value.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural legal, financial and sociopolitical environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

The Commission revalues each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The latest revaluation was completed by Cardno Pty Ltd on 30 June 2011 and was based on an independent assessment.

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

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

# DUMARESQ-BARWON BORDER RIVERS COMMISSION

## Notes to the financial statements

### 1 Summary of Significant Accounting Policies (continued)

#### (i) Revaluations of property, plant and equipment (continued)

The recoverable amount test has not been applied, as the Commission is a not-for-profit entity and the service potential of its non-current assets is not dependent on their ability to generate net cash inflows.

#### (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.

#### (k) Amortisation and depreciation of intangibles and 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.

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:

Asset category	Number of years
<b>Buildings:</b>	
Buildings - workshop/depot	50
Buildings - houses/office complex	75
<b>Water infrastructure:</b>	
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
<b>Plant &amp; equipment:</b>	
Plant & equipment (at cost)	3-10

#### (l) Impairment of non-current assets

As a not-for-profit entity with no cash generating units, the Commission is effectively exempted from AASB 136 *Impairment of Assets and Impairment Testing*. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

#### (m) Payables

Trade creditors are recognised upon the receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled within 14 to 30 days of invoice date.

#### (n) 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. Premiums are paid on a risk assessment basis.

#### (o) Employee benefits

The Commission does not employ any staff on a permanent basis. The staff used by the Commission are employed by the 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 "Fees for services".

#### (p) Critical accounting estimates

##### (i) Significant accounting judgement

In the preparation of the financial statements, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

# DUMARESQ-BARWON BORDER RIVERS COMMISSION

## Notes to the financial statements

### 1 Summary of significant accounting policies (continued)

#### (i) Significant accounting judgement (continued)

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may vary from these estimates.

Key judgements are disclosed as part of accounting policies notes.

#### (ii) Significant accounting estimates and assumptions

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements made by management in the application of the Australian Accounting Standards that have significant effects on the financial statements and estimates, with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

#### (q) 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.

#### (r) Rounding

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest thousand.

#### (s) Comparative

Except when an Australian Accounting Standards permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

#### (t) New Australian Accounting Standards issued but not effective

At reporting date, the following list of Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board had been issued, but were not yet operative. The accounting standard has not been early adopted by the Commission on the basis that NSW Treasury Mandate (TC 10/08) precludes this.

Accounting Standard	Issue date	Application date for annual reporting periods beginning on or after
AASB 9 Financial Instruments	December 2009	1 January 2013
AASB 10 Consolidated Financial Statements	August 2011	1 January 2013
AASB 11 Joint Arrangements	August 2011	1 January 2013
AASB 12 Disclosure of Interests in Other Entities	August 2011	1 January 2013
AASB 124 Related Party Disclosures	December 2009	1 January 2011
AASB 127 Separate Financial Statements	August 2011	1 January 2013
AASB 128 Investments in Associates and Joint Ventures	August 2011	1 January 2013
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9	December 2009	1 January 2013
AASB 2009-12 Amendments to Australian Accounting Standards	December 2009	1 January 2011
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	June 2010	1 July 2013
AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	June 2010	1 July 2011
AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards	August 2011	1 January 2013

The Commission has assessed these new accounting standards and it is anticipated that, other than matters pertaining to presentation, there will be no material impact from their adoption in future periods in the financial statements.

# DUMARESQ-BARWON BORDER RIVERS COMMISSION

## Notes to the financial statements

	2011 \$'000	2010 \$'000
<b>2 Expenses Excluding Losses</b>		
<b>(a) Employee related expenses</b>		
Administrative allowances	19	14
Superannuation	2	1
Other expenses	1	1
	<u>22</u>	<u>16</u>
<b>(b) Insurance</b>		
NSW insurance	-	22
Qld insurance	39	39
	<u>39</u>	<u>61</u>
<b>(c) Fees for services</b>		
Department of Trade and Investment, Regional Infrastructure and Services - NSW Office of Water (NSW)	547	534
State Water Corporation (NSW)	107	96
Department of Environment and Resource Management (Qld)	447	452
SunWater Limited (Qld)	1,044	751
	<u>2,145</u>	<u>1,833</u>
<b>(d) Depreciation</b>		
Buildings	15	15
Infrastructure	1,027	1,031
Plant and equipment	2	1
	<u>1,044</u>	<u>1,047</u>
<b>(e) Other expenses</b>		
Audit fee-financial statements	15	8
Bank fees and charges	4	4
Other expenses from ordinary activities	1	1
	<u>20</u>	<u>13</u>
The auditors received no other benefits		
<b>3 Revenue</b>		
<b>(a) Contributions by the states</b>		
Department of Trade and Investment, Regional Infrastructure and Services - NSW Office of Water (NSW)	1,100	1,100
Department of Environment and Resource Management (Qld)	1,100	1,100
	<u>2,200</u>	<u>2,200</u>
<b>(b) Investments revenue</b>		
Interest on QTC investment	215	157
	<u>215</u>	<u>157</u>
<b>(c) Other revenue</b>		
Rental income - Glenlyon Dam	28	14
Rental income - Boggabilla Weir	1	-
Rental income - other	-	5
	<u>29</u>	<u>19</u>

# DUMARESQ-BARWON BORDER RIVERS COMMISSION

## Notes to the financial statements

### 4 Current Assets - Cash and Cash Equivalents

	2011 \$'000	2010 \$'000
Cash at bank and on hand	16	18
At call interest bearing investment	3,268	2,989
<b>Closing cash and cash equivalents</b>	<b>3,284</b>	<b>3,007</b>

Investments deposited with the Westpac Banking Corporation earned interest at rates 0.01%. (2009-10: Westpac Banking Corporation 0.01%).

Investments deposited with the Queensland Treasury Corporation capital guaranteed fund earned interest at rates between 5.21% to 5.71%. (2009-10: Queensland Treasury Corporation 3.36% to 5.28%).

Refer Note 11 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

### 5 Current Assets - Receivables

	2011 \$'000	2010 \$'000
Sundry debtors	-	5
Goods and Services Tax recoverable from ATO	67	63
	<b>67</b>	<b>68</b>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 11.

### 6 Non-Current Assets - Property, Plant and Equipment

	2011 \$'000	2010 \$'000
Buildings (at valuation)	1,105	1,158
less: accumulated depreciation	(327)	(551)
	<b>778</b>	<b>607</b>
Water infrastructure systems - WIP (at valuation)	95	127
	<b>95</b>	<b>127</b>
Water infrastructure systems (at valuation)	190,966	99,551
less: accumulated depreciation	(54,565)	(32,492)
	<b>136,401</b>	<b>67,059</b>
Land (at valuation)	1,676	1,651
	<b>1,676</b>	<b>1,651</b>
Plant and equipment (at cost)	23	23
less: accumulated depreciation	(16)	(14)
	<b>7</b>	<b>9</b>
<b>Total property, plant and equipment</b>	<b>138,957</b>	<b>69,453</b>

# DUMARESQ-BARWON BORDER RIVERS COMMISSION

## Notes to the financial statements

### 6 Non-Current Assets - Property, Plant and Equipment (continued)

	Buildings \$'000	Water Infrastructure Systems \$'000	Land \$'000	Plant and Equipment \$'000	Total \$'000
<b>At 30 June 2010 - fair value</b>					
Gross carrying amount	1,158	99,678	1,651	23	102,510
Accumulated depreciation	(551)	(32,492)	-	(14)	(33,057)
Net carrying amount	607	67,186	1,651	9	69,453

<b>At 30 June 2011 - fair value</b>					
Gross carrying amount	1,105	191,061	1,676	23	193,865
Accumulated depreciation	(327)	(54,565)	-	(16)	(54,908)
Net carrying amount	778	136,496	1,676	7	138,957

#### Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of current reporting period is set out below:

#### Year ended 30 June 2011

Net carrying amount at 1 July 2010	607	67,186	1,651	9	69,453
Acquisitions	-	-	-	-	-
Revaluation increments	186	70,523	25	-	70,734
Depreciation	(15)	(1,027)	-	(2)	(1,044)
Disposal	-	(186)	-	-	(186)
<b>Net carrying amount at 30 June 2011</b>	<b>778</b>	<b>136,496</b>	<b>1,676</b>	<b>7</b>	<b>138,957</b>

#### At 30 June 2009 - fair value

Gross carrying amount	1,151	98,898	1,650	23	101,722
Accumulated depreciation	(533)	(31,248)	-	(13)	(31,794)
Net carrying amount	618	67,650	1,650	10	69,928

#### At 30 June 2010 - fair value

Gross carrying amount	1,158	99,678	1,651	23	102,510
Accumulated depreciation	(551)	(32,492)	-	(14)	(33,057)
Net carrying amount	607	67,186	1,651	9	69,453

#### Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of current reporting period is set out below:

#### Year ended 30 June 2010

Net carrying amount at 1 July 2009	618	67,650	1,650	10	69,928
Acquisitions	-	127	-	-	127
Revaluation increments	4	440	1	-	445
Depreciation	(15)	(1,031)	-	(1)	(1,047)
<b>Net carrying amount at 30 June 2010</b>	<b>607</b>	<b>67,186</b>	<b>1,651</b>	<b>9</b>	<b>69,453</b>

# DUMARESQ-BARWON BORDER RIVERS COMMISSION

## Notes to the financial statements

### 7 Current Liabilities - Payables

	2011 \$'000	2010 \$'000
Accrued expenditure	337	284
Accrued audit fees	11	6
	<u>348</u>	<u>290</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 11.

### 8 Changes in Equity

	Accumulated Funds		Asset Revaluation Reserve		Total Equity	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Balance at beginning of year</b>	<b>14,455</b>	<b>15,049</b>	<b>57,783</b>	<b>57,338</b>	<b>72,238</b>	<b>72,387</b>
<b>Changes in equity - other than transactions with owners as owners</b>						
Increment on revaluation of:						
Land and buildings	-	-	211	5	211	5
Infrastructure assets	-	-	70,523	440	70,523	440
Deficit for the year	(1,012)	(594)	-	-	(1,012)	(594)
<b>Total changes in equity</b>	<b>(1,012)</b>	<b>(594)</b>	<b>70,734</b>	<b>445</b>	<b>69,722</b>	<b>(149)</b>
<b>Balance at end of year</b>	<b>13,443</b>	<b>14,455</b>	<b>128,517</b>	<b>57,783</b>	<b>141,960</b>	<b>72,238</b>

### 9 Reconciliation of net operating result to net cash provided by (used in) operating activities

	2011 \$'000	2010 \$'000
Net operating result	(1,012)	(594)
Depreciation	1,044	1,047
Write off assets	186	-
Decrease in accounts receivable	1	7
Increase in accounts payable	58	2
<b>Net cash provided by (used in) operating activities</b>	<b>277</b>	<b>462</b>

# DUMARESQ-BARWON BORDER RIVERS COMMISSION

## Notes to the financial statements

### 10 Contingent Liabilities

	2011	2010
Number of cases	1	1

During 2009-10, in accordance with the requirements of the Queensland Dam Safety Regulator, the Commission completed an Acceptable Flood Capacity Assessment for Glenlyon Dam. Using the "fallback" option it was found the current maximum capacity of the spillway at Glenlyon Dam is currently 73% of the Acceptable Flood Capacity under the Queensland's Guidelines for Acceptable Flood Capacity of Dams, February 2007. Under those guidelines it will be necessary for the Commission to upgrade the spillway capacity to at least 75% of the Acceptable Flood Capacity by 2025 and to 100% of the Acceptable Flood Capacity by 2035. SunWater Limited, who undertook the investigation on the Commission's behalf, recommended that for cost effectiveness a single stage upgrade be undertaken at Glenlyon Dam to increase the capacity of the spillway to 100% of the Acceptable Flood Capacity by 2025. The cost of the upgrade to Acceptable Flood Capacity is estimated to be \$11M. The Commission has not yet entered into a contract to undertake the work.

### 11 Financial Instruments

The Commission's principal financial instruments are outlined below. These financial instruments arise directly from the Commission's operations or are required to finance 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.

#### (a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount	
			2011 \$'000	2010 \$'000
<b>Class:</b>				
Cash and cash equivalents	4	N/A	3,284	3,007
Receivables <sup>1</sup>	5	Receivables	-	5
			<b>3,284</b>	<b>3,012</b>

Financial Liabilities	Note	Category	Carrying Amount	
			2011 \$'000	2010 \$'000
<b>Class:</b>				
Payables <sup>2</sup>	7	Financial liabilities measured at amortised cost	348	290
			<b>348</b>	<b>290</b>

Notes:

1. Excludes statutory receivables and prepayments (ie not within scope of AASB 7)
2. Excludes statutory payables and unearned revenue (ie not within scope of AASB 7)

# DUMARESQ-BARWON BORDER RIVERS COMMISSION

## Notes to the financial statements

### 11 Financial Instruments (continued)

#### (b) 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. Collectibility 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. Sales are made on 14 day terms.

An allowance for impairment has not been established as it is considered by the Commission that all debts owing are recoverable.

The only trade debtor financial assets that are past due or impaired are 'sales of goods and services' in the 'receivables' category of the Statement of financial position.

	\$'000		
	Total <sup>1,2</sup>	Past due but not impaired <sup>1,2</sup>	Considered Impairment <sup>1,2</sup>
<b>2011</b>			
< 3 months overdue	-	-	-
3 months – 6 months overdue	-	-	-
> 6 months overdue	-	-	-
<b>2010</b>			
< 3 months overdue	5	5	-
3 months – 6 months overdue	-	-	-
> 6 months overdue	-	-	-

##### Notes

1 Each column in the table reports "gross receivables".

2 The ageing analysis excludes statutory receivables, as there are not within the scope of AASB7 and excludes receivables that past due and not impaired. Therefore, the "total" will not reconcile to receivables total recognised in the statement of financial position.

#### (c) 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. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. During the year there were no interest charges for late payment.

The table below summarises the maturity profile of the Commission's financial liabilities, together with the interest rate exposure.

# DUMARESQ-BARWON BORDER RIVERS COMMISSION

## Notes to the financial statements

### 11 Financial Instruments (continued)

	Weighted Average Rate %	Nominal Amount <sup>1</sup> \$'000	Interest Rate Exposure			Maturity Dates			Total \$'000
			Fixed Interest Rate	Variable Interest Rate	Non-interest Bearing \$'000	1 year or less \$'000	1 to 5 years \$'000	Greater than 5 years \$'000	
<b>30 June 2011</b>									
Payables	-	348	-	-	348	348	-	-	348
		<b>348</b>	<b>-</b>	<b>-</b>	<b>348</b>	<b>348</b>	<b>-</b>	<b>-</b>	<b>348</b>
<b>30 June 2010</b>									
Payables	-	290	-	-	290	290	-	-	290
		<b>290</b>	<b>-</b>	<b>-</b>	<b>290</b>	<b>290</b>	<b>-</b>	<b>-</b>	<b>290</b>

Note:

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities and therefore may not reconcile to the Statement of financial position.

#### (d) 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 minimises this risk by having the majority of its monies invested with the Qld Treasury Corporation. The Commission uses a reasonably possible change of +/- 1% to assess its exposure to interest rate risk, which is consistent with trends in interest rates. The analysis is performed on the same basis as for 2010. The Commission's exposure to interest rate risk is set out below.

	Carrying Amount \$'000	-1%		1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>2011</b>					
<i>Financial assets</i>					
Cash and cash equivalents	3,284	(33)	(33)	33	33
Receivables	-	-	-	-	-
<i>Financial liabilities</i>					
Payables	348	-	-	-	-
<b>2010</b>					
<i>Financial assets</i>					
Cash and cash equivalents	3,007	(30)	(30)	30	30
Receivables	5	-	-	-	-
<i>Financial liabilities</i>					
Payables	290	-	-	-	-

### 12 Commitments for Expenditure

The Commission is not aware of any commitments for expenditure for year 2010-2011 and year 2009-2010.

### 13 After Balance Date Events

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

**End of audited financial statements**

# Notes