

*Dumaresq-Barwon
Border Rivers Commission*



*Annual Report
2014-15*

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 2015.

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

The Honourable Dr Anthony Lynham, MP
Minister for State Development and Minister for Natural Resources and Mines
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 2014-15.

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

Paul Sanders
A/Commissioner for Queensland



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

The Honourable Niall Blair, MLC
Minister for Primary Industries and Minister for Lands and Water
GPO Box 5341
SYDNEY NSW 2001

Dear Mr Blair,

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 2015.

Yours sincerely

Paul Simpson
Deputy Commissioner for
New South Wales



Vale Ross Wayne Krebs

On the 28th July 2015, the Commission lost a valuable colleague when Ross Krebs, Commissioner representing Queensland, passed away after a short battle with Motor Neurone Disease.

Ross was a Commissioner for nine years from 2007 and provided immeasurable input and knowledge to the Commission during that time. He was well known throughout the border region and was admired for his resolve and tenacity to get a favourable outcome on issues, not just for Queensland, but for the border rivers as a whole.

Ross's presence and direction will be sorely missed by the Commission and its members.

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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 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.

2014-15 at a glance

Meetings

- The Commission met once during the year and dealt with all other business out-of-session. The Commission did not have a quorum from October 2014 to June 2015, awaiting governments' approval of appointment of a Chair.

Operating environment

- The Commission undertook a series of activities to maintain and improve its operating environment. These included continuing with the Institutional Reform process and funding the development of a new Border Rivers Groundwater model for the shared alluvial resource.

Emergency event operations

- With Glenlyon Dam remaining below 40% capacity throughout the year, there were no flows over the spillway and subsequently no flow emergency events recorded. No water quality or environmental emergencies occurred.

Water Sharing

- With Glenlyon Dam commencing the year at approximately 40% capacity, limited volumes of regulated water were available to be extracted with 34.4 gigalitres and 8.1 gigalitres being diverted by New South Wales and Queensland respectively. These quantities fell within the approved allocations.
- Pumping from lows in the Border Rivers not regulated by a major dam) was again below average with 1.7 gigalitres of supplementary water and 28.6 gigalitres of unsupplemented water being taken from the Border Rivers by New South Wales and Queensland respectively, again within approved allocations.
- Groundwater use was above the average in recent years with 5.2 gigalitres and 6.6 gigalitres taken from the Dumaresq River alluvial groundwater by New South Wales and Queensland respectively. The groundwater monitoring network funded by the Commission showed there has been a downward trend in groundwater levels within the Border Rivers Alluvium over the last 12 months.

Resource Position

- At the end of 2014-15 Glenlyon Dam was down to 30% capacity with most private storages in the border region also low or empty.

Beardmore Dam environmental, stock and domestic releases and intersecting streams behaviour

- Releases of environmental, stock and domestic (ESD) water commenced on 22 December 2014 and included 500 ML of ESD water stored in the Dam prior to inflows commencing.
- The Warrego River received its first meaningful flow for nearly three years in December/January, which resulted in 103,000 megalitres passing Cunnamulla (i.e. approx. 20% of the mean annual flow).
- The 12 monthly flow in each of the other 6 intersecting stream catchments was also well below their respective mean annual flow volumes (i.e. 25% or less), which is an indication of the less than favourable weather conditions through the water year.

Financial position

- The Commission's net decrease in cash for 2014-15 was approximately \$250,000. At 30 June 2015, the Commission's accounts showed a total financial reserve of \$3,632,000.

Commissioners' Report

In the absence of a Chair, it is our pleasure, as the Acting and Deputy Commissioners representing Queensland and New South Wales, to present this report on behalf of the Commission.

The Dumaresq-Barwon Border Rivers Commission continued to manage its financial, water operations, water resource management and asset management responsibilities within the constraints of the current statutes and agreements during 2014-15.

Institutional Reform

Little progress was made during the year in relation to the Commission's recommendation that the states consider reforming the Dumaresq Barwon Border Rivers Commission to enable future water management of the Border Rivers system to function more effectively.

Water Resource Management

Oversight of the operational water management activities continued to be the responsibility of the *Border Standing Committee* and the Commission's *Management Committee* within their respective accountabilities. Both entities provided professional, timely and useful advice to Commissioners.

Monitoring of surface water and groundwater resources was continued by Queensland and New South Wales resource management agencies. Development of a new groundwater management model for the Border Rivers alluvium has continued with modellers from the Qld Department of Science, Information Technology and Innovation (DSITI) contracted to construct the model. It is expected that the model will be completed by March 2016.

There were no major environmental issues relating to river management or asset management. The border areas did not experience any climatic/hydrologic extremes and based on the states' advice there were neither any unforeseen flow regimes nor reports of water quality deterioration.

Financial

The Commission had a total financial reserve of \$3,632,000 as at 30 June 2015. Of this, approximately \$3.4 million is held in the Commission's investment account to fund future asset renewals.

Due to lower returns on this investment account and ever increasing operation, maintenance and asset renewal costs, at a meeting of the states' commissioners in June 2015, they determined that the Commission's Secretary request the two States to increase their share of the annual call-up from the 2016/17 financial year. This would be the first such increase in the annual call-up since 2007.

During 2014-15 the Commission contracted Cardno Pty Ltd, through SunWater, to undertake a revaluation of its assets and produce an Asset Management and Annuity Plan for the next 20 years. This plan supports the decision mentioned above to increase the Commission's annual call-up in order to meet its asset renewal costs.

The 2014-15 Financial Statements were found to be in order by the Queensland Audit Office.

River Operations and Asset Management

New South Wales and Queensland water corporations, (WaterNSW and SunWater) continued to provide river operations and asset management services on a fee-for-service basis. There were no emergencies throughout the year within the river management and asset management programmes.

The Commission thanks the Murray Darling Basin Authority for giving permission for the Commission to access the Authority's LIDAR information for use in its Dam Break Analysis for Glenlyon Dam. It is envisaged that this study, to be undertaken by SunWater, will be completed in the 2015/16 financial year.

2014-15 Resource Availability and Use

The Commission's primary water storage, Glenlyon Dam, commenced the year storing 96 GL (38%). Dry weather, combined with small inflows and releases for irrigation, saw the level in the dam continue to fall to 77 GL (30%) by the end of the year. The Bureau of Meteorology's forecast for 2015-16 is for continuation of dry conditions along the border region with lower than average rainfall.

Due to the poor water resource position throughout the water year, both in terms of available regulated resource and unregulated opportunity, the summer crop plantings were significantly less than normal. While the available regulated resource from the Border Rivers infrastructure is again at reduced levels, the outlook for summer crop plantings is far more encouraging than last year due to reasonable volumes of water currently being held in on farm storage.

The groundwater monitoring bores in both New South Wales and Queensland generally indicated there has been a downward trend in groundwater levels within the Border Rivers Alluvium over the last 12 months. This downward trend is not unexpected following the limited access to surface water and low levels of recharge over recent years. The Commission thanks SunWater and WaterNSW for their management of the Commission's works and delivery of water to the states during the year. We would also like to thank the Commission's Accountant, the Secretary/Project Officer, members of the Management Committee and other departmental staff from both States whose dedication and efforts during the year enabled the Commission to successfully complete its annual program of projects and works.



Paul Sanders
Acting Commissioner
Queensland



Paul Simpson
Deputy Commissioner
New South Wales

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) 1946 as ratified by the *New South Wales-Queensland Border Rivers Act 1946* (Queensland) and the *New South Wales-Queensland Border Rivers Act 1947* (New South Wales).

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
- the Border Rivers alluvial groundwater shared resource upstream from Keetah bridge to the junction of the Dumaresq and Mole Rivers.

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

Mr WH (Warren) Martin

Commissioner and Chair of the Commission

Mr Martin's term as Chairman ceased on 8 October 2014. It was decided by both States to re-appoint Mr Martin for a further period of two years. However, Mr Martin's re-appointment was not formally approved until 17 September 2015. 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

Mr Krebs was re-appointed to the position from 9 February 2012 until 8 February 2017. During 2014-15 Mr Krebs was Program Director, Murray Darling, South Region in the Queensland Department of Natural Resources and Mines.

Mr Krebs had been on extended sick leave since early in 2015 and sadly, on 28 July, passed away after a short battle with Motor Neurone Disease. Since Ross's absence, Deputy Commissioner Mr Paul Sanders has been Acting Commissioner representing Queensland.

Commissioner representing New South Wales

The position of Commissioner representing New South Wales has been vacant since the resignation of the former Commissioner on 30 October 2013.

The States' Deputy Commissioners

Mr PR (Paul) Sanders

Deputy Commissioner representing Queensland

Mr Sanders was appointed to the position from 13 June 2013 until 8 February 2017. During 2014-15 Mr Sanders was Regional Manager, Water Services, South Region in the Queensland Department of Natural Resources and Mines.

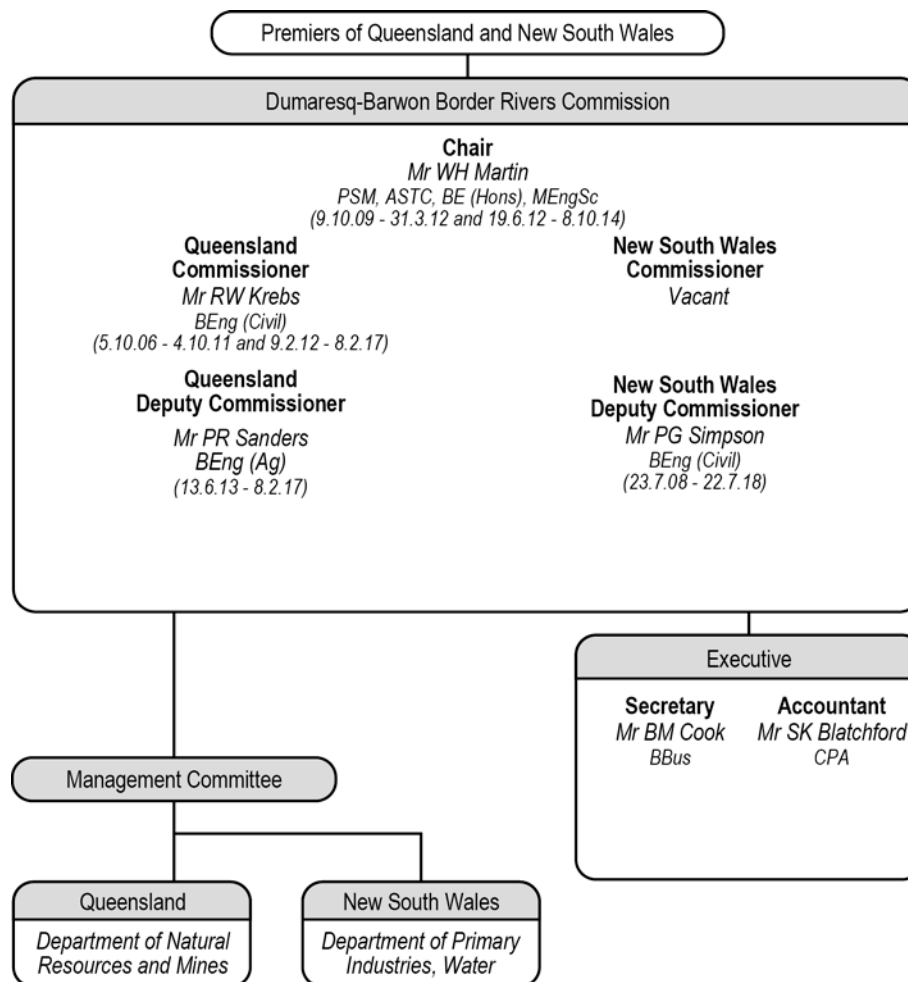
Mr PG (Paul) Simpson

Deputy Commissioner representing New South Wales

Mr Simpson was re-appointed to the position for the period from 22 July 2013 to 22 July 2018. During 2014-15 Mr Simpson was Manager, Surface Water Management in the New South Wales Department of Primary Industries, Water.

Administrative Support

Administrative support to the Commission was provided by its secretary Mr Brian Cook, and its accountant, Mr Stephen Blatchford. Mr Cook and Mr Blatchford are employees of the Queensland Department of Natural Resources and Mines.



Meetings

The Commission met formally on one occasion during the year. Meeting No 177 of the Commission was held in Sydney on 12 June 2015 with Deputy Commissioners Sanders and Simpson conducting the meeting. Former Chair, Mr Martin, attended this meeting as an invited observer. All other business during the year was conducted out-of-session.

Management committee

A management committee, comprising staff from the Queensland Department of Natural Resources and Mines, the Queensland Department of Energy and Water Supply and the New South Wales Department of Primary Industries, Water manages the day-to-day affairs of the Commission on its behalf.

During 2014-15 the management committee consisted of Ms AP (Anna) Bailey and Mr AJ (Andrew) Scott both of the New South Wales Department of Primary Industries, Water and Mr CA (Craig) Gordon of the Queensland Department of Energy and Water Supply and Mr SL (Steve) Goudie of the Queensland Department of Natural Resources and Mines. The chair of the management committee is traditionally rotated between the states at two yearly intervals with Mr Goudie being the chair in 2014-15.

The management committee met formally on two occasions during the year on 22 October 2014 and 13 May 2015. Other business during the year was conducted out-of-session.

Access

The Commission may be contacted through its secretary as follows:

The Secretary

Dumaresq-Barwon Border Rivers Commission

c/- Department of Natural Resources and Mines

PO Box 318

Toowoomba Q 4350

Phone: (07) 4529 1242

Fax: (07) 4529 1554

Email: brc@dnrm.qld.gov.au.

Web: 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 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, 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, WaterNSW, to provide asset facility management and river management services respectively on its behalf.

Further details of the infrastructure controlled by the Commission may be found in its report, *Annual Statistics 2014-15*, which is available from the Commission or from its web site.

KEY OUTCOMES DURING 2014-15

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, Standing 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.

The Commission has been given permission to access LIDAR information gathered by the Murray Darling Basin Authority to use in their revision of the Dam Break Analysis for Glenlyon Dam. It is envisaged that this revision will be completed in the 2015/16 financial year.

Emergency event operations

With Glenlyon Dam remaining well 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 significant water quality matters experienced during 2014-15.

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 Limited.

Asset management

The Commission undertook their annual scheduled maintenance programme with the majority of work being performed at Glenlyon Dam and Boggabilla Weir.

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. 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 50,000 people visited Glenlyon Dam during the year, which was a significant decrease over the previous year.

FUTURE DIRECTIONS

Works to be commenced, advanced and/or completed during 2015-16 include:

- continuing to seek governments' resolution of the submission made in 2014-15 to reform the institutional management of the Border Rivers Commission;
- continuing activity to revise the dam break analysis for Glenlyon Dam;
- conducting a five year comprehensive inspection of Glenlyon Dam and Boggabilla Weir;
- installation of a concrete plinth to strengthen Bonshaw Weir; and
- re-engineering of the outlet works at Whyenbah Bifurcation Weir.

Water resources 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 and water 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 underground water 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) 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 heights and 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 funded by 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 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.

In 2014-15, the Commission has continued to focus on reforms to the institutional framework under which it performs its statutory responsibilities. The Commission is of the opinion it is time to resolve a number of concerns within that framework, which the two governments need to address.

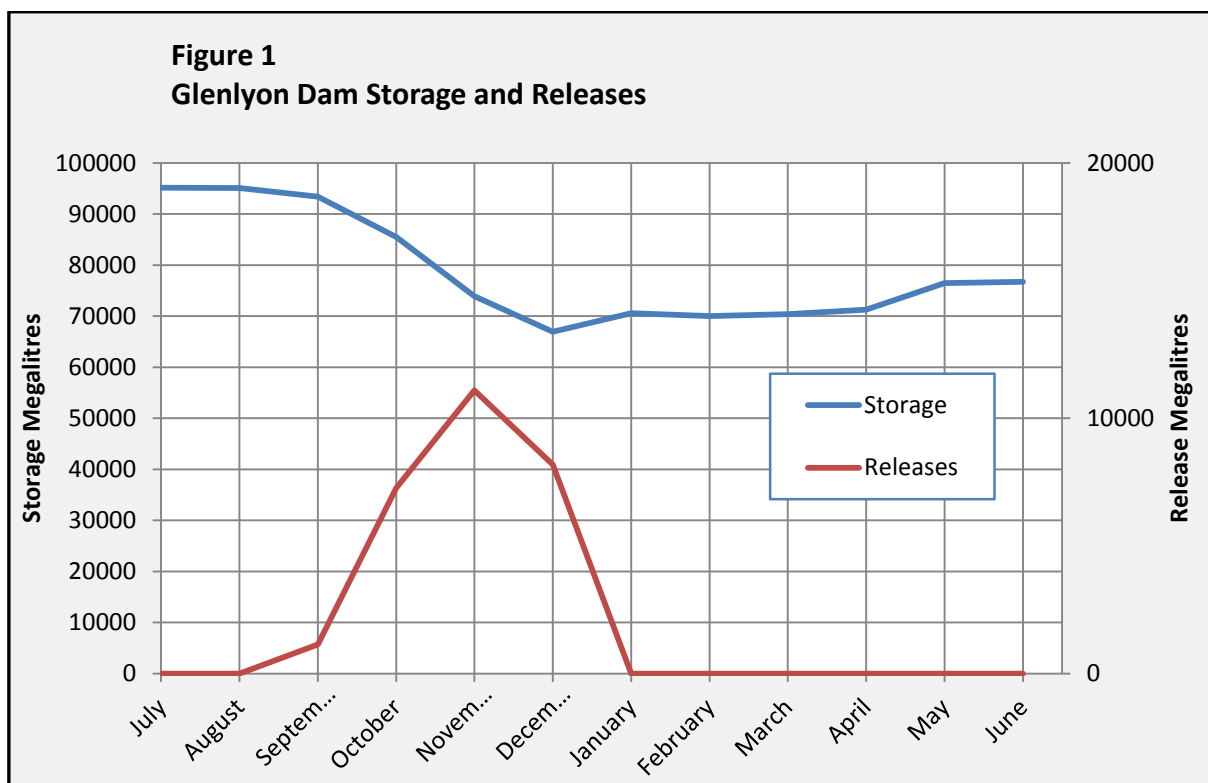
KEY OUTCOMES DURING 2014-15

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 two states. During the year, the volume of regulated water shares to New South Wales and Queensland were 65.16 gigalitres and 16.98 gigalitres respectively.

Drier climatic conditions during the year saw the storage level at Glenlyon Dam drop significantly during the peak summer cropping months from October to January as shown in Figure 1. During 2014-15 there was little inflow to the dam.

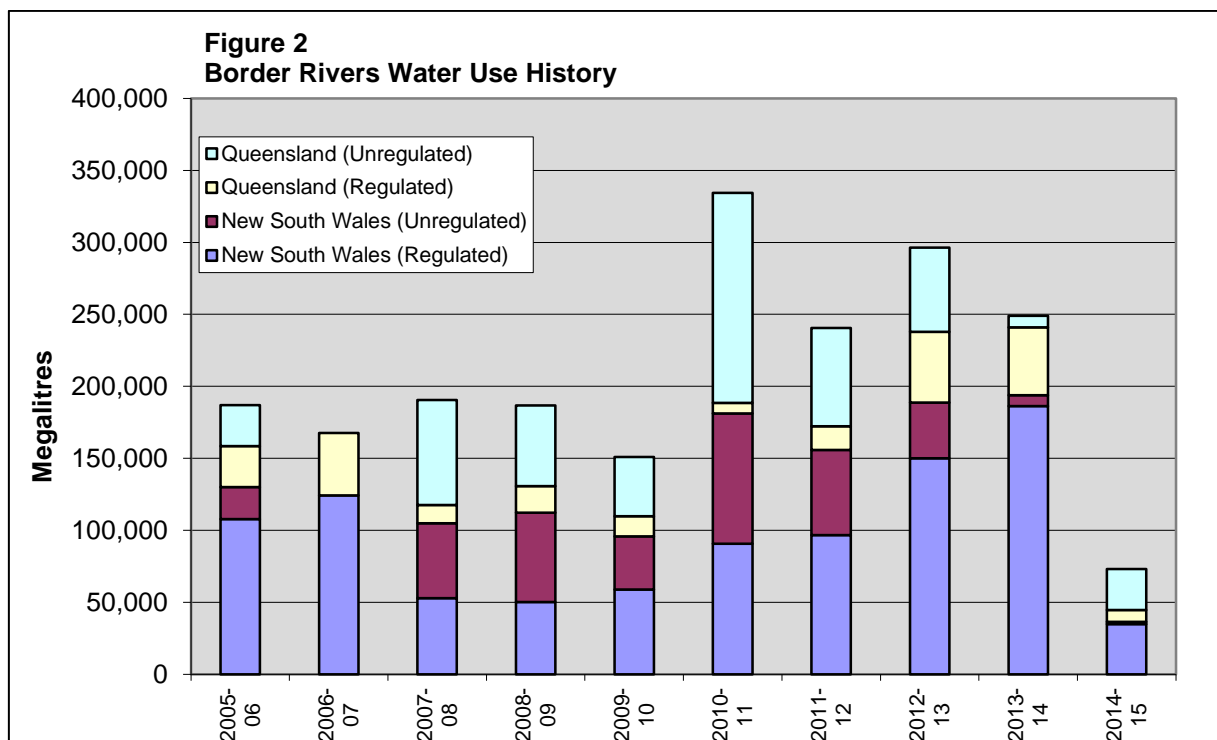
During the year, the approved allocation limits assigned for general use to New South Wales and Queensland were 41.8 gigalitres and 5 gigalitres respectively. From these allocations, the volume of regulated water diverted by New South Wales and Queensland water users was 35.9 gigalitres and 4.94 gigalitres respectively.



During the year water users were granted opportunities to pump unregulated water from the Border Rivers with New South Wales and Queensland diverting 1,690 megalitres and 28,565 megalitres respectively. These diversions fell within the approved announced volumes.

It is to be noted that the small figure for New South Wales was due to the impact of temporary restrictions on the take of water from unregulated flow events in the NSW Border Rivers implemented on 28 January 2015. These restrictions did not apply to small enterprises upstream of Goondiwindi Weir. The restrictions were imposed to help ensure larger flows reached Menindee Lakes and shore up the critical water supply situation for towns along the Darling River and the city of Broken Hill. Restrictions also applied to the Gwydir and Lower Namoi regulated rivers and to unregulated river B and C class licences in the Barwon-Darling. The temporary restrictions in the NSW Border Rivers were lifted on 29 May 2015.

Figure 2 illustrates the history of regulated and unregulated water use by both states from the Border Rivers since 2005.



Beardmore Dam environmental, stock and domestic releases

There was virtually no inflow to Beardmore Dam to meet environmental, stock and domestic water needs until mid-December. Releases of environmental, stock and domestic (ESD) water commenced on 22 December 2014 and included 500 ML of ESD water stored in the Dam prior to inflows commencing.

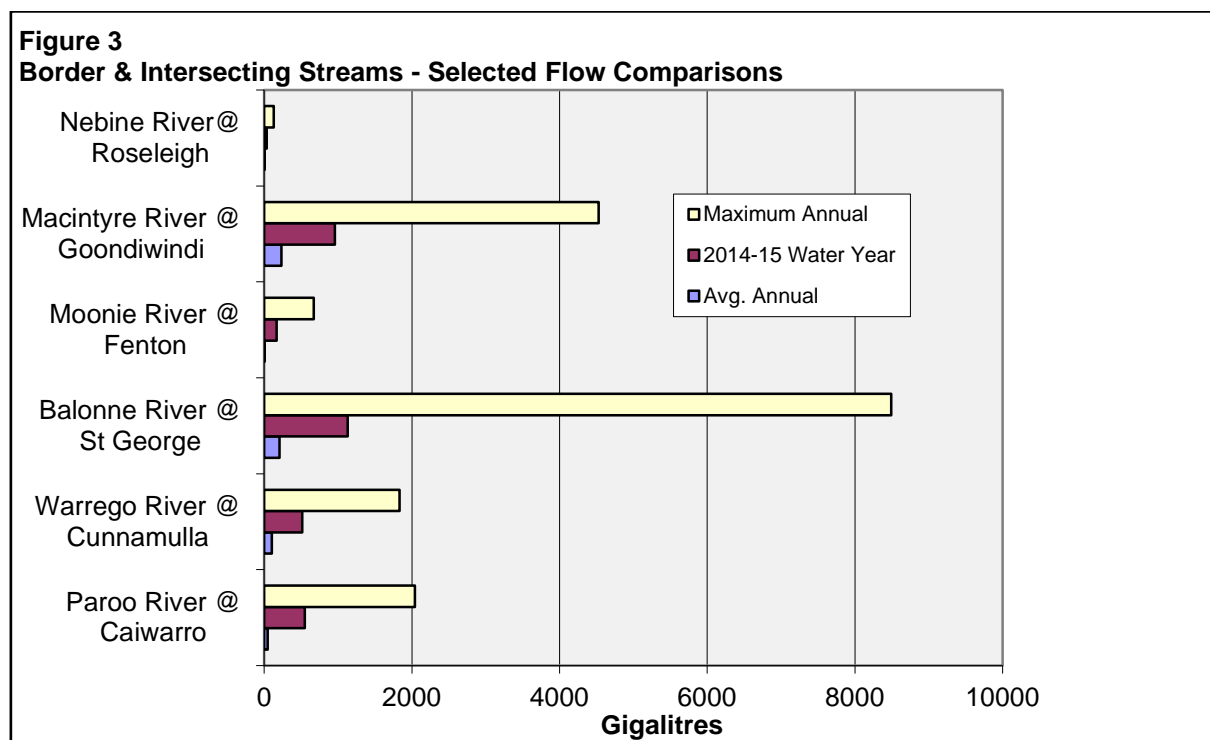
There were several flow events allowing for water harvesting commencing from the end of December 2014 through to early February 2015. During this time reductions to water harvesting were applied under the Resource Operations Plan flow event management rules. As a result of these reductions, the water left instream under the Commonwealth held entitlements, voluntary reduced take by other entitlement holders and the continuous flow of ESD water enabled a flow-through-event on 6 March 2015. (A flow-through-event being where the flows passing St George reach the entire length of the Lower Balonne intersecting streams downstream of the Queensland–New South Wales border). This was the first flow-through-event since June 2013 on the Bokhara and Birrie Rivers and on the Culgoa and Narran Rivers in mid-April 2014.

Flow in the intersecting streams

In contrast to previous years, the 2014/15 year was relatively dry across all the intersecting stream catchments. This was evident by the lack of stream flow measured at indicator sites and the low level of water held in major instream storages and on-farm storages at the end of the water year. The annual flow recorded at these

indicator sites for the 2014/15 water year ranged from 3% of mean annual flow to 25% of mean annual flow (refer to Figure 3 for details of this range).

Of particular interest was the flow in the Warrego River during Dec 14/Jan 15 which was the first meaningful flow for nearly 3 years. However, this flow together with other minor flows only amounted to 103,000 megalitres passing Cunnamulla for the water year which is equivalent to 20% of the mean annual flow. The other catchments where the annual flow was less than 10% of the mean annual flow included the Paroo River and Moonie River.



Stream gauging and flow history

The Commission continued to provide funding to the New South Wales Department of Primary Industries, Water and the Queensland Department of Natural Resources and Mines to operate and maintain a network of 49 river gauging stations including 26 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.

Regulated Streams

The regulated flows passing through Mungindi started in mid-December and had all but ceased by the end of February. The total river discharge through Mungindi for 2014-2015 was 94,760 megalitres.

Unregulated and Intersecting Streams

During the water year of 2014-2015, most of the Border Rivers unregulated river flows occurred in the summer months. The Severn River at Farnbro had the highest peak daily discharge in the Border Rivers catchment. The Intersecting Streams generally experienced extended periods of low flows and all at some stage ceased to flow. In some streams there were intermittent increased flow events.

The Paroo River received the greatest volume of water in the Intersecting Streams for 2014-2015 with a total discharge of 67,046ML. The Culgoa River had the largest single flow peak during 2014-2015 with a discharge of 3,558ML. The Narran, Birrie and Warrego Rivers all had total discharges below 12,000ML. All of these rivers at some stage ceased to flow.

Water quality

The Border Rivers and Intersecting Streams Water Quality Programs were established in the early 1990s as a coordinated catchment-based water quality program. The programs aim to provide a long-term quality assured dataset to describe the baseline condition of the river systems and identify emerging issues. The New South Wales Department of Primary Industries, Water, manages these two programs on behalf of the Commission.

Water quality monitoring was undertaken at sixteen sites in the Border Rivers and six sites in the Intersecting Streams on a monthly basis. The water quality parameters measured include water temperature, electrical conductivity, turbidity, total nitrogen and total phosphorus.

Electrical conductivity

In the Border Rivers, only three river sites returned electrical conductivity medians over 350 $\mu\text{S}/\text{cm}$, which is the guideline recommended for aquatic ecosystems in upland rivers (ANZECC 2000). All sites had medians that were below 650 $\mu\text{S}/\text{cm}$, which is the guideline for the irrigation of salt sensitive crops (ANZECC 2000). In comparison to last year's results, EC was generally a little lower.

Salt concentrations in the Intersecting Streams are usually lower than that of the Border Rivers. None of the median results in the Intersecting Streams for the year 2014-2015 exceeded the recommended (ANZECC 2000) guideline of 300 $\mu\text{S}/\text{cm}$.

The median electrical conductivity readings indicate that in the Border Rivers and Intersecting Streams salt concentrations generally pose little threat to irrigation. However, the relatively high levels of salt concentrations recorded at some sites, such as the Bokhara River with 800 $\mu\text{S}/\text{cm}$ during periods of extended cease-to-flow conditions could possibly stress some of the endemic aquatic biota.

Turbidity

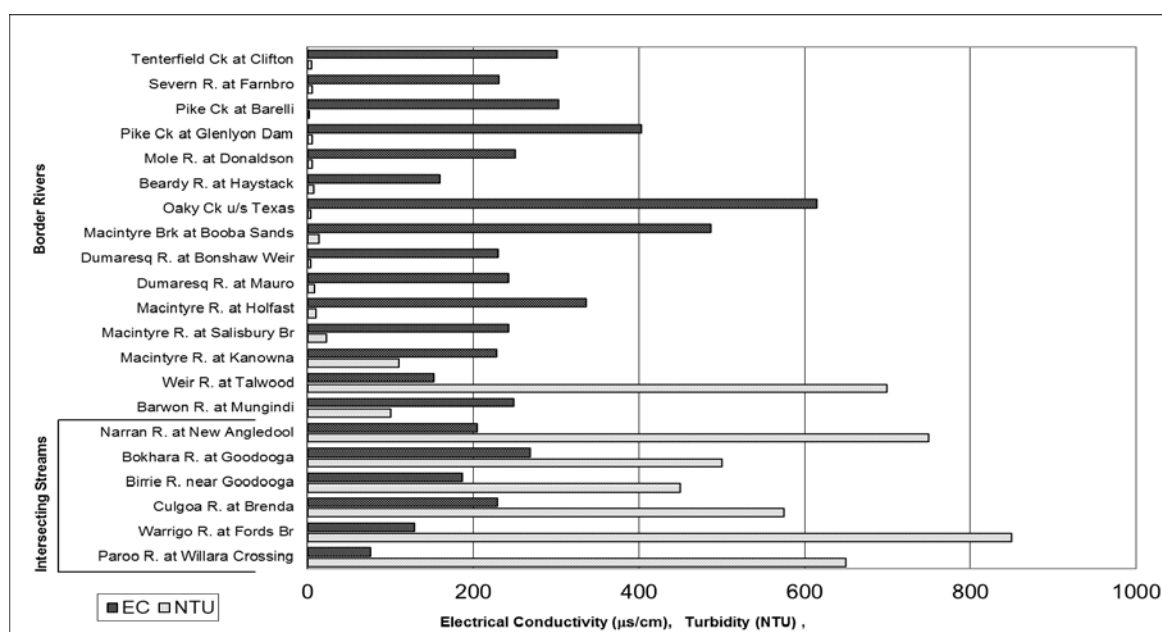
In the Border Rivers, the Weir River usually has very high turbidity levels. During the reporting period of 2014-2015, this site had a median of 700 NTU. High turbidity levels did occur elsewhere in the Border Rivers during flow events, with one notable example being at Mungindi which recorded an event of over 1000 NTU. However, except for further down the Macintyre system, turbidity values recorded in the Border Rivers was generally lower this year than in 2013-2014.

The Intersecting Streams are ephemeral in nature and dry down to a series of waterholes during periods of no flow or rainfall. In addition to their ancient geology and aided by low salt concentrations, these rivers are usually very turbid with very fine sediment that tends to remain in suspension for extended periods. The turbidity measurements recorded this water year were all over 180 NTU.

Figure 4 illustrates the variations in conductivity and turbidity at a number of the water quality monitoring stations in the Border Rivers catchment and in the intersecting streams.

Figure 4

Median Electrical Conductivity 2014-15 ($\mu\text{S}/\text{cm}$) and Turbidity (NTU)



Total nitrogen and total phosphorous

In the Border Rivers streams the total nitrogen and total phosphorous levels were both highest in the Weir River, with median values of 1.65 mg/L and 0.20 mg/L respectively easily exceeding MDBA (2012) water quality target values for both parameters. The other site that exceeded both these targets was the Macintyre River at Salisbury Bridge, while the Macintyre Brook exceeded this target for total nitrogen.

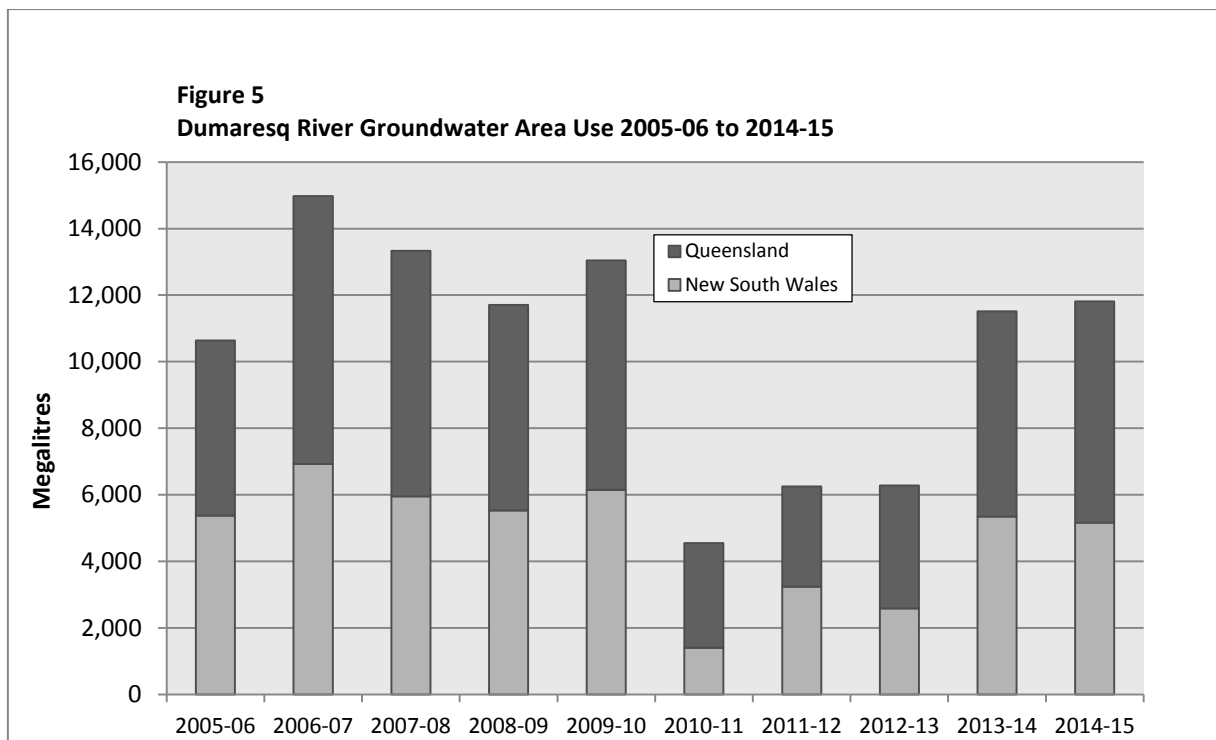
In the Intersecting Streams the nutrients of nitrogen and phosphorous are generally in high concentrations. Median results from the Narran and Bokhara Rivers exceeded the MDBA (2012) water quality target for total phosphorous. The median results for the Narran, Culgoa, Bokhara and Birrie Rivers exceeded the MDBA (2012) water quality target for total nitrogen. Generally the results for nutrients in the Intersecting Streams indicate that under optimal weather and low flow circumstances, algal growth would not likely to be limited by nutrient availability. However algal growth at nutrient rich sites of the Intersecting Streams are not common, this is likely due to limited light availability for algal production caused by the persistently high turbidity levels.

Groundwater

During the year, irrigators in the New South Wales and Queensland sections of the Border Rivers Alluvial shared resource used 5169 megalitres and 6643 megalitres of groundwater respectively. This represented approximately 34 per cent of entitlement for New South Wales and 46 per cent for Queensland. This level of use was similar to that of the previous water year for both New South Wales and Queensland as illustrated in Figure 5. The higher use in recent years has been mainly due to continued dry weather throughout the main summer cropping season and a higher reliance on groundwater than originally planned.

On 1 June 2012 the *Water Sharing Plan for the New South Wales Border Rivers Unregulated and Alluvial Water Sources* commenced under the *Water Management Act 2000*. The area covered by the plan includes the New South Wales Border Rivers Upstream of Keetah Bridge Alluvial Groundwater Source. The legislation facilitates the separation of water licence from the land title. Water entitlement can now be traded independent of land ownership. The total number of unit shares of the resource will remain the same and usage will be restricted to the long term average extraction limit.

In Queensland, the Water Resource (Border Rivers) Plan 2003 was amended to incorporate groundwater (above the Great Artesian Basin) in December 2014. It is not planned to provide for tradable water entitlements until the current transitional resource operations plan is replaced and accredited in accordance with the Basin Plan timeframe of 2019.



The Queensland Department of Natural Resources and Mines 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 52 piezometers in 36 bores located in the area between Mingoola and Keetah.

Work continues on the development of a new Border Rivers Alluvial Groundwater Model which the Commission agreed to fund. The Queensland Department of Science, Information Technology and Innovation has been contracted via the Queensland Department of Natural Resources and Mines to produce the new model. Its completion, including peer review and implementation is planned for March 2016.

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 implemented
- ensure the structural and hydrologic 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
- monitor water quality at sixteen sites on the Border Rivers and six sites on the Intersecting Streams and
- finalise the development of a new model for the Border Rivers shared alluvial groundwater resource.

The Commission during 2014-15 submitted a proposal to both governments for each to consider actions, which would reform the institutional management of the water resources of the Border River system. Their considerations of the reform proposals are continuing.

The business and our customers

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 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.

As a result, the Commission now employs the commercial water service providers in Queensland and New South Wales, (SunWater Limited and WaterNSW respectively), to operate and maintain its works on its behalf. The two state departments responsible for water management, the New South Wales Department of Primary Industries, Water and the Queensland Department of Natural Resources and Mines, 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% to infrastructure refurbishment/maintenance and river operations; 35% per cent to surface water and groundwater monitoring and 15% to planning and administration.

KEY OUTCOMES DURING 2014-15

Summary of financial results

During 2014-15, the Commission received total revenue of \$2,341,000 comprising the call-up from the states of \$2,200,000, investment revenue of \$106,000 and other revenue of \$35,000. Total expenses due to ordinary activities were \$4,042,000 which included depreciation of \$1,553,000. The Commission's net operating result for 2014-15 was a deficit of \$1,701,000.

The Commission had a cash balance of \$3,632,000 as at the 30 June 2015, which will be available to fund future works and their operations.

Consultation

It was necessary during 2014-15 for the Commission to ensure close working relationships were maintained with personnel in the two state corporations engaged in managing its assets and in delivering water through the border river system.

There were structured liaison arrangements in place to ensure that the Commission was regularly advised of decisions and actions undertaken through the *Border Standing Committee*

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

The Commission was not approached by water users, nor did it approach water users during 2014-15.

Arrangements for the provision of services to the Commission

Discussions continued again during 2014-15 with SunWater Limited, which provides the majority of the asset management and operation services required by the Commission about the arrangements under which it provides these services. SunWater has previously advocated that its service provider relationship with the Commission should be formalised through a contract. The Commission, not being a corporate entity, cannot enter into contracts in its own right.

SunWater agreed to provide services during 2014-15 through an exchange of letters, an arrangement that will continue for 2015-16.

External initiatives relating to water management of the Border Rivers System

The 2014-15 year saw implementation of the Murray Darling Basin Plan begin. The Border Rivers is impacted by implementation of the Basin Plan in a number of ways. In the short term both Queensland and New South Wales have been working with the Murray–Darling Basin Authority, Commonwealth Department of the Environment and the community on the Northern Basin Review which is reviewing the science that underpins the sustainable diversion limits in the northern basin. The outcomes of this review which may impact on Commonwealth water recovery activities in the Border Rivers will be known in mid-2016.

In the past year Commonwealth water recovery through the on-farm infrastructure programs¹ continued to operate leading to changes to on-farm irrigation management and further water entitlement transfer to the Commonwealth Environmental Water Office (CEWO). As Commonwealth water holdings grow state agencies continue to work with the CEWO on the management of these entitlements to achieve Basin Plan outcomes.

Formalisation of the agreements to implement the Basin Plan will see the commencement of the review and development by the States of Water Resource Plans under this overarching plan. This work will soon commence and is scheduled for completion with Commonwealth accreditation by mid-2019.

Institutional reform investigations

There was very little progress made in regards to Institutional Reform this year.

¹ Queensland: Healthy HeadWaters Water Use Efficiency program

New South Wales: Sustaining the Basin: Irrigated Farm Modernisation program

Website

The Commission's website at <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. The website framework is regularly examined and updated for currency and scope.

Consultants

Because the Commission is not a corporate body, it is not able to enter into contracts itself. 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 2014-15.

Insurance

The Commission's assets are insured under policies held on the Commission's behalf by the Queensland Department of Natural Resources and Mines and the New South Wales Department of Primary Industries, Water 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 2014-15

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 Department of Natural Resources and Mines undertakes an internal audit of the Commission's financial processes and practices on its behalf. Finally, the Commission's operations and maintenance service provider, SunWater, is required to manage a best practice risk management system relating to the infrastructure, which it manages on the Commission's behalf.

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 and Mines and the New South Wales Department of Primary Industries, Water. 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 2014-15 related to any Commission related 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 and Mines and the New South Wales Department of Primary Industries, Water. No evident breach of compliance occurred during 2014-15.

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 2014-15 Annual Report and 2014-15 Annual Statistics 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 <brc@dnrm.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>.

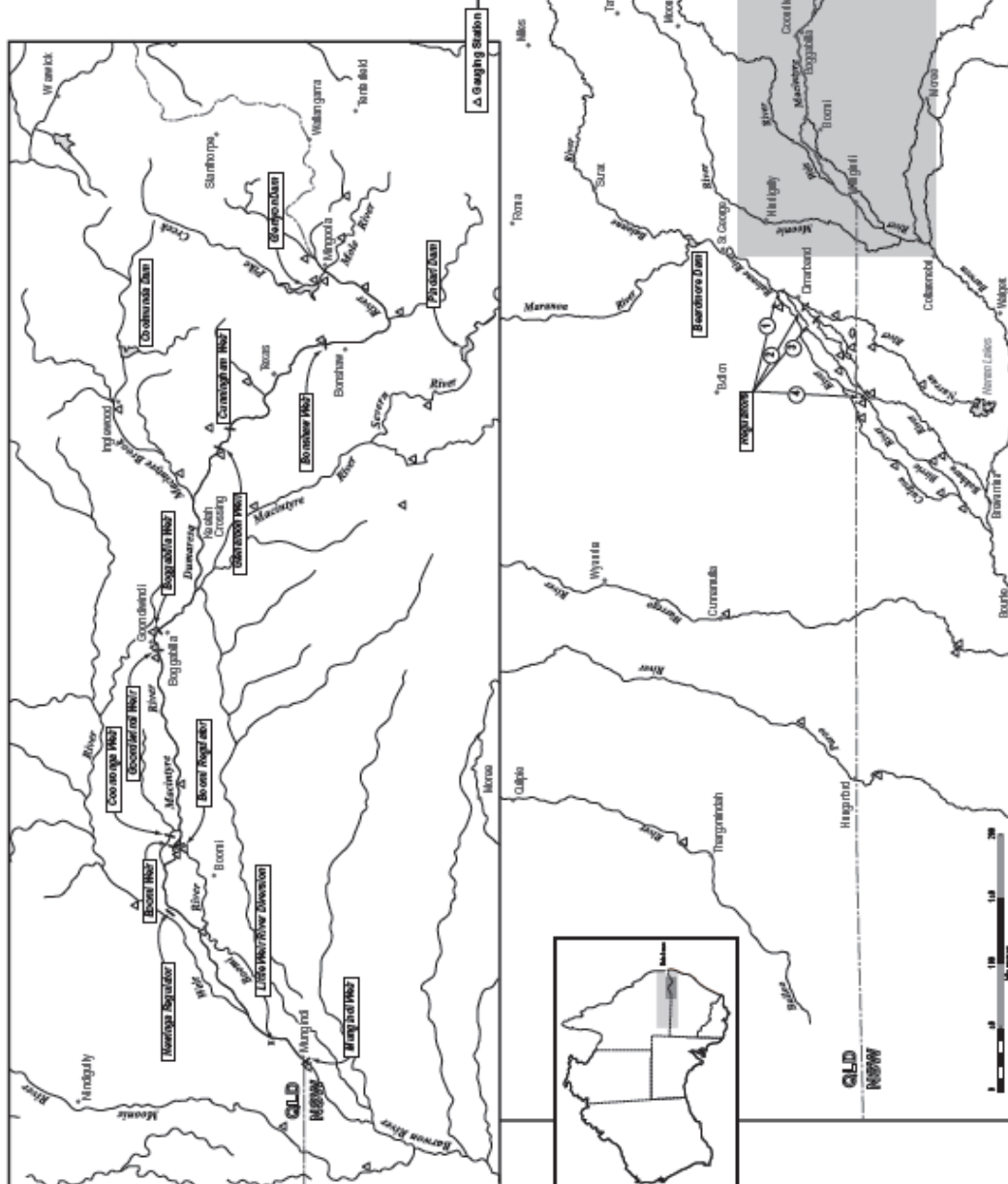
FUTURE DIRECTIONS

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 2015-16 include:

- continue dialogue with the Controlling Authorities and other relevant agencies in both states to progress the Institutional Reform process finalise development of the new Border Rivers Alluvial Groundwater Model.
- completion of the Dam Break Analysis study for Glenlyon Dam.
- completion of key performance indicators for those Commission activities not likely to be subject to significant institutional reform.
- design and install regulator on Whyenbah Weir.



DUMARESQ - BARWON BORDER RIVERS COMMISSION **OPERATIONS AREAS**



DUMARESQ-BARWON BORDER RIVERS COMMISSION

2014-2015 Financial Statements

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Statement of comprehensive income for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
Income from Continuing Operations			
Grants and other contributions	2a	2,200	2,200
Interest Income	2b	106	141
Other revenue	2c	35	12
Total revenue		2,341	2,353
Expenses from Continuing Operations			
Supplies and services	3a	2,468	2,666
Depreciation	3b	1,863	1,841
Other expenses	3c	21	33
Total Expenses from Continuing Operations		4,352	4,540
Operating Result from Continuing Operations		(2,011)	(2,187)
Other comprehensive income			
Items that will not be classified subsequently to operating result:			
Increase in asset revaluation surplus	7	913	1,342
Total Other Comprehensive Income		913	1,342
Total Comprehensive Income		(1,098)	(845)
Total comprehensive income attributable to:			
Department of Trade and Investment, Regional Infrastructure and Services - NSW Office of Water (NSW)		(549)	(423)
Department of Natural Resources and Mines(Qld)		(549)	(423)
Total Comprehensive Income		(1,098)	(845)

The accompanying notes form part of these financial statements.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

**Statement of financial position
for the year ended 30 June 2015**

	Notes	2015 \$'000	2014 \$'000
Assets			
Current Assets			
Cash and cash equivalents	4	3,632	3,882
Receivables	5	57	260
Prepayments	6	73	-
Total Current Assets		3,762	4,142
Non-Current Assets			
Property, plant and equipment	7	136,299	137,249
Total Non-Current Assets		136,299	137,249
Total Assets		140,061	141,391
Liabilities			
Current Liabilities			
Payables	8	831	1,063
Total Current Liabilities		831	1,063
Total Liabilities		831	1,063
Net Assets		139,230	140,328
Equity			
Accumulated funds		5,982	7,993
Asset revaluation surplus	10	133,248	132,335
Total Equity		139,230	140,328

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 2015**

	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance at 1 July 2014		7,993	132,334	140,328
Operating Result from Continuing Operations		(2,011)		(2,011)
Total Other Comprehensive Income				-
Increase in Asset Revaluation Surplus	7		913	913
Balance at 30 June 2015		5,982	133,248	139,230
Balance at 1 July 2013		10,181	130,992	141,173
Operating Result from Continuing Operations		(2,187)		(2,187)
Total Other Comprehensive Income				
Increase in Asset Revaluation Surplus	7		1,342	1,342
Balance at 30 June 2014		7,993	132,334	140,328

The accompanying notes form part of these financial statements.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

**Statement of cash flows
for the year ended 30 June 2015**

	Notes	2015 \$'000	2014 \$'000
Cash flow from operating activities			
Inflows			
Grants and Other Contributions		2,200	2,200
Interest		106	141
Other		35	70
GST Collected from customers		220	220
GST input tax credits from ATO		(78)	128
Outflow			
Supplies and Services		(2,236)	(2,350)
Other		(21)	(33)
GST Paid to Suppliers		(275)	(234)
GST Remitted to ATO		(200)	(217)
Net cash provided by operating activities	9	<u>(250)</u>	<u>(75)</u>
Cash flow from investing activities			
Outflow			
Payments for Property, Plant and Equipment		-	(55)
Net cash used in investing activities		<u>-</u>	<u>(55)</u>
Net increase in cash and cash equivalents		(250)	(130)
Cash and cash equivalents at beginning of financial year		3,882	4,012
Cash and cash equivalents at end of financial year	4	<u><u>3,632</u></u>	<u><u>3,882</u></u>

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 2015

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 2015

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. There has been a convention that responsibility for the provision of the Commission's audit review would alternate between the respective State Governments on a cyclical basis every 5 years being the term of the various commissioners.

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 42 of *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury's Minimum Reporting Requirements for the year ending 30 June 2015, 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.

(b) The Reporting Entity

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 Department of Natural Resources and Mines (Queensland).

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2015

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 receipted but not banked at 30 June 2015 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. There are no trade debtors as at 30 June 2015.

(g) Acquisitions 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 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 and Trade's Non-Current Asset Policies for the Queensland Public Sector.

These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable. In respect of the abovementioned asset classes, the cost of items acquired during the financial year has been judged by management of the 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 2015

1 Summary of Significant Accounting Policies (continued)

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

Cont'd

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

The fair values reported by the 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.

(i) 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 2015

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.

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 2015

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 2015

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 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 "Supplies and Services".

Key Executive Management Personnel and Remuneration

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 and remuneration.

(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

(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 department.

(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 2015

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. Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(v) 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.

(w) New and Revised Accounting Standards

The Commission did not voluntarily change any of its accounting policies during 2014-15. Australian accounting standard changes applicable for the first time for 2014-15 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 and Trade. 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.

AASB 1055 became effective from reporting periods beginning on or after 1 July 2014. As the Commission is not required to publish a budget this standard has no impact on the Commission.

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.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(w) New and Revised Accounting Standards (continued)

Cont'd

AASB 15 Revenue from Contracts with Customers will become effective from reporting periods beginning on or after 1 January 2017. This standard contains much more detailed requirements for the accounting for certain types of revenue from customers. Depending on the specific contractual terms, the new requirements 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 department has received cash but has not met its associated obligations (such amounts would be reported as a liability (unearned revenue) in the meantime). The Commission is yet to complete its analysis of current arrangements for sale of its goods and services, but at this stage does not expect a significant impact on its present accounting practices.

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) will become effective from reporting periods beginning on or after 1 January 2018. The main impacts of these standards on the Commission are that they will change the requirements for the classification, measurement, impairment and disclosures associated with the Commission's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value.

The Commission has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the Commission's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the Commission enters into, all of the Commission's financial assets are expected to be required to be measured at fair value (instead of the measurement classifications presently used in Notes 4, 5 and 6. In the case of the Commission's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value. Changes in the fair value of those assets will be reflected in the Commission's operating result.

Another impact of AASB 9 relates to calculating impairment losses for the Commission's receivables. Assuming no substantial change in the nature of the Commission's receivables, as they don't include a significant financing component, impairment losses will be determined according to the amount of lifetime expected credit losses. On initial adoption of AASB 9, the department will need to determine the expected credit losses for its receivables by comparing the credit risk at that time to the credit risk that existed when those receivables were initially recognised.

The Commission will not need to restate comparative figures for financial instruments on adopting AASB 9 as from 2018-19. However, changed disclosure requirements will apply from that time. A number of one-off disclosures will be required in the 2018-19 financial statements to explain the impact of adopting AASB 9. Assuming no change in the types of financial instruments that the Commission enters into, the most likely ongoing disclosure impacts are expected to relate to the credit risk of financial assets subject to impairment, and investments in equity instruments measured at fair value through other comprehensive income (e.g. the 'held to maturity' investment described in Note 1(v)) and derecognition of these.

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

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2015

	2015 \$'000	2014 \$'000
2 Income from Continuing Operations		
(a) Grants and other contributions		
Department of Trade and Investment, Regional Infrastructure and Services - NSW Office of Water (NSW)	1,100	1,100
Department of Natural Resources and Mines (QLD)	1,100	1,100
	<u>2,200</u>	<u>2,200</u>
(b) Interest Income		
Interest on QTC investment	106	141
	<u>106</u>	<u>141</u>
(c) Other revenue		
Rental income	28	12
Other	7	-
	<u>35</u>	<u>12</u>
3 Expenses from Continuing Operations		
(a) Supplies and Services		
Fees for services:		
SunWater Limited (QLD)	1,000	829
Department of Trade and Investment, Regional Infrastructure and Services - NSW Office of Water (NSW)	700	768
Department of Natural Resources and Mines (QLD)	540	887
State Water Corporation (NSW)	120	160
Department of Energy and Water Supply (QLD)	-	-
Administrative allowances	5	19
Insurance	72	-
Superannuation	0	2
Other expenses	31	1
	<u>2,468</u>	<u>2,666</u>
(b) Depreciation		
Buildings	15	15
Infrastructure	1,840	1,823
Plant and equipment	8	3
	<u>1,863</u>	<u>1,841</u>
(c) Other expenses		
Audit fee-financial statements*	16	14
Bank fees and charges	3	4
Other expenses from ordinary activities	2	15
	<u>21</u>	<u>33</u>

*The auditors received no other benefits

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2015

4 Cash and Cash Equivalents

	2015	2014
	\$'000	\$'000
Cash at bank and on hand	222	703
At call interest bearing investment	3,410	3,179
Closing cash and cash equivalents	3,632	3,882

Investments deposited with the Westpac Banking Corporation earned interest at rates 0.01%. (2013-14: Westpac Banking Corporation 0.01%).

Investments deposited with the Queensland Treasury Corporation capital guaranteed fund earned interest at rates between 3.03% to 3.94% (2013-14: Queensland Treasury Corporation 3.27% to 4.17%).

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	50	260
Receivable on sale of land	7	-
	57	260

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

Queensland Government Insurance Fund	73	-
	73	-

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2015

7 Property, Plant and Equipment

	2015 \$'000	2014 \$'000
Buildings (at valuation)	1,580	1,125
less: accumulated depreciation	(758)	(371)
	<u>822</u>	<u>754</u>
Infrastructure (at valuation)	195,470	194,952
less: accumulated depreciation	(61,845)	(60,078)
	<u>133,625</u>	<u>134,874</u>
Land (at valuation)	1,808	1,569
	<u>1,808</u>	<u>1,569</u>
Plant and equipment (at cost)	52	54
less: accumulated depreciation	(8)	(2)
	<u>44</u>	<u>52</u>
Total property, plant and equipment	<u>136,299</u>	<u>137,249</u>

Property, Plant and Equipment Reconciliation

	Buildings 2015 \$'000	Infrastructure 2015 \$'000	Land 2015 \$'000	Plant and Equipment 2015 \$'000	Total 2015 \$'000
Carrying amount at 1 July 2014	754	134,874	1,569	52	137,249
Revaluation increments (decrements)	83	591	239	-	913
Depreciation	(15)	(1,840)	-	(8)	(1,863)
Addition	-	-	-	-	-
Disposals	-	-	-	-	-
Net carrying amount at 30 June 2015	<u>822</u>	<u>133,625</u>	<u>1,808</u>	<u>44</u>	<u>136,299</u>
	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000
Carrying amount at 1 July 2013	758	135,365	1,569	4	137,695
Revaluation increments (decrements)	10	1,332	-	-	1,342
Depreciation	(14)	(1,823)	-	(4)	(1,841)
Addition	-	-	-	56	56
Disposals	-	-	-	(4)	(4)
Net carrying amount at 30 June 2014	<u>754</u>	<u>134,874</u>	<u>1,569</u>	<u>52</u>	<u>137,249</u>

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.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements

7 Property, Plant and Equipment (cont.)

Categorisation of fair values recognised as at 30 June 2015

	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
Land	1,808	-	1,808
Buildings	822	-	822
Infrastructure	-	133,625	133,625

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

	Infrastructure \$'000	Total \$'000
Carrying amount at 1 July 2014	134,874	134,874
Acquisitions	-	-
Disposals	-	-
Revaluation increments/(decrements)	591	591
Impairment losses recognised in operating surplus/(deficit)*	-	-
Depreciation/amortisation	(1,840)	(1,840)
Carrying amount at 30 June 2015	133,625	133,625

	Infrastructure \$'000	Total \$'000
Carrying amount at 1 July 2013	135,365	135,365
Acquisitions	-	-
Disposals	-	-
Revaluation increments/(decrements)	1,332	1,332
Impairment losses recognised in operating surplus/(deficit)*	-	-
Depreciation/amortisation	(1,823)	(1,823)
Carrying amount at 30 June 2014	134,874	134,874

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements

7 Property, Plant and Equipment (cont.)

Level 3 significant valuation inputs and relationship to fair value

Description	Fair value at 30 June 2015 \$'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	133,625	Condition rating / remaining useful life	1% - 5% \$1.32M - \$6.6M	Increase/decrease in condition rating / useful life would increase/decrease the fair value

Description	Fair value at 30 June 2014 \$'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	134,874	Condition rating / remaining useful life	1% - 5% \$1.36M - \$6.8M	Increase/decrease in condition rating / useful life would increase/decrease

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 2015

8 Payables

	2015 \$'000	2014 \$'000
Accrued expenditure	814	1,039
Accrued audit fees	17	15
Employee entitlements	-	9
	<u>831</u>	<u>1,063</u>

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	(2,011)	(2,187)
Depreciation	1,863	1,841
Write off of assets	(31)	3
(Increase) Decrease in receivable	7	(45)
(Decrease)/Increase in payable	(231)	313
(Increase)/Decrease in GST receivable	444	-
Increase/(Decrease) in GST Payable	(364)	-
Increase/(Decrease) in Prepayments	73	-
Net cash provided by operating activities	<u>(250)</u>	<u>(75)</u>

10 Asset Revaluation Surplus by Class

Land

Balance as at 1 July	616	616
Revaluation increments / (decrements)	239	-
Balance as at 30 June	<u>855</u>	<u>616</u>

Buildings

Balance as at 1 July	1,026	1,016
Revaluation increments / (decrements)	83	10
Balance as at 30 June	<u>1,109</u>	<u>1,026</u>

Infrastructure

Balance as at 1 July	130,693	129,361
Revaluation increments / (decrements)	591	1,332
Balance as at 30 June	<u>131,284</u>	<u>130,693</u>

Total

<u>133,248</u>	<u>132,335</u>
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DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2015

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 2014-15. 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 June 2012 (30 September 2014)
Commissioner representing Queensland		Order in Council	9 February 2012
Commissioner representing New South Wales		Order in Council	Vacant
Deputy Commissioner representing Queensland		Order in Council	13 June 2013
Deputy Commissioner representing New South Wales		Order in Council	22 July 2013
Secretary	Executive support to the Commission	Resolution of Commission	23 November 2011
Accountant	Accounting support to the Commission	Resolution of Commission	25 October 2012

(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.

2014-15

Position	Short Term		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base	Non-Monetary Benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chair of the Commission	5	-	-	-	-	5

2013-14

Position	Short Term		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base	Non-Monetary Benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chair of the Commission	19	-	-	2	-	21

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2015

12 Contingent Liabilities

	2015	2014
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 was 73% of the Acceptable Flood Capacity under the Queensland's Guidelines for Acceptable Flood Capacity of Dams, December 2012. Under those guidelines, the minimum spillway capacities are required to be 65% of the Acceptable Flood Capacity by 2025 and 100% of the Acceptable Flood Capacity by 2035. As the Glenlyon Dam spillway is currently 73% of AFC, there is no need for any upgrade until 2035. The current cost of such upgrade to 100% of Acceptable Flood Capacity is estimated to be \$12 million. No contract has yet been entered into for such work.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2015

13 Financial Instruments

The Commission has the following categories

(a) Financial instrument categories

Financial Assets

	Note	Category	Carrying Amount 2015 \$'000	Carrying Amount 2014 \$'000
Class:				
Cash and cash equivalents	4	N/A	3,632	3,882
			<u>3,632</u>	<u>3,882</u>

Financial Liabilities

	Note	Category	Carrying Amount 2015 \$'000	Carrying Amount 2014 \$'000
Class:				
Payables	8	Financial liabilities measured at amortised cost	831	1,063
			<u>831</u>	<u>1,063</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.

(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.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2015

13 Financial Instruments (continued)

(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 undiscounted 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 2015					
Payables	8	831			831
		831	-	-	831
30 June 2014					
Payables	8	1,063	-	-	1,063
		1,063	-	-	1,063

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2015

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
2015					
Financial assets					
Cash and cash equivalents	3,632	(36)	(36)	36	36
Financial liabilities					
Payables	831	-	-	-	-
2014					
Financial assets					
Cash and cash equivalents	3,882	(39)	(39)	39	39
Financial liabilities					
Payables	1,063	-	-	-	-

14 Commitments for Expenditure

There are no other commitments for expenditure in 2014-15 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

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 2015 and of the financial position of the Commission at the end of that year.

Paul Sanders 25/8/2015

Paul Sanders

A/Commissioner representing Queensland

Dated:

INDEPENDENT AUDITOR'S REPORT

To the Commissioners of Dumaresq-Barwon Border Rivers Commission

Report on the Financial Report

I have audited the accompanying financial report of Dumaresq-Barwon Border Rivers Commission, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificate given by the Chairman and Acting Commissioner representing Queensland.

The Commissioners' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

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

Opinion

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

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Dumaresq-Barwon Border Rivers Commission for the financial year 1 July 2014 to 30 June 2015 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

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

~ George

N GEORGE CPA
as Delegate of the Auditor-General of Queensland



Queensland Audit Office
Brisbane