

*Dumaresq-Barwon  
Border Rivers Commission*



*Annual Report  
2015-16*



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 2016.

ISSN 1839-4752

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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 2015-16.

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

Warren Martin  
Chair

Paul Sanders  
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 2016.

Yours sincerely

Warren Martin  
Chairman

Paul Simpson  
Deputy Commissioner for  
New South Wales

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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.

## **2015-16 at a glance**

### ***Meetings***

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

### ***Commissioners***

The previous Chair, Mr Warren Martin was reappointed for 12 months until October 2016.

The vacancy for a New South Wales Commissioner remained unfilled at 30 June 2016, awaiting approval of an endorsed nomination. The State Commissioner and Deputy Commissioner positions for Queensland were filled by Mr Paul Sanders and Ms Audrey Van Beusichem respectively.

### ***Institutional Reform***

The Portfolio Ministers, having responsibility for the statutory oversight of the Commission's institutional management, endorsed in principle a Commission recommendation to advance proposed reform of the Commission's future role, rights and accountabilities.

### ***Constraints within the Agreement***

SunWater continued to express concerns of the constraint in the current Border Rivers Agreement limiting their commercial powers.

### ***Improving the 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 30% capacity throughout the year, there were no flows over the spillway and subsequently no emergency flow events recorded. No water quality or environmental emergencies occurred.

### ***Water Sharing***

With Glenlyon Dam commencing the year at approximately 30% capacity, limited volumes of regulated water were available to be extracted with 47,000 megalitres and 6,900 megalitres being diverted by New South Wales and Queensland respectively. These quantities fell within the approved allocations.

Pumping from flows in the Border Rivers not regulated by a major dam was above average with 40,000 megalitres of supplementary water and 39,500 megalitres of unsupplemented water being taken from the Border Rivers by New South Wales and Queensland respectively, again within approved allocations.

Groundwater use was slightly below that in recent years with 3,700 megalitres and 6,700 megalitres 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 slight increase in groundwater levels within the Border Rivers Alluvium over the last 12 months.



### ***Water Resource Management***

In contrast to previous years, 2015/16 was relatively dry across all the catchments in the border region, evidenced by extended periods of low or no flow during the year.

At the end of 2015-16 Glenlyon Dam was at 26% 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 for environmental, stock and domestic (ESD) uses commenced in November for a three week period and again in early January through to end of February.

Apart from the Nebine Creek benefiting from 20,000 megalitres of flow passing the Roseleigh gauging station for the water year, the flow passing the other indicator sites was well below average. 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 during 2015-16:

- Received total revenue of \$2,324,000 comprising the call-up from the states of \$2,200,000, investment revenue of \$102,000 and other revenue of \$22,000;
- Had expenses due to ordinary activities of \$3,861,000 which included depreciation of \$1,782,000;
- Achieved a net operating deficit of \$1,537 and
- Had a cash balance of \$3,693,000 as at 30 June 2016, which will be available to fund future works and their operations over the shorter term.

## Chair's Report

I am pleased to present this report on behalf of the Commission and initially advise as has been the case in previous years the Dumaresq Barwon Border Rivers Commission, during 2015-16, has continued to manage its financial, water operations, water resource management and asset management responsibilities within the constraints of the current statutes and Agreements.

In summary during 2015-16, in meeting its primary functions and obligations under the Border Rivers Agreement, namely the management and operation of its assets and delivery of water along the regulated sections of Border Rivers' system, I can report:-

- The Commission did not have to address any major areas of concern associated with its prime functions, nor were any emergencies reported;
- Dams and weirs were operated effectively to deliver water users' orders;
- Routine planned maintenance programs of Commission works were completed;
- Monitoring programs for surface water flows/quality and groundwater behavior met both outcomes and budget targets;
- There are several one-off projects, where performance requires further work or were required to be carried over into 2016-17.

The State's agencies in New South Wales and Queensland, which deliver "fee for service" products under service agreements associated with the above mentioned functions, generally met the levels of service on product delivery, coordination and cooperation requirements and routine financial targets. However, there remain some outstanding actions in relation to constraints in moving to more formal contractual arrangements with SunWater and other service providers. This will be a key issue to be addressed in the proposed reform package outlined below.

The Commission's Water Quality Management Plan for Glenlyon Dam's town water supply works met the Queensland Water Supply Regulator's requirements.

Financially, the Commission maintained its policies of previous years, which involves funding by New South Wales and Queensland in equal "call up" shares into an investment account managed by the Commission. The investment account as at 30 June 2016 held \$3,637,976.

The planned budgetary management outcomes were fundamentally met, albeit slightly under budget. However, there were one-off project management delays, on which the Commission has sought improvements for 2016-17 from its service providers in meeting both outcomes and financial targets.

The 2015-16 Financial Statements were found to be in order by the Queensland Audit Office.

Whilst the Commission achieved its planned outcomes in 2015-16, there are two issues that continue to need attention by the New South Wales and Queensland governments. Both issues have been raised in earlier reports and in correspondence and are namely: -

- To advance a reform package of the current New South Wales/Queensland Border Rivers' water management institutional framework. The reform will require changes by the two governments to the statutes and Agreement covering powers, roles, obligations and rights, together with new arrangements around the financial provisions. I am pleased to advise that the relevant Minister in each jurisdiction has given in-principle approval to progress the reform package. This work is planned to be jointly undertaken by the two States in 2016-17. Unless having to deal with an emergency, the Commissions' focus on its project based activities during 2016-17 will be directed to assisting the states' agencies in the advancement of the institutional reform package.
- To endorse a Commission request to each jurisdiction to increase the annual call-up of funds by \$200,000, commencing in 2016-17. The increase was sought so as to ensure the Commission's ability to meet recently updated "annuity funding" for projected expenditure on its assets and that normal operations and maintenance costs would not be at risk. The Queensland government has agreed whilst at the end of the financial year, the request remains under consideration in New South Wales.

A major one-off project, the Dam Break Analysis for Glenlyon Dam, which has been under investigation for some time, needs focus in 2016-17. The Commission will be directing the service provider, SunWater, to complete this project or progress it to near completion in 2016-17.

I have not commented on the water resource situation during 2015-16 as this information has been adequately covered later in this report.

I wish to thank SunWater and WaterNSW for their operation and management of the Commission's works and delivery of water to the states during the year and the NSW Department of Primary Industries, Water and the Queensland Department of Natural Resources and Mines for their support during 2015-16.

I also thank the States' Commissioners and Deputy Commissioners, the Commission's Accountant, Secretary/Project Officer and members of the Management Committee and the Border Standing Committee and other departmental staff from both States, for their dedication, efforts and support during the year.



Warren Martin  
Chair

## **The Commission**

### ***Purpose***

The Commission was established by the States of New South Wales and Queensland to give effect to the New South Wales-Queensland Border Rivers Agreement (the Agreement) 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 through 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/maintenance of works, sharing the waters of the Intersecting Streams, sharing groundwater and other matters
- arrange for river flows and groundwater levels to be effectively monitored.

In addition to its statutory functions the Commission has arranged for water quality in the Border Rivers and the Intersecting Streams to be monitored by agencies in New South Wales and Queensland.

### ***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.

## ***The Commission***

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 was reappointed as Chair until 7 October 2016. 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 PR (Paul) Sanders***

#### **Commissioner representing Queensland**

Mr Sanders was appointed to the position from 30 June 2016 until 29 June 2021. During 2015-16 Mr Sanders was Regional Manager, Water Services, South Region in the Queensland Department of Natural Resources and Mines.

#### **Commissioner representing New South Wales**

The position of Commissioner representing New South Wales remained vacant during 2015-16. An appointment remains under consideration.

## **The States' Deputy Commissioners**

### ***Ms A (Audrey) Van Beusichem***

#### **Deputy Commissioner representing Queensland**

Ms Audrey Van Beusichem was appointed to the position from 30 June 2016 until 29 June 2021. During 2015-16 Ms Van Beusichem was Director, Water Planning(South) in the Department of Natural Resources and Mines.

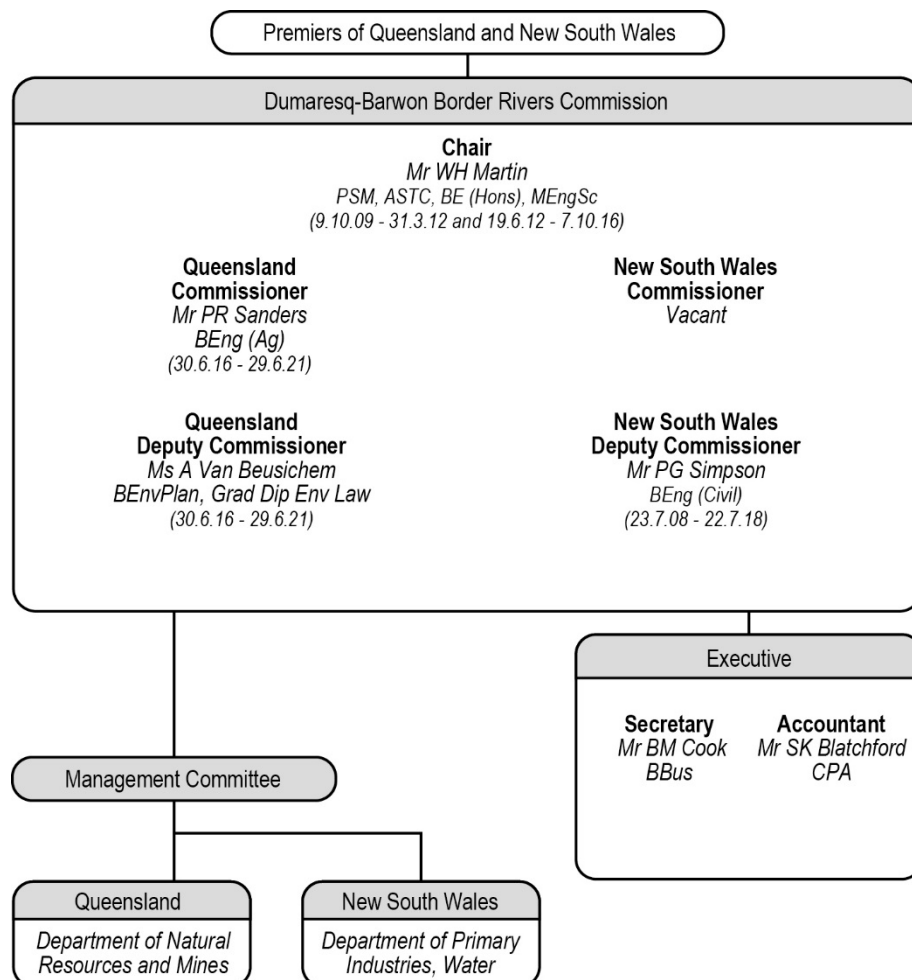
### ***Mr PG (Paul) Simpson***

#### **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. At the beginning of 2015-16, Mr Simpson was initially Director, Surface Water Management in the New South Wales Department of Primary Industries,Water. Later in the year he was seconded to work on Basin Plan Implementation within the same department.

## **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 two occasions during the year. Meeting No 178 of the Commission was held in Brisbane on 28 October 2015 and Meeting No. 179 was held in Sydney on 15 June 2016. The Chair, Mr Martin, Commissioner for Queensland, Mr Paul Sanders and Deputy Commissioner for New South Wales, Mr Paul Simpson, attended both meetings. 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 2015-16 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 2015-16. Ms Anna Bailey will assume the role of Chair from 1 July 2016.

The management committee met formally on two occasions during the year on 30 September 2015 (teleconference) and 19 May 2016. 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](mailto:brc@dnrm.qld.gov.au).

Web: [www.brc.gov.au](http://www.brc.gov.au).

## The water infrastructure

### OBJECTIVES

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

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

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

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

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

### STRATEGIC FOCUS

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

The Commission has arrangements with the Queensland water service provider, SunWater Limited, 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 2015-16*, which is available from the Commission or from its web site.

### KEY OUTCOMES DURING 2015-16

#### ***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, via SunWater, will undertake LIDAR surveys to use in their revision of the Dam Break Analysis for Glenlyon Dam. It is envisaged that this revision will be completed in the 2016/17 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 water quality matters experienced with the Glenlyon Dam town water supply system during 2015-16.

### ***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 its annual scheduled maintenance programme with the majority of work being performed at Glenlyon Dam and Boggabilla Weir by SunWater.

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

The Commission continued to provide and maintain recreation facilities at Glenlyon Dam to cater for the public interested in picnicking, swimming, recreational fishing, boating and water skiing. The caravan park and camping area are operated by private lessees and they provide facilities for those wishing to stay longer. It was estimated that approximately 30,000 people visited Glenlyon Dam during the year, which was again a significant decrease over the previous year, due mainly to the dry conditions and low reservoir level.

## **FUTURE DIRECTIONS**

Works to be commenced, advanced and/or completed during 2016-17 include:

- continuing to seek governments' resolution of the submission made in 2014-15 to reform the institutional management of the Border Rivers Commission;
- working with WaterNSW and NSW DPI,Water to effectively manage a transfer of services from DPI Water to WaterNSW;
- continuing activity to revise the dam break analysis for Glenlyon Dam with an objective of completion in 2016-17;
- 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, 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.

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

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

In 2015-16, 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 have agreed in principle to address.

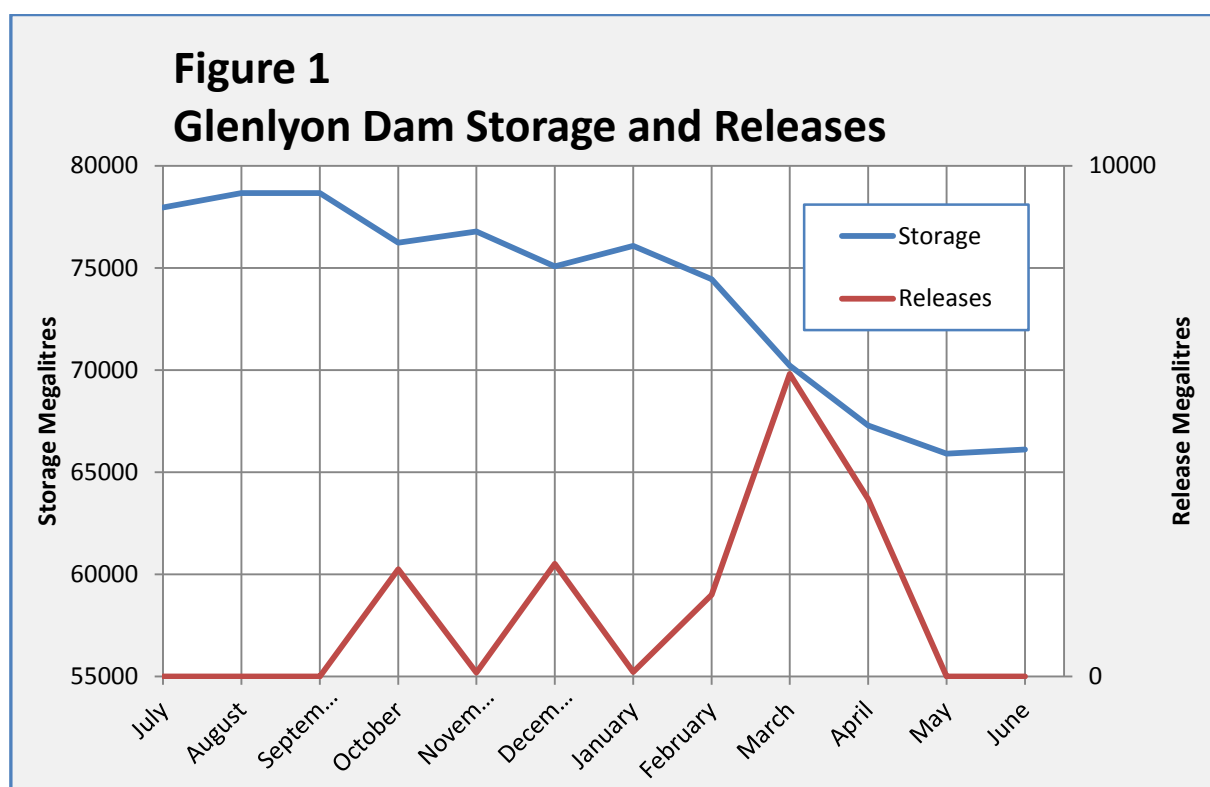
### KEY OUTCOMES DURING 2015-16

#### *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 104,070 megalitres and 28,000 megalitres respectively.

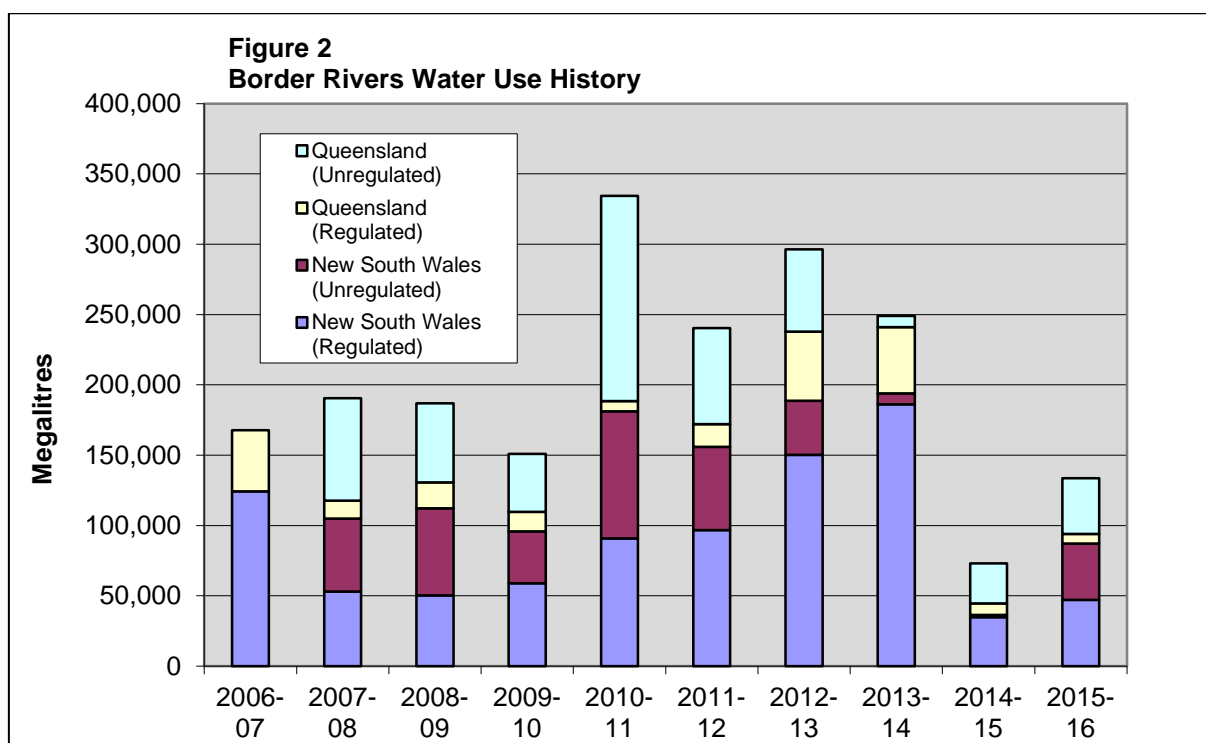
Drier climatic conditions during the year saw the storage level at Glenlyon Dam drop significantly during the peak summer cropping months from October to January as shown in Figure 1. During 2015-16 there was little inflow to the dam.

During the year, the approved allocation limits assigned for general use to New South Wales and Queensland were 73,200 megalitres and 13,500 megalitres respectively. From these allocations, the volume of regulated water diverted by New South Wales and Queensland water users was 47,100 megalitres and 6,900 megalitres respectively.



During the year water users were granted opportunities to pump unregulated water from the Border Rivers with New South Wales and Queensland diverting 40,072 megalitres and 39,483 megalitres respectively. These diversions fell within the approved announced volumes.

Figure 2 illustrates the history of regulated and unregulated water use by both states from the Border Rivers since 2006.



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

Inflows to Beardmore Dam during November resulted in approximately three weeks of environmental, stock and domestic releases through to mid-December. Releases commenced again in early-January and continued through to the end of February. The dam filled and spilled in mid-February allowing for a week of water harvesting. By the end of February flows had reached the end of the Narran and Culgoa River systems and in late March flows were recorded past the most downstream gauges on the Bokhara and Birrie River systems. No significant inflows occurred to Beardmore Dam for the remainder of the water year.

### ***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.

### ***Flow in the Border Rivers***

The prevailing weather conditions across the Border Rivers catchment was generally dry for the entire 2015/16 water year. While there was a number of meaningful rainfall episodes recorded during the year, this rainfall was not of sufficient intensity to produce any significant catchment runoff and resultant stream flow. This is reflected in the below average flow of 241,000 megalitres (or 25% of the average annual flow) passing Goondiwindi and minimal inflow to the three major headworks storages. In addition to this, the end of system flow passing Mungindi for the water year was only 76,500 megalitres for the year.

### ***Flow in the intersecting streams***

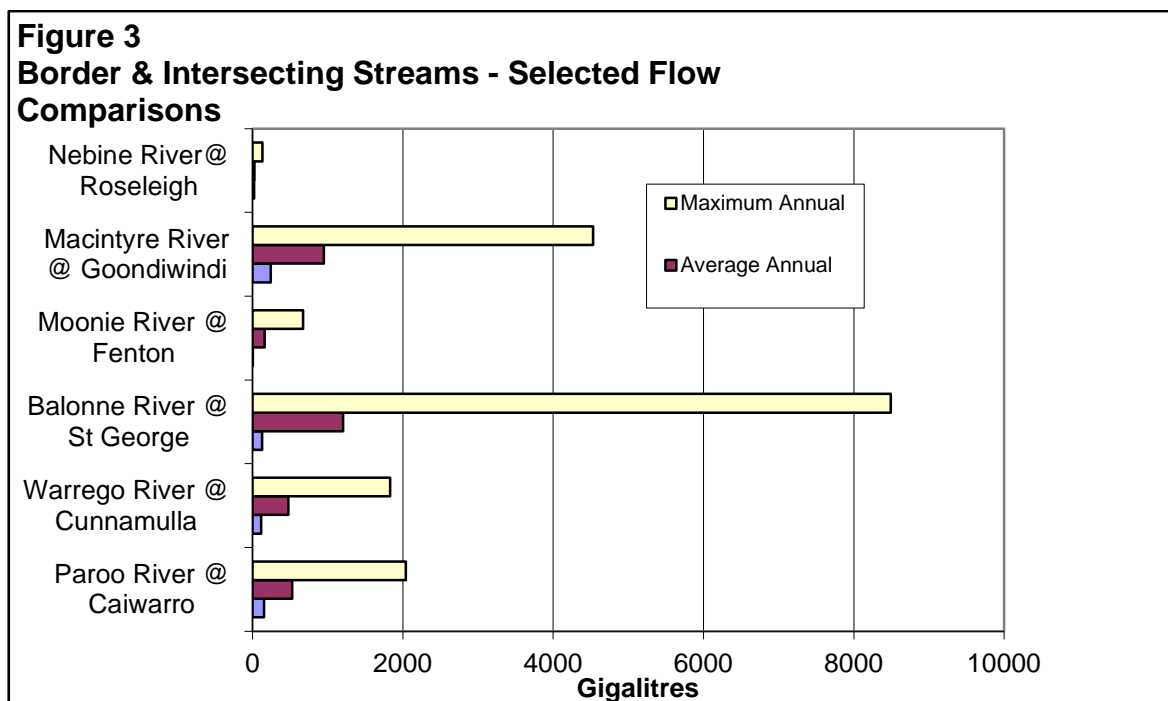
In contrast to previous years, the 2015/16 year was relatively dry across all the intersecting stream catchments, evidenced by the low levels of water held in major instream storages and on-farm storages at the end of the water year and by extended periods of low or no flow during the year. Almost all indicator stations recorded less than 30% average yearly flows (with a range of average flows recorded over the year from 1% to 78%). Refer to Figure 3 for details of this range.

Variations in runoff across the intersecting streams have resulted in significant differences in the end-of-river flows for those streams: -

- The largest flow was recorded in the Paroo River with 153,000 megalitres passing the Caiwarro stream gauging station;
- The smallest flow was recorded in the Moonie River with 1,000 megalitres passing the Fenton stream gauging station;
- In the Lower Balonne Distributary System, a total of 40,000 megalitres passed the stream gauging stations on the Narran, Bokhara, Ballandool and Culgoa Rivers, immediately upstream of the New South Wales – Queensland border.

### ***Unregulated flow events***

In the Border Rivers there were four very modest unregulated flow events, (2 flows in the winter months and 2 flows in the summer months), from which water users in each state were allowed access to an equivalent of 3.75 days of pumping.



### ***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. WaterNSW 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***

The salt concentration in the Border Rivers as indicated from past results, has shown to be relatively low and suitable for most crop types, including those sensitive to salt. The results show this to be the case this year as well. The medians of all the sites in the Border Rivers were below the Australian and New Zealand Guidelines for Fresh and Marine Water Quality (ANZECC 2000) guideline for irrigation of salt sensitive crops of 650  $\mu\text{S}/\text{cm}$ . Only one site, Oaky Creek at Texas had actual sample values that exceeded this guideline.

When comparing to the ANZECC 2000 guideline that sets a lower EC limit of 350  $\mu\text{S}/\text{cm}$  for the protection of the aquatic environment, three sites exceed this value; Oaky Creek, Macintyre Brook and Pike Creek tailwater from Glenlyon Dam. However, the inflows into Glenlyon Dam by Pike Creek are below this guideline value.

This year's median results for most sites do not show any great departure from the medians of a ten-year dataset for the Border Rivers that spans from 1991 to 2001. Pike Creek at Barelli, Pike Creek at Glenlyon dam tailwater does show relatively higher median result, with the Glenlyon Dam tail water result being over 150  $\mu\text{S}/\text{cm}$  higher than the historical data set. However, Pike Creek not receiving any flows for 2015-2016 is very likely to be the contributing factor for these higher results.

When comparing the EC medians of 2015-2016 to the medians of the last five years spanning from 2010 to 2015, there appears to be no major departure from these median values. Some sites having slightly higher and other sites having slightly lower median values across the years.

In the Intersecting Streams all the medians for EC were under 250  $\mu\text{S}/\text{cm}$ . The 90<sup>th</sup> percentiles were all recorded to be below 300  $\mu\text{S}/\text{cm}$ , which is the guideline recommended for the protection of aquatic ecosystems in lowland rivers (ANZECC 2000). This year the Bokhara had the lowest median result of 91  $\mu\text{S}/\text{cm}$ , however the Paroo River at Willara Crossing had the lowest individual sampling result of just 31  $\mu\text{S}/\text{cm}$  in August 2015. No sampling results in the Intersecting Streams exceeded the guideline for the irrigation of salt sensitive crops (ANZECC 2000) of 650  $\mu\text{S}/\text{cm}$ . The highest individual sample reading was 340  $\mu\text{S}/\text{cm}$  from the Culgoa River during February.

In comparison with the median EC results to the medians since 2010, this year's results appear to be similar to the previous year's results of 2014-2015. While the years 2011-2012 and 2012-2013 have higher medians, this is most likely due to the different rainfall and flow regime through these years.

### ***Turbidity***

In the Border Rivers, the highest median turbidity for 2015-2016 was detected in the Weir River with 615 NTU. Not surprisingly, the Weir River also returned the highest individual result of 1,041 NTU in February. The hydrograph data for the Weir River reveals two flow events during January, which is likely contributing to this high result. The continual high turbidity results for the Weir River more closely resemble those of the intersecting streams, suggesting a similar nature to the fine sediments that are easily mobilised and kept in suspension through the water column. The relatively low suspended sediments results support this notion, with a median result of only 56mg/L for the Weir River. This indicates that most of the sediments are too fine to be captured by the filter used to separate out the sediments.

The next highest median turbidity result was the Macintyre River at Kanowna with 83 NTU followed by the Barwon River at Mungindi with 69 NTU. These turbidity results are lower than the previous year's results. The water quality results also show that once the Macintyre River flows from zones above Boggabilla (Salisbury Bridge), the turbidity levels dramatically increase toward Mungindi. The change in the geology, river morphology and the differing agricultural practices are all likely contributing factors.

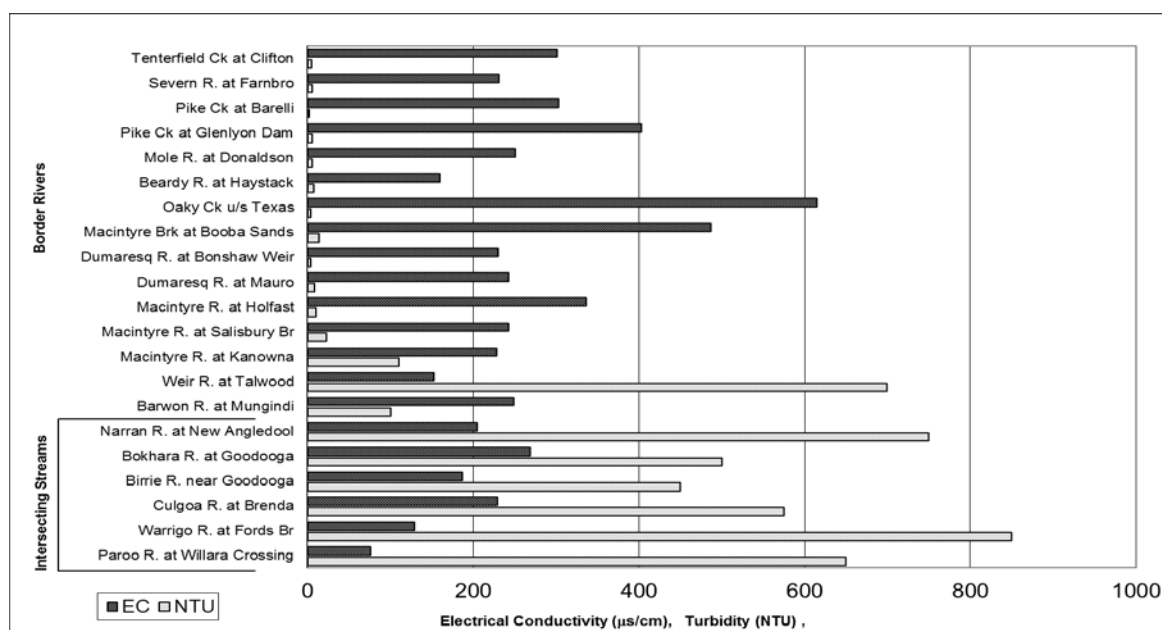
The water quality results for 2015-2016 reveal the turbid nature of the intersecting streams as all the turbidity measurements recorded were over 200 NTU. The lowest median was the Culgoa River with 421 NTU while the highest median was from the Paroo River with 670 NTU. The highest individual reading was from the Warrego River at 2300 NTU in mid-September and another recording of 2100 NTU in mid-December. The Paroo had two readings at or more than 1000 NTU during October and December. Interestingly these high results don't appear to correlate to river flow or local rainfall events.

In comparison to previous year's turbidity readings, turbidity in the Narran, Culgoa and Warrego rivers are lower this year, with the rest of the sites being higher. Assessing turbidity of the Paroo to previous years, it shows that turbidity in the Paroo River is relatively consistently high year to year, while the Narran and Warrego rivers are the most variable in turbidity from year to year.

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 2015-16 ( $\mu\text{S}/\text{cm}$ ) and Turbidity (NTU)**



**Total nitrogen and total phosphorous**

The water quality station in the Border Rivers that had the highest total nitrogen and total phosphorus levels was the Weir River at Talwood with medians of 1.15 mg/L and 0.2mg/L respectively. The total phosphorus result at this site equals the MDBA Basin Plan water quality target, while the total nitrogen result exceeds the target value of 1.00 mg/L. (MDBA, 2012). Tenterfield Creek at Clifton in the upper reaches of the catchment also exceeded the MDBA target for total nitrogen and equalled the target of 0.08mg/L for total phosphorus.

The highest individual total nitrogen result was from the Severn River in early May with 2.5 mg/L, while the highest recorded result for total phosphorous was 0.36 mg/L from the Weir River during March. These high results do not appear to be linked to any particular flow events.

The MDBA Basin Plan targets for total nitrogen and total phosphorous in the intersecting streams are 1.00 mg/L and 0.30 mg/L respectively. No median results from sampling in the intersecting streams exceeded these targets, however the Warrego River did equal the target for total phosphorous with 0.30 mg/L. The highest individual total phosphorous results occurred in the Bokhara during mid-December with 0.79 mg/L. The highest total nitrogen result also occurred in mid-December in the Warrego River with a result of 2.6 mg/L.

**Groundwater**

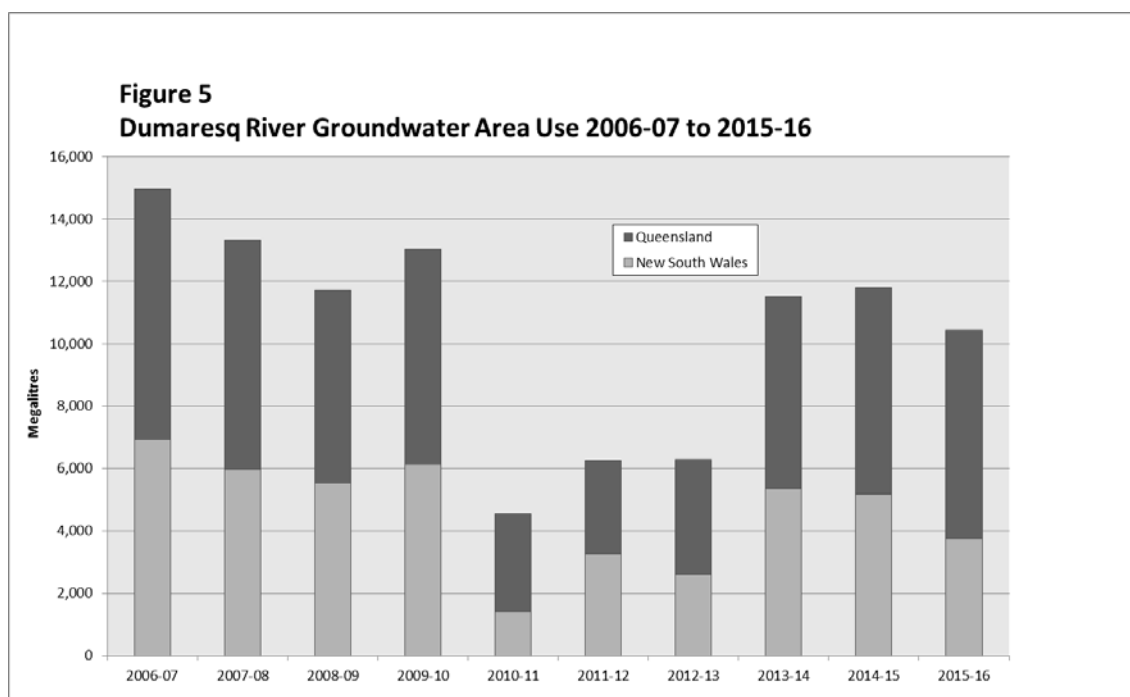
During the year, irrigators in the New South Wales and Queensland sections of the Border Rivers Alluvial shared resource used 3740 megalitres and 6679 megalitres of



groundwater respectively. This represented approximately 24 per cent of entitlement for New South Wales and 46 per cent for Queensland. This level of use was lower than that of the previous water year for New South Wales but similar to that for 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 early 2017.

## **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 hydraulic integrity of its water infrastructure is maintained through asset management plans, which cover routine maintenance, regular planned inspections and risk assessments
- provide funding to the states to operate and maintain the existing stream gauging and groundwater monitoring networks
- 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 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 securing and providing bulk water services to two customers, the State of Queensland and the State of New South Wales.

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

As a result, the Commission now employs SunWater Limited and WaterNSW to provide commercial services to operate and maintain its works on its behalf. The two state departments responsible for water management, the New South Wales Department of Primary Industries, Water and the Queensland Department of Natural Resources and Mines, continue to undertake resource-monitoring activities on behalf of the Commission and to assist in administrative management. From July 2016, WaterNSW will be providing the monitoring services in New South Wales.

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 2015-16

#### *Summary of financial results*

During 2015-16, the Commission received total revenue of \$2,324,000 comprising the call-up from the states of \$2,200,000, investment revenue of \$102,000 and other revenue of \$22,000. Total expenses due to ordinary activities were \$3,861,000 which included depreciation of \$1,782,000. The Commission's net operating result for 2015-16 was a deficit of \$1,537.

The Commission had a cash balance of \$3,693,000 as at the 30 June 2016, which will be available to fund future works and their operations.

#### *Consultation*

It was necessary during 2015-16 for the Commission to ensure close working relationships were maintained with personnel in SunWater and WaterNSW, each

being engaged in managing the Commission's assets and/or 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*. Significant issues raised in 2015-16 were:-

- the transfer of functions from DPIWater to WaterNSW;
- advances by SunWater Limited to seek formal service contracts in delivering services to the Commission and
- constraints in the tools available to develop the failure flood footprint from Glenlyon Dam along the border river.

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

The Commission was not approached by water users, nor did it approach water users during 2015-16.

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

Discussions continued again during 2015-16 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. It is anticipated implementation of the institutional reform of the Commission will successfully address this.

### ***External initiatives relating to water management of the Border Rivers System***

Implementation of the Murray-Darling Basin Plan continued throughout 2015-16 with the focus areas being the Northern Basin Review and the continuation of the Commonwealth water recovery under the Basin Plan. In the 2015-16 year the environmental science assessments under the Northern Basin Review were completed and progress was made on the socio-economic assessments. The Northern Basin Review is scheduled to be completed in the latter part of 2016 and will include an expectation of an amendment to the Sustainable Diversion Limits, which may then impact on Commonwealth water recovery activities in the Border Rivers.

Commonwealth water recovery activities across 2015-16 focused on on-farm infrastructure programs<sup>[1]</sup> rather than direct purchase with an increase in Commonwealth Environmental Water Office (CEWO) holdings. State agencies continue to work with the CEWO on the management of these entitlements to achieve Basin Plan outcomes. Environmental outcomes from the use of Commonwealth held water are reported by the CEWO.

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<sup>[1]</sup> Queensland: Healthy HeadWaters Water Use Efficiency program

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

In addition to the Northern Basin Review, background activity on the review and development by the States of Water Resource Plans for accreditation under the Murray-Darling Basin Plan commenced in 2015-16. This work is scheduled for completion by June 2019 and significant progress is planned for the 2016-17 year.

### ***Institutional reform investigations***

Progress was made in regards to Institutional Reform this year with the Commission receiving in-principle support from both State Ministers.

A key focus of the Commission during 2016-17 will be to advance the institutional reform to the Commission's roles, rights and obligations using resources and facilities provided by the States. A working group will now be formed with members from both States water departments and others to progress the reform agenda.

### ***Website***

The Commission's website at <[www.brc.gov.au](http://www.brc.gov.au)> was updated during the year as required 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 2015-16.

### ***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 2015-16

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

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

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

***Payment of accounts***

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

***Freedom of information/Right to Information***

No right to information requests were received during the year.

***Privacy management***

The Commission complies with the privacy management requirements applying to the Queensland Department of Natural Resources 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 2015-16 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 2015-16.

***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 2015-16 Annual Report and 2015-16 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**

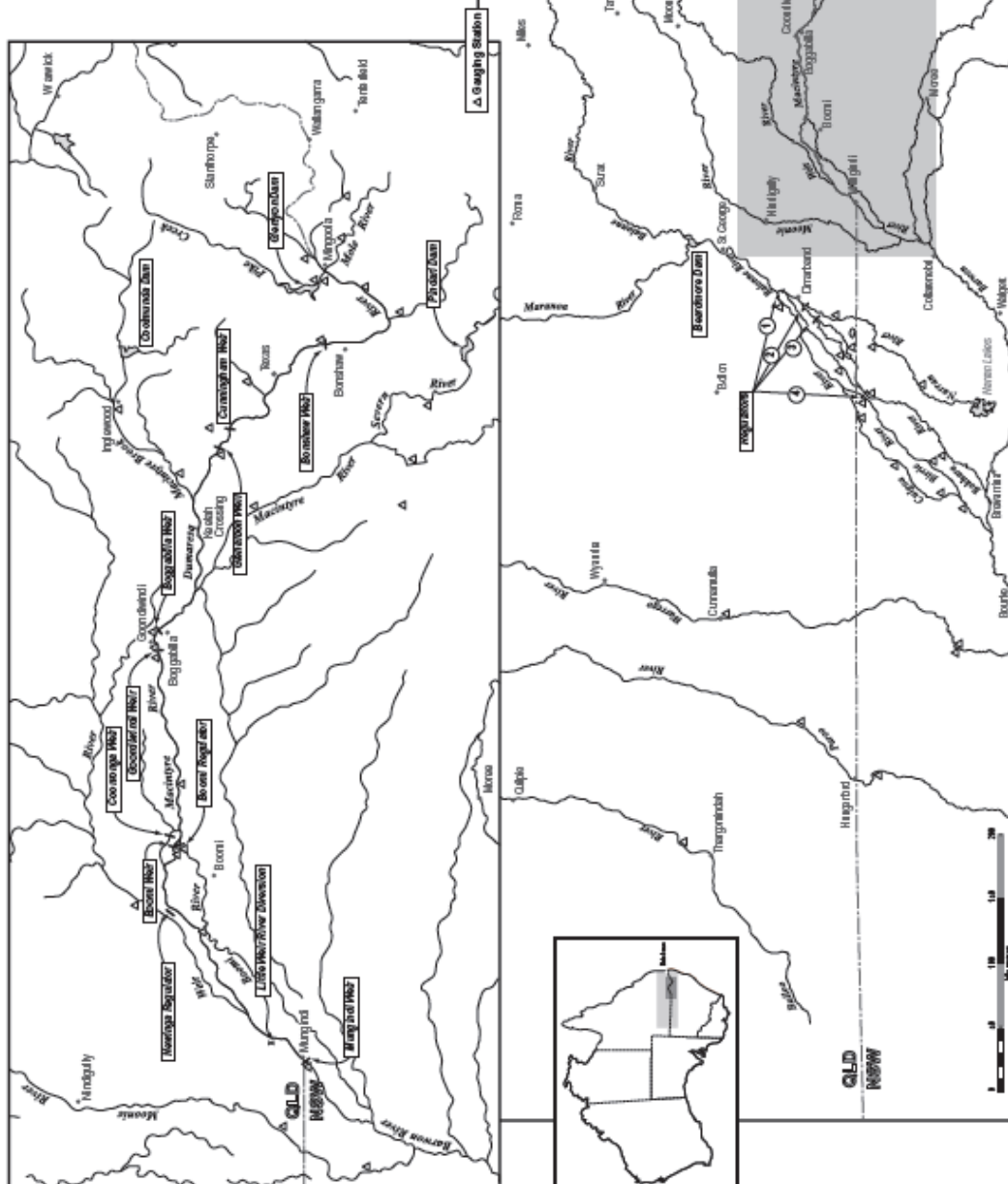
Apart from the Commission continuing to meet its statutory responsibilities, significant projects/activities in relation to our business and our customers which will be commenced, advanced and/or completed during 2016-17 include:

- continued dialogue with the Controlling Authorities and other relevant agencies in both states and Border River water users to progress the Institutional Reform process;
- completion 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 installation of a new regulator on Whyenbah Weir and
- installation of a concrete plinth to strengthen Bonshaw Weir.



# DUMARESQ - BARWON BORDER RIVERS COMMISSION OPERATIONS AREAS





# **DUMARESQ-BARWON BORDER RIVERS COMMISSION**

## **2015-2016 Financial Statements**

**DUMARESQ-BARWON BORDER RIVERS COMMISSION**

**Statement of comprehensive income  
for the year ended 30 June 2016**

	<b>Notes</b>	<b>2016 \$'000</b>	<b>2015 \$'000</b>
<b>Income from Continuing Operations</b>			
Grants and other contributions	2a	2,200	2,200
Interest income	2b	102	106
Other revenue	2c	22	35
<b>Total revenue</b>		<b>2,324</b>	<b>2,341</b>
<b>Expenses from Continuing Operations</b>			
Supplies and services	3a	2,054	2,468
Depreciation	3b	1,782	1,863
Other expenses	3c	25	21
<b>Total Expenses from Continuing Operations</b>		<b>3,861</b>	<b>4,352</b>
<b>Operating Result from Continuing Operations</b>		<b>(1,537)</b>	<b>(2,011)</b>
<b>Other comprehensive income</b>			
Items that will not be classified subsequently to operating result:			
Increase in asset revaluation surplus	7	2,254	913
<b>Total Other Comprehensive Income</b>		<b>2,254</b>	<b>913</b>
<b>Total Comprehensive Income</b>		<b>717</b>	<b>(1,098)</b>
<b>Total comprehensive income attributable to:</b>			
Department of Trade and Investment, Regional Infrastructure and Services - NSW Office of Water (NSW)		358	(549)
Department of Natural Resources and Mines(Qld)		358	(549)
<b>Total Comprehensive Income</b>		<b>717</b>	<b>(1,098)</b>

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

**DUMARESQ-BARWON BORDER RIVERS COMMISSION**

**Statement of financial position  
for the year ended 30 June 2016**

	<b>Notes</b>	<b>2016 \$'000</b>	<b>2015 \$'000</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	3,693	3,632
Receivables	5	29	67
Prepayments	6	-	73
<b>Total Current Assets</b>		<b>3,722</b>	<b>3,762</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	7	136,771	136,299
<b>Total Non-Current Assets</b>		<b>136,771</b>	<b>136,299</b>
<b>Total Assets</b>		<b>140,493</b>	<b>140,061</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	8	546	831
<b>Total Current Liabilities</b>		<b>546</b>	<b>831</b>
<b>Total Liabilities</b>		<b>546</b>	<b>831</b>
<b>Net Assets</b>		<b>139,947</b>	<b>139,230</b>
<b>Equity</b>			
Accumulated funds		4,445	5,982
Asset revaluation surplus	10	135,502	133,248
<b>Total Equity</b>		<b>139,947</b>	<b>139,230</b>

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

**DUMARESQ-BARWON BORDER RIVERS COMMISSION**

**Statement of changes in equity  
for the year ended 30 June 2016**

	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
<b>Balance at 1 July 2015</b>		5,982	133,248	139,230
<b>Operating Result from Continuing Operations</b>		(1,537)		(1,537)
<b>Total Other Comprehensive Income</b>				-
Increase in Asset Revaluation Surplus	7		2,254	2,254
<b>Balance at 30 June 2016</b>		<u>4,445</u>	<u>135,502</u>	<u>139,947</u>
 <b>Balance at 1 July 2014</b>		 7,993	 132,334	 139,899
<b>Operating Result from Continuing Operations</b>		(2,011)		(2,011)
<b>Total Other Comprehensive Income</b>				-
Increase in Asset Revaluation Surplus	7		913	-
<b>Balance at 30 June 2015</b>		<u>5,982</u>	<u>133,248</u>	<u>139,230</u>

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

**DUMARESQ-BARWON BORDER RIVERS COMMISSION**

**Statement of cash flows  
for the year ended 30 June 2016**

	<b>Notes</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>
<b>Cash flow from operating activities</b>			
<b>Inflows</b>			
Grants and Other Contributions		2,200	2,200
Interest		102	106
Other		26	35
GST Collected from customers		220	220
GST Input tax credits from ATO		241	(78)
<b>Outflow</b>			
Supplies and Services		(2,271)	(2,236)
Other		(25)	(21)
GST Paid to Suppliers		(218)	(275)
GST Remitted to ATO		(214)	(200)
<b>Net cash provided by operating activities</b>	<b>9</b>	<b>61</b>	<b>(250)</b>
<b>Cash flow from investing activities</b>			
<b>Outflow</b>			
Payments for Property, Plant and Equipment		-	-
<b>Net cash used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase in cash and cash equivalents</b>		<b>61</b>	<b>(250)</b>
<b>Cash and cash equivalents at beginning of financial year</b>		<b>3,632</b>	<b>3,882</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>4</b>	<b>3,693</b>	<b>3,632</b>

*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 2016**

#### **Objectives and Principal Activities of the Commission**

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

## DUMARESQ-BARWON BORDER RIVERS COMMISSION

### Notes to the financial statements for the year ended 30 June 2016

#### Objectives and principal activities of the Commission

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

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

#### 1 Summary of Significant Accounting Policies

##### (a) Statement of Compliance

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

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

As the Auditor General of Queensland took over responsibility to audit the Commission's financial statements from the year ended 30 June 2012, the Commission has prepared these financial statements in compliance with section 42 of *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis (except for Statement of Cash Flow which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury's Minimum Reporting Requirements for the year ending 30 June 2016, and other authoritative pronouncements.

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

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

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

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

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

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

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

## DUMARESQ-BARWON BORDER RIVERS COMMISSION

### Notes to the financial statements for the year ended 30 June 2016

#### 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 2016 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 2016.

##### (g) Acquisitions of Assets

Historical cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the asset ready for use, including architects' fees and engineering design fees. However, any training costs are expensed as incurred.

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

##### (h) Property, Plant and Equipment

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

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

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

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

Land, buildings and infrastructure are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement* and Queensland Treasury 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 2016

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

##### (l) 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 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.

##### (j) Maintenance

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

## DUMARESQ-BARWON BORDER RIVERS COMMISSION

### Notes to the financial statements for the year ended 30 June 2016

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

##### (k) Fair Value

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

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

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

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

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

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

All assets and liabilities of the Commission for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
- level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

None of the Commission's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy. There were no transfers of assets between fair value hierarchy levels during the period.

## DUMARESQ-BARWON BORDER RIVERS COMMISSION

**Notes to the financial statements for the year ended 30 June 2016**

### **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:

<b>Class</b>	<b>Category</b>	<b>Number of years</b>
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.

When an asset is revalued using either a market or income valuation approach, any accumulated impairment losses at that date are eliminated against the gross amount of the asset prior to restating for the revaluation.

#### **(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 2016

#### 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
- Depreciation - Note 7

##### (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 2016**

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

##### **(u) Rounding and Comparatives**

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

##### **(v) Current/Non-Current Classification**

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

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

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

##### **(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 2015-16. Australian accounting standard changes applicable for the first time for 2015-16 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 2016

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

##### (w) New and Revised Accounting Standards (continued)

Cont'd

AASB 2015-2 – Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101. The Standard makes amendment to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgement in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures. The Commission has early adopted this standard and it does not have any impact on the financial statements.

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 Commission 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.

## DUMARESQ-BARWON BORDER RIVERS COMMISSION

### Notes to the financial statements for the year ended 30 June 2016

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

##### (w) New and Revised Accounting Standards (continued)

Cont'd

**AASB 16: Leases** (applicable to annual reporting periods beginning on or after 1 January 2019). When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding leases. The above standard does not have any effect on the financial statements.

Effective from reporting periods beginning on or after 1 July 2016, a revised version of AASB 124 will apply to the Commission. AASB 124 requires disclosures about the remuneration of key management personnel (KMP), transactions with related parties, and relationships between parent and controlled entities.

The Commission already discloses detailed information about remuneration of its KMP, based on Queensland Treasury's Financial Reporting Requirements for Queensland Government Agencies. Due to the additional guidance about the KMP definition in the revised AASB 124, the Commission will be assessing whether its responsible Minister should be part of its KMP from 2016-17. If the responsible Minister is assessed as meeting the KMP definition, no associated remuneration figures will be disclosed by the Commission, as it does not provide the Minister's remuneration. Comparative information will continue to be disclosed in respect of KMP remuneration.

The most significant implications of AASB 124 for the Commission are the required disclosures about transactions between the department and its related parties (as defined in AASB 124). For any such transactions, from 2016-17, disclosures will include the nature of the related party relationship, as well as information about those transactions' terms/conditions and amounts, any guarantees given/received, outstanding receivables/ payables, commitments, and any receivables where collection has been assessed as being doubtful. In respect of related party transactions with other Queensland Government controlled entities, the information disclosed will be more high level, unless a transaction is individually significant. No comparative information is required in respect of related party transactions in the 2016-17 financial statements.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the Commission'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 2016

	2016 \$'000	2015 \$'000
<b>2 Income from Continuing Operations</b>		
<b>(a) Grants and other contributions</b>		
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>(b) Interest Income</b>		
Interest on QTC Investment	102	106
	<u>102</u>	<u>106</u>
<b>(c) Other revenue</b>		
Rental income	22	28
Other	-	7
	<u>22</u>	<u>35</u>
<b>3 Expenses from Continuing Operations</b>		
<b>(a) Supplies and Services</b>		
Fees for services:		
SunWater Limited (QLD)	830	1,000
Department of Trade and Investment, Regional Infrastructure and Services - NSW Office of Water (NSW)	782	700
Department of Natural Resources and Mines (QLD)	295	540
State Water Corporation (NSW)	37	120
Department of Energy and Water Supply (QLD)	15	-
Administrative allowances	20	5
Insurance	74	72
Superannuation	2	0
Other expenses	0	31
	<u>2,055</u>	<u>2,468</u>
<b>(b) Depreciation</b>		
Buildings	23	15
Infrastructure	1,752	1,840
Plant and equipment	7	8
	<u>1,782</u>	<u>1,863</u>
<b>(c) Other expenses</b>		
Audit fee-financial statements*	16	16
Bank fees and charges	4	3
Other expenses from ordinary activities	5	2
	<u>25</u>	<u>21</u>

\*The auditors received no other benefits



# DUMARESQ-BARWON BORDER RIVERS COMMISSION

## Notes to the financial statements for the year ended 30 June 2016

### 4 Cash and Cash Equivalents

	2016	2015
	\$'000	\$'000
Cash at bank and on hand	55	222
At call interest bearing investment	3,638	3,410
Closing cash and cash equivalents	3,693	3,632

Investments deposited with the Westpac Banking Corporation earned interest at rates 0.01%. (2014-15: Westpac Banking Corporation 0.01%).

Investments deposited with the Queensland Treasury Corporation capital guaranteed fund earned interest at rates between 2.74% to 3.24% (2014-15: Queensland Treasury Corporation 3.03% to 3.94%).

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	29	50
Receivable on sale of land	-	7
	29	57

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 2016**

**7 Property, Plant and Equipment**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Buildings (at valuation)	1,604	1,580
less: accumulated depreciation	(793)	(758)
	<u>811</u>	<u>822</u>
Infrastructure (at valuation)	198,793	195,470
less: accumulated depreciation	(64,678)	(61,845)
	<u>134,115</u>	<u>133,625</u>
Land (at valuation)	1,808	1,808
	<u>1,808</u>	<u>1,808</u>
Plant and equipment (at cost)	55	52
less: accumulated depreciation	(18)	(8)
	<u>37</u>	<u>44</u>
<b>Total property, plant and equipment</b>	<u><b>136,771</b></u>	<u><b>136,299</b></u>

<b>Property, Plant and Equipment Reconciliation</b>	<b>Buildings</b>	<b>Infrastructure</b>	<b>Land</b>	<b>Plant and Equipment</b>	<b>Total</b>
	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at 1 July 2015	822	133,625	1,808	44	136,299
Revaluation increments (decrements)	12	2,242	-	-	2,254
Depreciation	(23)	(1,752)	-	(7)	(1,782)
Addition	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Net carrying amount at 30 June 2016</b>	<u><b>811</b></u>	<u><b>134,115</b></u>	<u><b>1,808</b></u>	<u><b>37</b></u>	<u><b>136,771</b></u>
	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
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	-	-	-	-	-
<b>Net carrying amount at 30 June 2015</b>	<u><b>822</b></u>	<u><b>133,625</b></u>	<u><b>1,808</b></u>	<u><b>44</b></u>	<u><b>136,299</b></u>

Land, buildings and water infrastructure assets were last revalued based on an independent assessment completed on 11 May 2015. Land, Buildings and Infrastructure assets have been valued in 2016 through the use of relevant indices set by the Statistical Valuation Services (in accordance with the accounting policy at note 1i) for 2016, for year in which an independent valuation did not occur.)

**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 2016

	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
Land	1,808	-	1,808
Buildings	811	-	811
Infrastructure	-	134,115	134,115

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

	Infrastructure \$'000	Total \$'000
Carrying amount at 1 July 2015	133,625	133,625
Acquisitions	-	-
Disposals	-	-
Revaluation increments/(decrements)	2,242	2,242
Impairment losses recognised in operating surplus/(deficit)*	-	-
Depreciation/amortisation	(1,752)	(1,752)
Carrying amount at 30 June 2016	134,115	134,115

	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

# 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 2016 \$'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		134,115	Condition rating / remaining useful life	1% - 5% \$1.34M - \$6.7M	Increase/decrease in condition rating / useful life would increase/decrease the 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

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 were used to fair value the assets effective at 30 June 2016:

- 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.

For the year ended 30 June 2016, the following indexation rates have been applied:

- Infrastructure assets - 1.7%
- Buildings - 1.5%
- Land - 0%

# **DUMARESQ-BARWON BORDER RIVERS COMMISSION**

Notes to the financial statements for the year ended 30 June 2016

## **8 Payables**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Accrued expenditure	527	814
Accrued audit fees	15	17
Employee entitlements	4	-
	<u>546</u>	<u>831</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	(1,537)	(2,011)
Depreciation	1,782	1,863
Write off of assets	-	(31)
(Increase) Decrease in receivable	7	7
(Decrease)/Increase in payable	(285)	(231)
(Increase)/Decrease in GST receivable	21	444
Increase/(Decrease) in GST Payable	-	(364)
(Increase)/Decrease in Prepayments	73	73
Net cash provided by operating activities	<u>61</u>	<u>(250)</u>

## **10 Asset Revaluation Surplus by Class**

<b>Land</b>		
Balance as at 1 July	855	816
Revaluation increments / (decrements)	-	239
Balance as at 30 June	<u>855</u>	<u>855</u>
<b>Buildings</b>		
Balance as at 1 July	1,109	1,026
Revaluation increments / (decrements)	12	83
Balance as at 30 June	<u>1,121</u>	<u>1,109</u>
<b>Infrastructure</b>		
Balance as at 1 July	131,284	130,893
Revaluation increments / (decrements)	2,242	591
Balance as at 30 June	<u>133,526</u>	<u>131,284</u>
<b>Total</b>	<u><u>135,502</u></u>	<u><u>133,248</u></u>

# DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2016

## 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 2015-16. 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"> <li>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</li> <li>Control the construction, operation and maintenance of works taken over or constructed by the Commission under the Agreement</li> </ul>	Premiers of Queensland and New South Wales	21 September 2015
Commissioner representing Queensland	<ul style="list-style-type: none"> <li>Investigate matters to enable the Commission to exercise the powers and discharge the duties conferred upon it by the Agreement</li> <li>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</li> <li>Arrange for river flows and groundwater levels to be effectively monitored.</li> </ul>	Order in Council	9 February 2012 (24 July 2014) Vacant
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	<ul style="list-style-type: none"> <li>Executive support to the Commission</li> </ul>	Resolution of Commission	23 November 2011
Accountant	<ul style="list-style-type: none"> <li>Accounting support to the Commission</li> </ul>	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.

2015-16

Position	Short Term		Long Term Employee Benefits \$'000	Post Employment Benefits \$'000	Termination Benefits \$'000	Total Remuneration \$'000
	Base \$'000	Non-Monetary Benefits \$'000				
Chair of the Commission	20	-	-	2	-	22

2014-15

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

## DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements for the year ended 30 June 2016

### 12 Contingent Liabilities

	2016	2015
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 2016

## 13 Financial Instruments

The Commission has the following categories

### (a) Financial instrument categories

#### Financial Assets

	Note	Category	Carrying Amount 2016 \$'000	Carrying Amount 2015 \$'000
<b>Class:</b>				
Cash and cash equivalents	4	Financial asset held at fair value through profit and loss	3,693	3,632
Receivables	5	Financial asset measured at amortised cost	29	57
			<u>3,722</u>	<u>3,689</u>

#### Financial Liabilities

	Note	Category	Carrying Amount 2016 \$'000	Carrying Amount 2015 \$'000
<b>Class:</b>				
Payables	8	Financial liabilities measured at amortised cost	546	831
			<u>546</u>	<u>831</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 2016

## 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 2016					
Payables	8	546	-	-	546
Receivable	5	(29)	-	-	(29)
Net outflow		517	-	-	517
30 June 2015					
Payables	8	831	-	-	831
Receivable	5	(57)	-	-	(57)
Net outflow		774	-	-	774

**DUMARESQ-BARWON BORDER RIVERS COMMISSION**

**Notes to the financial statements for the year ended 30 June 2016**

**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 minimises this risk by having the majority of its monies invested with the Queensland Treasury Corporation. The Commission uses a reasonably possible change of +1 - 1% to assess its exposure to interest rate risk, which is consistent with trends in interest rates. The analysis is performed on the same basis as for 2012. The Commission's exposure to interest rate risk is set out below.

	Carrying Amount \$'000	-1%		1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>2016</b>					
Financial assets					
Cash and cash equivalents	3,693	(37)	(37)	37	37
Financial liabilities					
Payables	546	-	-	-	-
<b>2015</b>					
Financial assets					
Cash and cash equivalents	3,632	(36)	(36)	36	36
Financial liabilities					
Payables	831	-	-	-	-

**14 Commitments for Expenditure**

There are no other commitments for expenditure in 2015-16 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 2016 and of the financial position of the Commission at the end of that year.



**Warren Martin**  
**Commissioner**  
**Dated:**  
**25.8.16**



## **INDEPENDENT AUDITOR'S REPORT**

To the Commissioner 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 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and certificates given by the Commissioner.

#### *The Commissioner's Responsibility for the Financial Report*

The Commissioner is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Commissioner's responsibility also includes such internal control as the Commissioner 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 Commission, 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 2015 to 30 June 2016 and of the financial position as at the end of that year.

## **Other Matters - Electronic Presentation of the Audited Financial Report**

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



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



Queensland Audit Office  
Brisbane