



*Dumaresq-Barwon  
Border Rivers Commission*

*Annual Report  
2008-09*

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

In accordance with the provisions of Clause 15(c) of the New South Wales-Queensland Border Rivers Agreement, the Dumaresq-Barwon Border Rivers Commission has the honour to present its report for the year ended 30 June 2009.

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



The Honourable Stephen Robertson, MP  
Minister for Natural Resources, Mines  
and Energy and Minister for Trade  
PO Box 15216  
CITY EAST Q 4002

Dear Mr Robertson

Pursuant to the provisions of the New South Wales-Queensland Border Rivers Agreement, we have pleasure in enclosing, for presentation to the Parliament, the Annual Report of the Dumaresq-Barwon Border Rivers Commission for the year ended 30 June 2009.

Yours sincerely

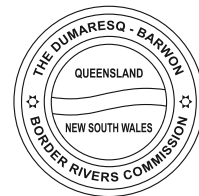
A handwritten signature in black ink, appearing to read 'Ross Krebs'.

Ross Krebs  
Commissioner representing  
Queensland

A handwritten signature in black ink, appearing to read 'Peter Christmas'.

Peter Christmas  
Commissioner representing  
New South Wales

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



The Honourable Phillip Costa, MP  
Minister for Water, and Minister  
for Regional Development  
Level 34 Governor Macquarie Tower  
1 Farrer Place  
SYDNEY NSW 2000

Dear Mr Costa

Pursuant to the provisions of the New South Wales-Queensland Border Rivers Agreement, we have pleasure in enclosing, for presentation to the Parliament, the Annual Report of the Dumaresq-Barwon Border Rivers Commission for the year ended 30 June 2009.

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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 agreement 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.

## 2008-09 at a glance

### **Asset management**

- Major planned maintenance completed during the year included the upgrade of the SCADA system at Boggabilla Weir as well as building maintenance at Glenlyon Dam and repairs to the right abutment of Goondiwindi Weir.
- Other planned maintenance work was completed to address workplace health and safety issues.

### **Glenlyon Dam design flood hydrology**

- SunWater finalised its report, Glenlyon Dam Design Flood Hydrology (Reviewed), March 2009 following completion of a peer review of the SunWater study arranged by the Commission. The report has now been adopted by the Commission.

### **Acceptable Flood Capacity Assessment for Glenlyon Dam**

- On the Commission's behalf, SunWater commenced work late in the year to complete a review of the dam break analysis, commenced several years ago, and to undertake an assessment of the Acceptable Flood Capacity (AFC) for the Glenlyon Dam spillway.

### **Dam safety**

- In April 2009, the safety conditions for Glenlyon Dam were amended by the Queensland dam safety regulator to include the requirement for the Commission to prepare an Acceptable Flood Capacity Assessment Report.

### **Service provider obligations**

- During the year the Commission commenced reporting to the Queensland Department of Environment and Resource Management on the quality of the drinking water supplied at Glenlyon Dam in accordance with the department's requirements under the *Water Supply (Safety and Reliability) Act 2008*.

### **Water sharing**

- 50.2 GL and 18.6 GL of water was diverted from regulated flows in the Border Rivers by New South Wales and Queensland respectively.
- 61.9 GL and 56.1 GL of unsupplemented/supplementary water was diverted from the Border Rivers by New South Wales and Queensland respectively.
- 5.5 GL and 6.2 GL of groundwater was extracted from the Dumaresq River Groundwater Area by New South Wales and Queensland respectively.

### **Irrigated production**

- The total area of crops irrigated from the Border Rivers during the year was 32,500 hectares including 12,700 hectares of cotton and 16,700 hectares of cereal crops.

### **Beardmore Dam compensation releases**

- Compensation releases from Beardmore Dam resulted in the replenishment of stock and domestic water supplies through the entire Culgoa-Balonne Minor distributary system during the year.

### **New intergovernmental water sharing agreement**

- The New South Wales-Queensland Border Rivers Intergovernmental Agreement, 2008, setting out the agreed new water sharing arrangements for the Border Rivers, was signed by the Premiers of the respective states in February 2009.

### **Institutional reform investigations**

- The reform of the Murray-Darling Basin institutional arrangements, which was implemented in December 2008, has not resulted in any recommendations, at this stage, in relation to the reform of the Border Rivers institutional arrangements.

### **Financial**

- The Commission's net operating result for 2008-09, excluding depreciation and loss on disposal, was a surplus of \$303,000.

## Commissioners' report

It is once again our pleasure, as the Commissioners representing Queensland and New South Wales, to present this brief report on behalf of the New South Wales-Queensland Border Rivers Commission.

Although storm rains during the summer months provided some relief to primary producers in the Border catchments, 2008-09 was another year of well below average streamflow with only relatively limited supplies of water being available for irrigation across most of the region. In the Border Rivers catchment, in particular, inflows to Glenlyon Dam were insignificant and the opportunities for irrigators to harvest water from unregulated inflows were limited.

As a result of the limited supplies of water, irrigated production along the Border Rivers was well below the levels of the late 1990's and early 2000's. During the year the area of crops irrigated from the Border Rivers was estimated to be 32,500 hectares including 16,700 hectares of cereal crops and 12,700 hectares of cotton. The total area of cotton grown during 2008-09 was barely 20% of the total area grown eight to ten years ago.

During the year the Premiers signed the New South Wales-Queensland Border Rivers Intergovernmental Agreement, 2008 which sets out the new water sharing arrangements developed jointly by the states during the development of their Border Rivers "water plans". It is the Commission's responsibility to oversee the implementation of the new water sharing arrangements, a task that has been made easier because a number of the key provisions of the new agreement have been in place on a trial basis for approximately three years.

The Australian Government's reform of the institutional arrangements in the Murray-Darling Basin, including the creation of the Murray-Darling Basin Authority in December 2008, has the potential to flow on to the Border Rivers. The Commission understands that during a review of the new Murray-Darling Basin Agreement proposed for 2009-10, the question of whether or not the Commission's responsibilities might be merged into the Murray-Darling Basin Authority responsibilities will be considered further.

It is disappointing to have to report that due to ongoing delays, a new independent Commissioner, and chair of the Commission, has still not been appointed. That position has now been vacant since the previous chair's term expired on 31 March 2007. We trust that the states will endeavor to rectify this situation as soon as practical. To ensure good corporate governance, the Commission must have a chair to provide it with the quorum necessary to enable it to transact business other than routine business.

The Commission's key focus during 2009-10, outside its routine asset management and operations activities, will be to undertake the necessary studies required to complete an Acceptable Flood Capacity Assessment Report for Glenlyon Dam in accordance with the Queensland dam safety regulator's requirements. The studies will determine whether or not the Glenlyon Dam spillway will need to be upgraded to meet Queensland's new Guidelines on the Acceptable Flood Capacity of Dams. If an upgrade is required the studies will provide information about both the timing and estimated cost of the upgrade. At this stage the indications are that the current spillway capacity is marginally below 75% of the required capacity under the new guidelines. If that is the case, it will be necessary to upgrade the spillway to at least 75% of the required capacity before 2025.

The Commission's financial position continues to be sound. During 2008-09 it received revenue of \$2,395,000. Expenses from ordinary activities amounted to \$3,139,000. After excluding depreciation and the loss made on the sale of a surplus asset, the Commission had an operating surplus of \$303,000, which will be available to fund future works.

We would like to express our sincere thanks to the Commission's accountant and his very capable assistant, the secretary/project officer, members of the management committee and other departmental staff from both states whose dedication and efforts during the year enabled the Commission to successfully complete its annual program of projects and works.



Ross Krebs  
Commissioner representing  
Queensland



Peter Christmas  
Commissioner representing  
New South Wales



# The Commission

## **Purpose**

The purpose of 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
- investigating, constructing and operating works to conserve and regulate those waters where considered desirable.

## **Constitution**

The Dumaresq-Barwon Border Rivers Commission was constituted by an agreement made in 1946 between the New South Wales and Queensland governments. The agreement was ratified in New South Wales by the *New South Wales-Queensland Border Rivers Act 1947* and in Queensland by the *New South Wales-Queensland Border Rivers Act 1946*.

The agreement, known as the *New South Wales-Queensland Border Rivers Agreement*, is contained in the schedule to each state's Border Rivers legislation.

## **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.

## **Commission's duties and functions**

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

- determine the anticipated quantity of water available each year from the Border Rivers and from the dams and weirs controlled by the Commission and notify the states of the portion of that water they may divert and use
- control the construction, operation and maintenance of works taken over or constructed by the Commission under the Agreement i.e. Glenlyon Dam and Boggabilla Weir as well as other weirs and regulators on the Border Rivers and Intersecting Streams
- undertake investigations considered necessary by the Commission to enable it to exercise the powers and discharge the duties conferred upon it by the Agreement
- report and make recommendations from time to time to the governments of New South Wales and Queensland regarding the sharing of the waters of the Intersecting Streams, the sharing of groundwater and other matters set out in the agreement
- investigate the practicability of constructing, maintaining and operating additional storages
- arrange for the construction, operation and maintenance of gauging stations to record the flow in the Dumaresq River at Mingoola and at such other places as deemed necessary by the Commission
- arrange for the construction, maintenance, operation and control of an effective system of monitoring groundwater.

In addition to its statutory functions the Commission carries on a coordinated program to monitor water quality in the Border Rivers and the Intersecting Streams.

## **Membership**

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

During 2008-09 the commissioners and deputy commissioners were:

- **Commissioner and chair of the Commission**

The position of chair of the Commission has been vacant since the former chair's term ended on 31 March 2007.

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

Appointed to the position for the period from 5 October 2006 to 4 October 2011. During 2008-09 Mr Krebs was Regional Manager, Water Services, South West Region in the Queensland Department of Environment and Resource Management.

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

Appointed to the position for the period from 23 July 2008 to 22 July 2013. During 2008-09 Mr Christmas was Director, Water Management and Implementation in the New South Wales Department of Water and Energy.

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

Appointed to the position for the period from 5 October 2006 to 4 October 2011. During 2008-09 Ms Jensen was Director, Water Legislation, Policy and Pricing in the Queensland Department of Environment and Resource Management.

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

Appointed to the position for the period from 23 July 2008 to 22 July 2013. During 2008-09 Mr Simpson was Manager, Interstate Program Performance in the New South Wales Department of Water and Energy.

The Commission was administratively supported by its secretary, Mr Jim Mylne, its accountant, Mr Bruce Morcombe, and his assistant, Ms Julia Lee. Mr Mylne is an employee of the Queensland Department of Environment and Resource Management whereas Mr Morcombe and Ms Lee were both employees of the New South Wales Department of Water and Energy.

## **Meetings**

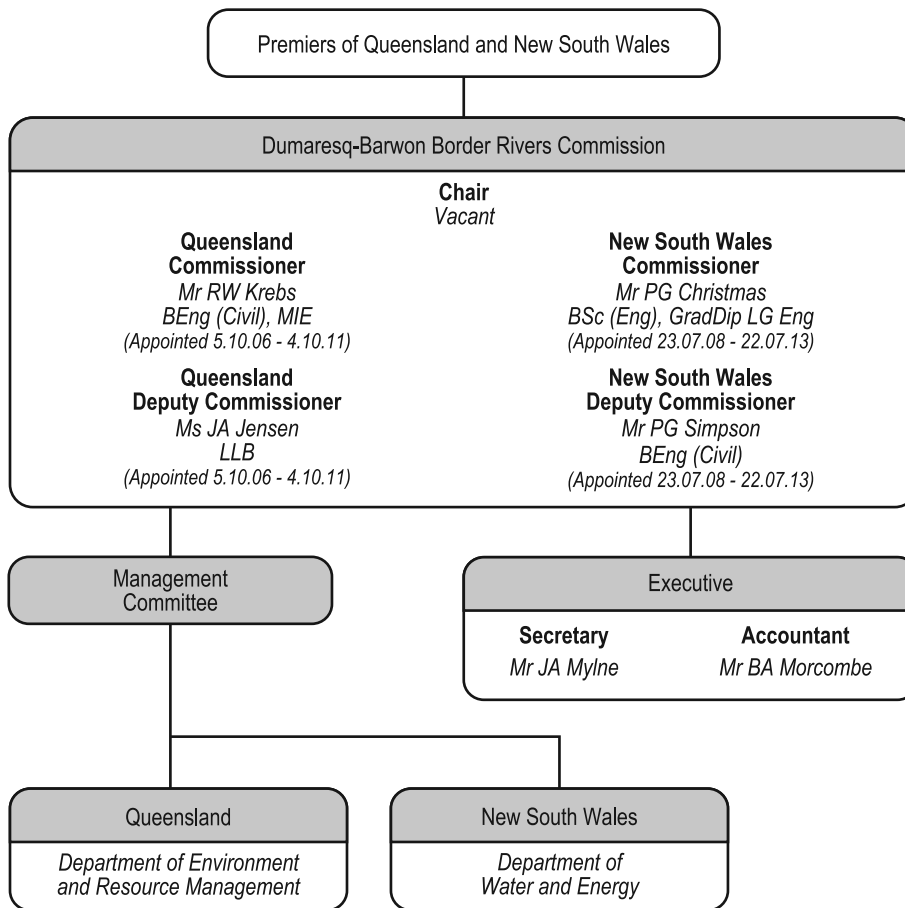
The Commission did not meet formally during the year because it was not possible for it to secure a quorum. During the year the business of the Commission was conducted out-of session by the Commissioners representing Queensland and New South Wales.

## **Access**

The Dumaresq-Barwon Border Rivers Commission may be contacted through its secretary, Mr Jim Mylne, at:

- c/- Department of Environment and Resource Management  
PO Box 318, Toowoomba Qld 4350
- Phone: (07) 4688 1010
- Fax: (07) 4688 1488
- Email: [brc@derm.qld.gov.au](mailto:brc@derm.qld.gov.au).

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



**Management committee**

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

During 2008-09 the management committee consisted of Mr PG (Peter) Christmas and Mr DM (Derek) Everson of the New South Wales Department of Water and Energy and Mr PT (Paul) Mills and Mr FD (Frank) Walker of the Queensland Department of Environment and Resource Management. The chair of the committee is traditionally rotated between the states at two yearly intervals. Mr Mills is currently chair of the management committee.

The management committee met formally on one occasion during the year. That meeting was held on 18 March 2009. Other business during the year was conducted out-of-session.

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

## The water infrastructure

### OBJECTIVES

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

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

*Maintain works to defined asset management standards.*

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

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

### STRATEGIC FOCUS

Under the provisions of the New South Wales-Queensland 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 in 1947 or which it constructed after the date of the Agreement. The Commission aims to operate and maintain the infrastructure it controls in accordance with best practice, dam safety requirements and the documented plans and procedures including Asset Management Plans, Operations and Maintenance Manuals, Standing Operating Procedures and Emergency Action Plans.

The Commission employs the Queensland water service provider, SunWater, under a heads of agreement, to operate and maintain the bulk of its water assets and associated water supply services. Under the terms of the heads of agreement, SunWater is responsible for providing a complete facility management service to ensure that the Commission fulfills its responsibilities as the "owner" of the Border River's water infrastructure.

Currently State Water and the Queensland Department of Environment and Resource Management have an informal agreement with the Commission to jointly carry out the Commission's responsibility to control releases from Glenlyon Dam and to regulate flows along the Border Rivers.

Details of the key features of the infrastructure controlled by the Commission can be found in its report titled *Annual Statistics 2008-09*.

### ACHIEVEMENTS DURING 2008-09

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

In April 2009 the Queensland Department of Environment and Resource Management issued the Commission with an Information Notice changing the Safety Conditions for Glenlyon Dam. The key change was the addition of a new dam safety condition requiring the Commission to undertake an Acceptable Flood Capacity assessment for Glenlyon Dam and to provide the Queensland Dam Safety Regulator i.e. the Department of Environment and Resource Management, with a report prepared in accordance with the department's *Guidelines on Acceptable Flood Capacity for Dams* by 31 January 2010.

In June 2009 the Commission accepted a proposal from SunWater to undertake a dam break analysis to be followed by the Acceptable Flood Capacity assessment for Glenlyon Dam. From this work the Commission will be able to determine whether or not the existing spillway is able to pass the Acceptable Flood Capacity. If it cannot, the report on the assessment will include preliminary proposals of the work required to upgrade the spillway to the Acceptable Flood Capacity including timings for the work to meet the regulators requirements and preliminary cost estimates.

#### ***Glenlyon Dam design flood hydrology***

Early in 2008-09 the Commission arranged for EHA Pty Ltd to undertake a peer review of the work done by SunWater to reassess the Glenlyon Dam design flood hydrology following the discovery that a number of assumptions made by the New South Wales Department of Natural Resources when calibrating the model used in their 2005 study produced, in SunWater's opinion, what were

overly conservative estimates of the design flows. SunWater, for instance, estimated that the Probable Maximum Precipitation Design Flood (PMPDF) was 30% less than was estimated by the NSW department in its earlier study.

In its peer review EHA used several models and techniques to review the design flood estimates including a comparison with other Australian and international design flood estimates. The review identified that, of the input parameters such as rainfall and losses, the design flood estimates were most sensitive to the adopted model routing parameters. As a consequence of the peer review, SunWater's final design flood estimates were adjusted slightly upwards but were still significantly lower than the estimates from the previous study.

Following the peer review SunWater finalised its report Glenlyon Dam Design Flood Hydrology (Reviewed), March 2009 and the Commission adopted the design flood estimates documented in the report.

### ***Glenlyon Dam Acceptable Flood Capacity Assessment and Dam Break Analysis***

Following its acceptance of the revised design flood hydrology for Glenlyon Dam in late 2008-09, the Commission arranged for SunWater to finalise the revision of the Dam Break Analysis which had been deferred in 2007 when the problem with the Glenlyon Dam hydrology had first been discovered.

Immediately after completion of the Dam Break Analysis, SunWater will commence work, on the Commission's behalf, to develop the Acceptable Flood Capacity Assessment report in accordance with the requirements of the amended Safety Conditions for Glenlyon Dam.

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

During the year the Queensland Government implemented changes to drinking water quality management in Queensland under the provisions of the *Water Supply (Safety and Reliability) Act 2008*. Under that Act the Commission, as a water service provider in Queensland supplying drinking water, will be required to have an approved Drinking Water Quality Management Plan in place by 1 July 2011. In the meantime the Commission must continue to monitor the quality of the drinking water it provides to its only customer – the lessee of the caravan park at Glenlyon Dam – and provide quarterly, annual and incident reports to the Queensland Department of Environment and Resource Management.

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

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

- the upgrade of the Boggabilla Weir SCADA system
- building repairs and refurbishment at Glenlyon Dam
- repairs to the right abutment of Goondiwindi Weir

Several other planned maintenance tasks were completed to address workplace health and safety issues.

### ***Asset management***

The Commission's contractor, SunWater, continued the work it commenced in the previous year to establish a comprehensive asset management system for the Commission's assets. Using the information from its asset management system SunWater was able to produce, for the first time, a comprehensive Five-Year Asset Management Plan for the Commission. It is expected that the document will become more valuable to the Commission as the asset management policies and standards are refined.

During the year SunWater continued its work to incorporate the Commission's assets into their asset management system and to check that the value of those assets corresponded to the value of the assets in the Commission's asset register.

### ***Public access & recreation***

The Commission continued to provide and maintain recreation facilities at Glenlyon Dam to cater for day trippers interested in picnicking, swimming, recreational fishing, boating and water skiing

whilst the caravan park and camping area, operated by private lessees, provided facilities for those wishing to stay for longer. It was estimated that more than 75,000 people visited Glenlyon Dam during the year.

The local fish stocking group continued their work to boost fish numbers in Glenlyon Dam. During 2008-09 about approximately 327,000 fingerlings were released into Glenlyon Dam including both Murray Cod and Golden Perch.

#### FUTURE DIRECTIONS

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

- complete the Acceptable Flood Capacity (AFC) Assessment Report for Glenlyon Dam in accordance with the amended Safety Conditions
- develop comprehensive asset management policies and standards for the Commission's assets
- compile a new asset register based on the records contained in the SunWater asset management system
- develop a comprehensive Operation and Maintenance Manual for Boggabilla Weir

## The water resources

### OBJECTIVES

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

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

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

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

### STRATEGIC FOCUS

The New South Wales-Queensland Border Rivers Agreement (the Agreement) made in 1946 between the New South Wales and Queensland governments sets out the agreed arrangements for sharing the waters of the Border Rivers between the states. It is the Commission's responsibility to oversee the sharing of the waters of the Border Rivers between the states in accordance with that agreement or in accordance with any new or amended water sharing arrangements agreed to by the states.

In addition to overseeing the water sharing arrangements, the Commission is responsible for ensuring that effective and uniform systems are in place to monitor and record river flows in the Border Rivers and Intersecting Streams and to monitor and record groundwater levels in the alluvial aquifers associated with the Dumaresq River. The cost of this work is borne by the Commission, however, the actual construction, operation and maintenance of those systems is carried out by the Controlling Authorities of New South Wales and Queensland as defined in the Agreement. The data obtained from the monitoring systems is vital for the successful regulation of the Border Rivers and provides essential information to support water resource planning and management by both states in all the border catchments.

Whilst it is not a statutory requirement under the Agreement, the states have requested the Commission to implement a coordinated program of water quality monitoring in both the Border Rivers and the Intersecting Streams to obtain an ongoing record of key water quality indicators and to identify emerging water quality problems.

### ACHIEVEMENTS DURING 2008-09

#### ***New Intergovernmental Water Sharing Agreement***

In February 2009 the Premiers of New South Wales and Queensland signed an agreement, the New South Wales-Queensland Border Rivers Intergovernmental Agreement 2008, which varies many of water sharing arrangements contained in the New South Wales-Queensland Border Rivers Agreement first made in 1946. Amongst other things the new agreement provides new or varied rules for:

- sharing flows in the Border Rivers between consumptive uses and instream uses
- sharing the water stored in Glenlyon Dam and the Border Rivers weirs between the states
- sharing the available water from both regulated and unregulated flows between the states

In addition the states have agreed to restrict the total amount of water that each state will divert from the wider Border Rivers catchment whilst maintaining the longstanding arrangement to share the regulated water supplies in Glenlyon Dam and the Border Rivers between New South Wales and Queensland in the ratio 57:43.

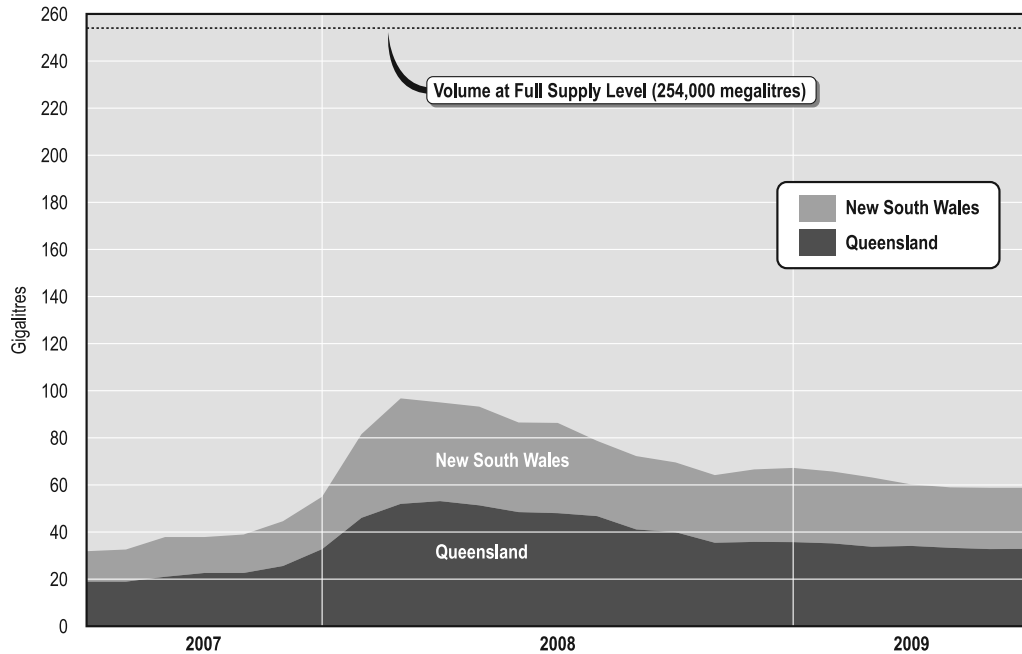
#### ***Water sharing***

Resource assessments were routinely carried out by the Commission at least once per month, and more often when required, to share the available regulated water resources of the Border Rivers between the states in accordance with the agreed arrangements. As the result of relatively minor inflows to the dams and only moderate unregulated tributary inflows 65,420 and 3,640 megalitres

of regulated water were distributed during the year to the New South Wales and Queensland bulk general use accounts respectively for use by the states' water users along the Border Rivers.

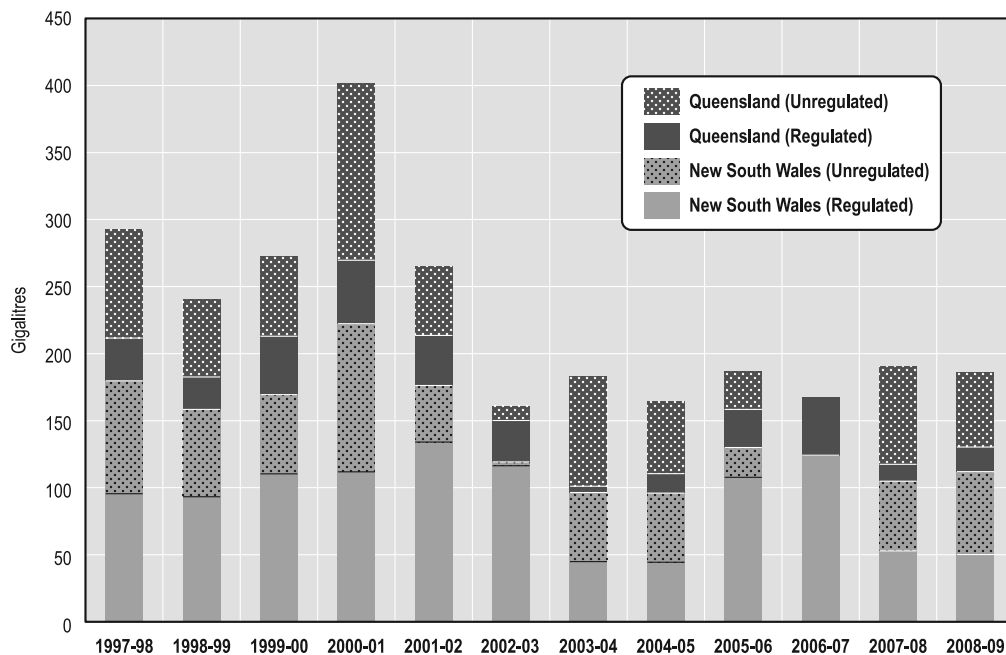
The total quantity of regulated water used during the year was slightly higher than in the previous year with New South Wales water users diverting 50,240 megalitres and Queensland water users diverting 18,561 megalitres. As illustrated in the chart below, Glenlyon Dam commenced the year at 88,000 megalitres. As a result of relatively low use and minimal inflow it fell to 60,000 megalitres by the end of 2008-09.

**Glenlyon Dam**  
Storage performance and New South Wales - Queensland water shares



Water users were granted a number of relatively brief opportunities to pump supplementary (NSW) and/or unsupplemented (Qld) water from the Border Rivers during the year. In total 61,903 and 56,068 megalitres were diverted from unregulated flows during the year by New South Wales and Queensland respectively. The chart below, showing the water use history in the Border Rivers over the previous twelve years, illustrates once again that total water use from the Border Rivers is still well down as a result of the protracted drought conditions.

**Border Rivers water use history**  
Regulated and unregulated water use 1997-98 to 2008-09





### **Beardmore Dam compensation releases**

On the 22 September 2008, following consultation with the New South Wales Department of Water and Energy and downstream landholders, the Queensland Department of Environment and Resource Management requested SunWater to commence releasing the 3,800 megalitres of compensation water which had been stored in Beardmore Dam earlier in the month due to an inflow.

Further inflows to Beardmore Dam occurred in October 2008 followed by a period of more significant inflows from mid-November 2008 almost non-stop through to mid-January 2009. Those inflows, the associated compensation releases, which amounted to 59.7 GL for the year, and local runoff in New South Wales resulted in the replenishment of stock and domestic water supplies right through the entire Culgoa-Balonne distributary system by the end of February 2009. Both inflows to Beardmore Dam and compensation releases continued on and off for the remainder of the year.

### **Stream gauging**

The Commission continued to provide funding to the New South Wales Department of Water and Energy and the Queensland Department of Environment and Resource Management to operate and maintain a network of 48 river gauging stations including 25 gauging stations in the Border Rivers catchment and 23 gauging stations on the Intersecting Streams to the west of Mungindi. In accordance with the Border Rivers Agreement the states provided the Commission with the required streamflow information for river operations and water sharing purposes.

### **Water quality**

In 1990 the Commission commenced a program to monitor water quality at 15 sites in the Border Rivers, including Glenlyon Dam, and six sites in the Intersecting Streams. The purpose of the program, which is conducted on the Commission's behalf by the New South Wales Department of Water and Energy, is to collect baseline water quality data and to identify emerging water quality issues.

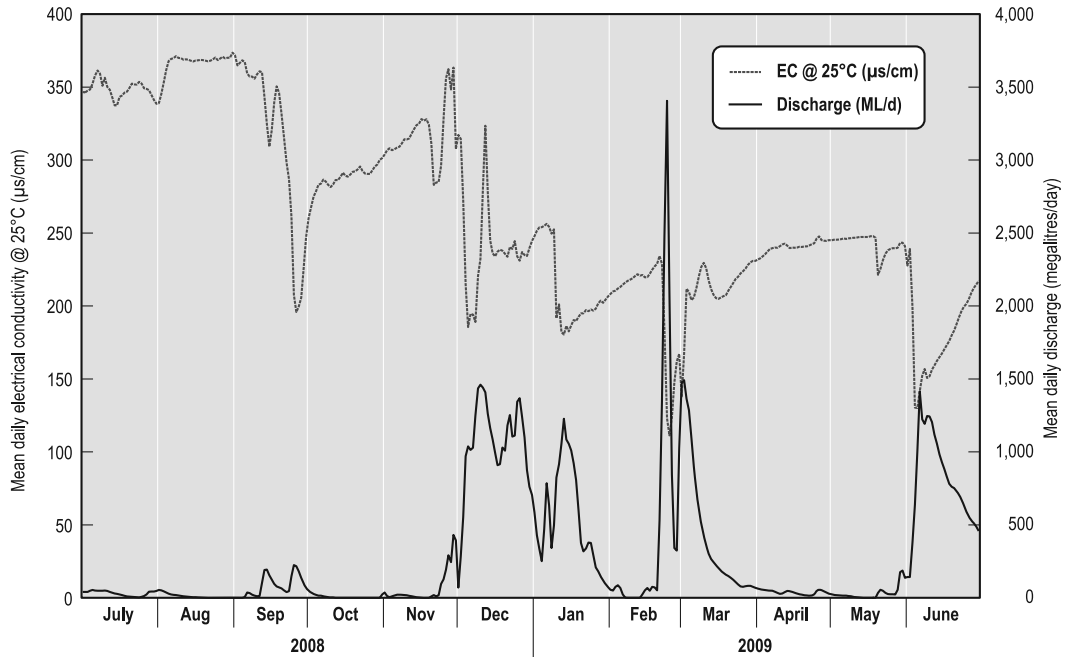
Under the program, the salinity level at sampling points is regularly monitored via electrical conductivity measurements. Generally the levels of salinity recorded in both the Border Rivers and the Intersecting Streams were relatively low making the water suitable for use on most irrigated crops. The chart on the next page shows a plot of the electrical conductivity at Mungindi which is recorded on a continuous basis. During the year the electrical conductivity at Mungindi fluctuated between a maximum of 330  $\mu\text{S}/\text{cm}$  and a minimum of 110  $\mu\text{S}/\text{cm}$ . As illustrated by the plot, salinity levels tend to rise when streamflows fall and fall when streamflows rise.

In accordance with normal trends, turbidity levels in the streams of the Border Rivers catchment tend to increase with distance from the source. The highest turbidity levels were recorded in the Weir River at Talwood and the next highest in the Barwon River at Mungindi. Historical results have shown the Weir River to be a particularly turbid system. Further investigation would be required to determine whether that is due to the geology of the system, land management practices, a combination of both or other factors. Generally, the turbidity levels in the Intersecting Streams are in the high to very high range. Those high turbidity levels are likely to be the result of a combination of geology of the systems, the intermittent nature of flows and land management practices.

Nutrient levels at most monitoring sites in the Border Rivers exceed the guideline values thus providing the potential for algal bloom development. In the recent past there have been algal blooms detected in the Border Rivers and, if conditions are favourable, it is likely that blooms will occur again. The Intersecting Streams also have high levels of nutrients. They, however, are less susceptible to the development of algal blooms because the turbid nature of the systems tends to inhibit sunlight penetration which in turn inhibits the development of algal blooms.

Blue green algal levels at Glenlyon Dam were regularly monitored during the year by the Commission's contractor, SunWater. Levels were low for all months except November and December when the level rose for a short time to moderate. No algal blooms were reported in any of the Commission's other storages during the year.

**Barwon River @ Mungindi (416001)**  
Electrical conductivity and flow during 2008 - 09



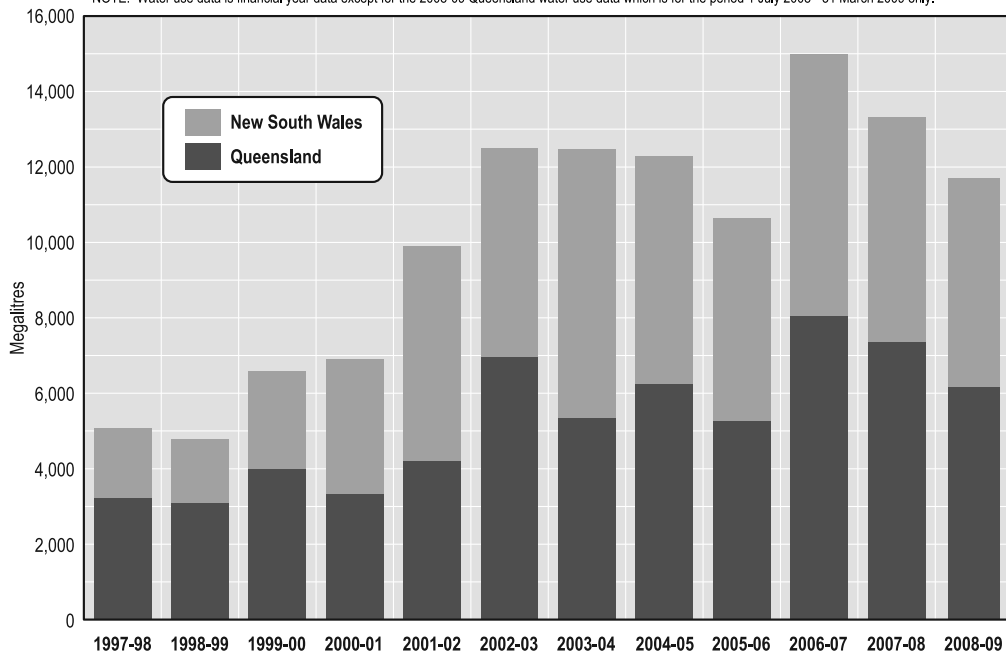
**Groundwater**

During the year irrigators in the New South Wales and Queensland sections of the Dumaresq River Groundwater Area used 5,536 megalitres and 6,168 megalitres of groundwater respectively. The total quantity of groundwater used during 2008-09 (i.e. 11,704 megalitres) was less than 2006-07 and 2007-08. The chart on the next page indicates that the usage was about equivalent to the average use over the previous six years.

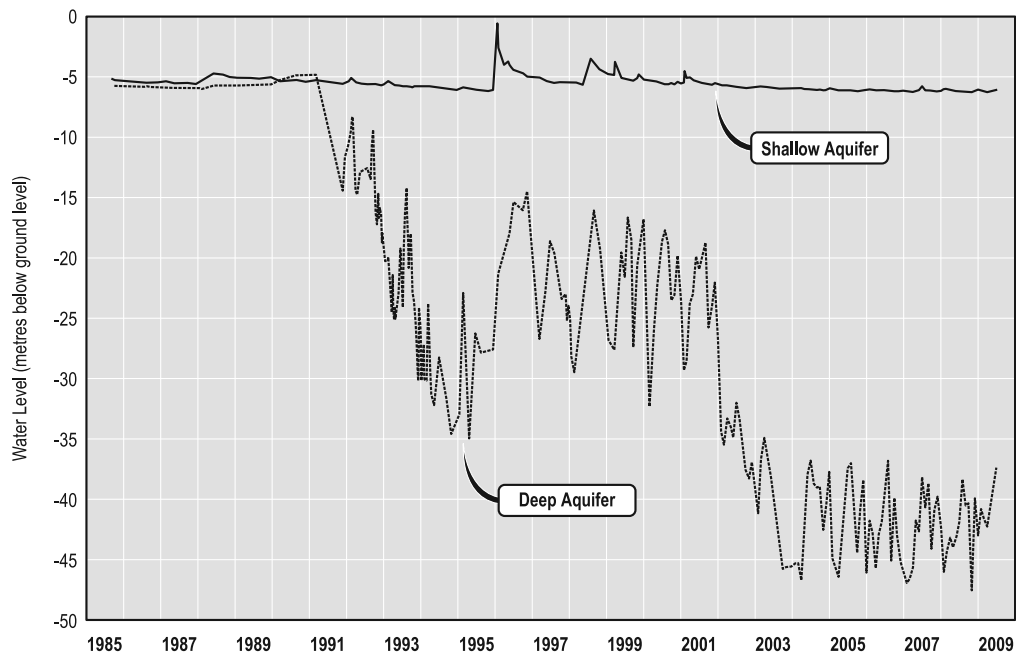
The Queensland Department of Environment and Resource Management continued to monitor groundwater levels, on the Commission's behalf, in the observation bore network in the Dumaresq River Groundwater Area. The network consists of 50 piezometers located in 36 bores in the area between Mingoola and Keetah. Due to the continued high level of groundwater use and the ongoing drought conditions the groundwater levels in most of the observation bores in the area were at or near historical low levels during the year. The plot of groundwater levels in an observation bore in the vicinity of Cunningham Weir is typical of the water levels in many of the observation bores throughout the area.

**Dumaresq River Groundwater Area**  
Groundwater use 1997-98 to 2008-09

NOTE: Water use data is financial year data except for the 2008-09 Queensland water use data which is for the period 1 July 2008 - 31 March 2009 only.



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



#### FUTURE DIRECTIONS

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

- ensure that the water sharing and water management arrangements in the New South Wales-Queensland Border Rivers Intergovernmental Agreement 2008 are implemented
- continue to provide funding to the states to operate and maintain the existing stream gauging and groundwater monitoring networks
- continue the current water quality monitoring program.

## The business and our customers

### OBJECTIVES

*Provide responsible and accountable management of the Commission's resources in a cost effective and businesslike manner.*

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

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

### STRATEGIC FOCUS

The Border Rivers Commission is a "business" primarily responsible for providing water services to two customers. Those two customers are the state governments of Queensland and New South Wales.

Traditionally the work of operating and maintaining the Commission's infrastructure has been undertaken on the Commission's behalf by the Controlling Authorities of Queensland or New South Wales as prescribed in the Agreement or as otherwise arranged by the Commission. The Controlling Authorities under the Agreement are currently the Queensland Department of Environment and Resource Management and the New South Wales Department of Water and Energy.

Due to the water reforms in both states and the institutional changes that have resulted in the resource manager being clearly separated from the infrastructure manager, the "Controlling Authorities" no longer have the capacity to operate and maintain major water infrastructure. Consequently the Commission now employs the commercial water service providers in Queensland and New South Wales, SunWater and State Water respectively, to operate and maintain its works on its behalf. The two departments, however, continue to undertake certain resource management activities on behalf of the Commission.

### ACHIEVEMENTS DURING 2008-09

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

During 2008-09 the Commission received total revenue of \$2,395,000 comprising the call-up from the states of \$2,200,000, investment revenue of \$170,000 and miscellaneous income of \$25,000. Total expenses from ordinary activities were \$3,139,000 which included depreciation of \$1,047,000. The Commission's net operating result for 2008-09 was a deficit of \$839,000 which includes a loss of \$95,000 on the sale of a surplus asset.

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

After allowing for depreciation and the loss due to the sale of a surplus asset, the Commission had an operating surplus of \$303,000 which will be available to fund future works.

#### **Customer consultation**

The Border Rivers Water Services Advisory Committee, comprising the state agencies, the water service providers, the states' customers and the Commission, met on one occasion during the year to discuss and consider issues in relation to the provision of water services in the Border Rivers. Matters considered by the committee included, in particular, operational and water sharing issues as a result of the ongoing drought as well as issues arising from the states' water planning processes.

#### **Institutional reform investigations**

As reported in the previous annual report the Commission agreed to defer action in relation to its recommendation to the governments about the need for reforming the institutional arrangements in the Border Rivers in light of the institutional reforms proposed, at that time, for the Murray-Darling Basin.

Whilst the institutional reforms in the Murray-Darling Basin came into effect with the establishment of the Murray-Darling Basin Authority in December 2008, no change was proposed for the Border Rivers institutional arrangements. Despite that, it is understood that the possibility of the Murray-Darling Basin Authority taking over responsibility for the Border Rivers water infrastructure and oversight of the water sharing arrangements will be considered in a subsequent review of the Murray-Darling Basin Agreement to be conducted in 2009-10.

#### ***Governance arrangements for the provision of services to the Commission***

During the year work continued on the project to formalise the arrangements under which the Queensland water service provider, SunWater, operates, maintains and manages the Commission's assets on its behalf.

Discussions were also held with the New South Wales water service provider, State Water, in relation to formalising arrangements under which they would manage the regulation of the Border Rivers on the Commission's behalf.

#### ***Website***

The Commission's website at [www.brc.gov.au](http://www.brc.gov.au) contains information about the Commission and the Commission's infrastructure as well providing access to copies of public documents including recent copies of the Commission's Annual Report and Annual Statistics report.

#### ***Consultants***

Because the Commission is not a corporate body it is not able to enter into contracts with consultants. Consequently the Commission did not engage any consultants during 2008-09. If the Commission requires the services of consultants it seeks the assistance of the Queensland Department of Environment and Resource Management and/or the New South Wales Department of Water and Energy who engage the consultants on the Commission's behalf under the appropriate state purchasing guidelines.

#### ***Insurance***

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

#### ***Risk management***

The Commission has in place a two part strategy for managing risk. Firstly it maintains a risk register to record identified "business" risks and to detail risk treatment strategies for those risks. Secondly the Commission's operations and maintenance contractor, SunWater, is required to manage a risk management system relating to the infrastructure which it manages on the Commission's behalf.

#### ***Payment of accounts***

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

#### ***Freedom of information***

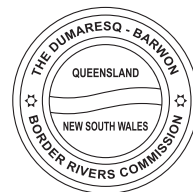
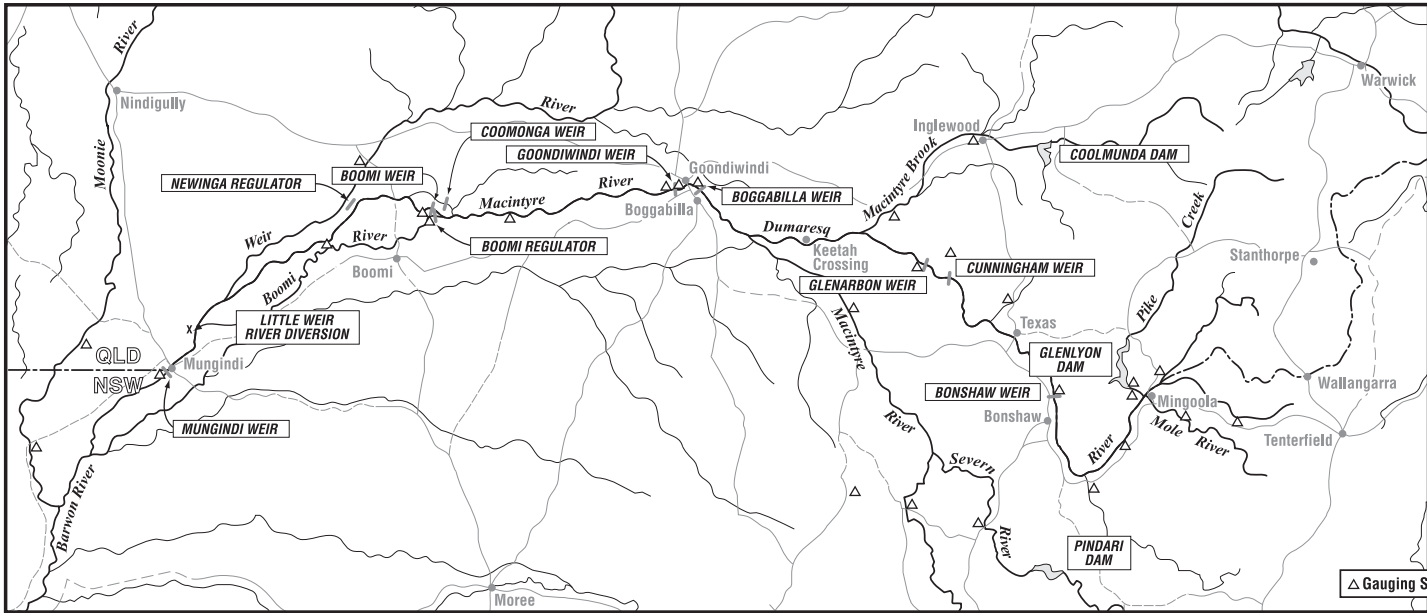
No freedom of information requests were received during the year.

#### ***Privacy management***

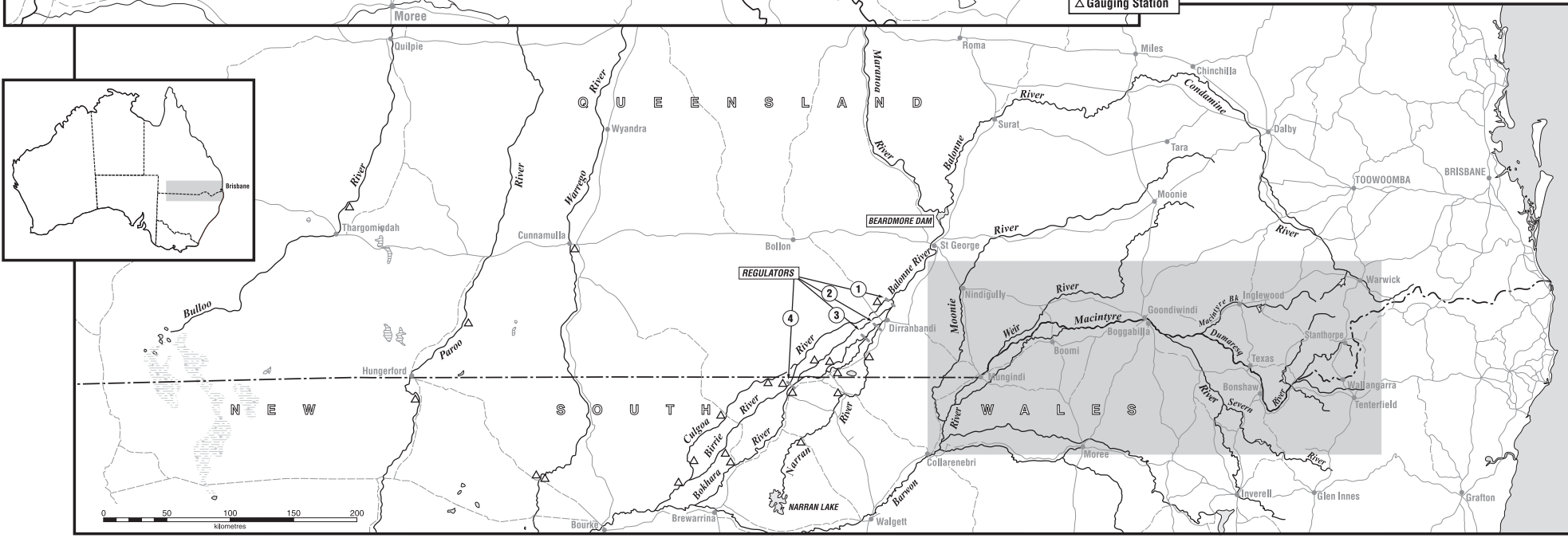
The Commission complies with the privacy management requirements applying to the Queensland Department of Environment and Resource Management and the New South Wales Department of Water and Energy. No complaints were received during the year.

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

The cost of printing the 2008-09 Annual Report and 2008-09 Annual Statistics was \$4.50 and \$3.95 respectively per copy.



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



**Copies of annual report**

Paper copies of the Commission's annual report may be obtained from the Secretary of the Dumaresq-Barwon Border Rivers Commission at 203 Tor St or PO Box 318 Toowoomba Q 4350 or phone 07 4688 1010 or email [brc@derm.qld.gov.au](mailto:brc@derm.qld.gov.au). Alternately, the Commission's annual report may be viewed on or downloaded from the Commission's website. The address of the Commission's website is [www.brc.gov.au](http://www.brc.gov.au).

**FUTURE DIRECTIONS**

Significant future projects/activities related to our business and our customers to be commenced and/or completed include:

- the work to formalise the contractual arrangements under which the states' water service providers operate, maintain and manage the assets controlled by the Commission.

# Financial statements for the year ended 30 June 2009



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

### Dumaresq-Barwon Border Rivers Commission

To Members of the New South Wales Parliament

I have audited the accompanying financial report of Dumaresq-Barwon Border Rivers Commission (the Commission), which comprises the balance sheet as at 30 June 2009, the income statement, statement of recognised income and expense and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

#### Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Commission as at 30 June 2009, and its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

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

The Commissioner is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 controls relevant to the Commission's preparation and fair presentation of the financial report 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 Commission's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Commissioners, as well as evaluating the overall presentation of the financial report.



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

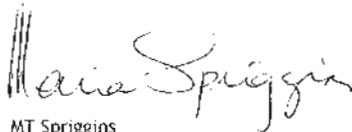
My opinion does not provide assurance:

- about the future viability of the Commission,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

#### Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

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



MT Spriggins  
Director, Financial Audit Services

18 September 2009  
SYDNEY



### Dumaresq-Barwon Border Rivers Commission

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

Pursuant to the *Public Finance and Audit Act, 1983*, we declare that in our opinion:

- (a) The accompanying financial report exhibits a true and fair view of the financial position of the Dumaresq-Barwon Border Rivers Commission as at 30 June 2009, and transactions for the year then ended.
- (b) The report has been prepared in accordance with :
  - applicable Australian Accounting Standards (which include Australian Accounting Interpretations); and
  - the requirements of the *Public Finance and Audit Act 1983* and Public Finance and Audit Regulation 2005.
- (c) There are no circumstances which would render any particulars included in the financial report to be misleading or inaccurate.

Mr Ross Krebs  
Commissioner  
Representing QLD

Mr Bruce Morcombe  
Accountant

14 SEP 2009

Mr Peter Christmas  
Commissioner  
Representing NSW

## DUMARESQ-BARWON BORDER RIVERS COMMISSION

### INCOME STATEMENT for the year ended 30 June 2009

	Notes	2009 \$'000	2008 \$'000
<b>Revenue</b>			
Contributions by the states	3a	2,200	2,100
Investment revenue	3b	170	225
Rental income	3c	25	20
<b>Total revenue</b>		<b>2,395</b>	<b>2,345</b>
<b>Expenses excluding losses</b>			
Insurance	2a	60	61
Operating expenses	2b	2,022	1,943
Depreciation	2c	1,047	1,009
Other expenses	2d	10	10
<b>Total expenses excluding losses</b>		<b>3,139</b>	<b>3,023</b>
<b>Loss on disposal</b>	4	<b>(95)</b>	<b>-</b>
<b>DEFECIT FOR THE YEAR</b>		<b>(839)</b>	<b>(678)</b>

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

**DUMARESQ-BARWON BORDER RIVERS COMMISSION**  
**STATEMENT OF RECOGNISED INCOME AND EXPENSE**  
**for the year ended 30 June 2009**

	Notes	2009 \$'000	2008 \$'000
Net increase in property, plant and equipment asset revaluation reserve	9	1,241	2,607
<b>TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY</b>		<b>1,241</b>	<b>2,607</b>
Deficit for the year	9	(839)	(678)
<b>TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR</b>		<b>402</b>	<b>1,929</b>

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

## DUMARESQ-BARWON BORDER RIVERS COMMISSION

### BALANCE SHEET as at 30 June 2009

	Notes	2009 \$'000	2008 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	2,672	2,340
Receivables	6	75	60
<b>Total current assets</b>		<b>2,747</b>	<b>2,400</b>
<b>Non current - assets</b>			
Property, plant and equipment	7		
Land and buildings		2,268	2,383
Plant and equipment		10	12
Infrastructure systems		68,104	67,903
Total property, plant and equipment		70,382	70,298
<b>Total non current - assets</b>		<b>70,382</b>	<b>70,298</b>
<b>Total assets</b>		<b>73,129</b>	<b>72,698</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	8	288	259
<b>Total current liabilities</b>		<b>288</b>	<b>259</b>
<b>Total liabilities</b>		<b>288</b>	<b>259</b>
<b>Net assets</b>		<b>72,841</b>	<b>72,439</b>
<b>Equity</b>			
Accumulated funds		15,076	15,915
Asset revaluation reserve		57,765	56,524
<b>Total equity</b>	9	<b>72,841</b>	<b>72,439</b>

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

## DUMARESQ-BARWON BORDER RIVERS COMMISSION

### CASH FLOW STATEMENT for the year ended 30 June 2009

	Notes	2009 \$'000	2008 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts			
Contributions by the states		2,200	2,314
Rental income		12	20
Interest received		170	225
Payments			
Insurance		(60)	(61)
Payments to suppliers, employees, etc.		(1,995)	(2,201)
Other		(10)	(10)
<b>Net cash flows from operating activities</b>	10	<b>317</b>	<b>287</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of building	4	15	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>15</b>	<b>-</b>
<b>NET INCREASE IN CASH</b>			
Opening cash and cash equivalents		332	287
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	4	<b>2,340</b>	<b>2,053</b>

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

# DUMARESQ-BARWON BORDER RIVERS COMMISSION

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

### Objectives and principal activities of the Commission

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

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

### 1 Summary of significant accounting policies

#### (a) Basis of accounting

The Commission's financial report is a general purpose financial report which has been prepared in accordance with:

- (i) applicable Australian Accounting Standards (which include Australian Accounting Interpretations) and
- (ii) the requirements of the *Public Finance and Audit Act 1983* and Regulation 2005.

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

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

#### (b) The reporting entity

The Commission is a not-for-profit entity.

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

The Commission is responsible for controlling the construction, operation and maintenance of the water infrastructure assets taken over by it or constructed under the Agreement and to regulate and implement the agreed sharing arrangements in relation to the 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 commencing 1st April 2007 for secretarial support to be provided by officers of the Department of Environment and Resource Management (Queensland) and accounting support to be provided by the Department of Water and Energy (NSW). Prior to this current arrangement, the Department of Natural Resources and Water (Queensland) provided both secretarial and accounting support under an agreed five yearly rotational term.

The financial report has been authorised for issue by the Commission on 14 September 2009.

#### (c) Statement of compliance

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

#### (d) Income recognition

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

##### (i) Interest

Interest income is recognised as it accrues.

##### (ii) Grants and contributions

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

##### (iii) Rental income

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

# DUMARESQ-BARWON BORDER RIVERS COMMISSION

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

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

#### (e) Cash and cash equivalents

For the purposes of the Balance Sheet and the Cash Flow Statement, cash assets include cash at banks and cash at hand. It also includes the Queensland Treasury Corporation capital guaranteed cash fund investment that is convertible readily to cash on hand at the Commission's option and is subject to a low risk of a change in value.

#### (f) Receivables

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery. Settlement on these amounts is required within 14 days from invoice date. An allowance for impairment has not been established as it is considered by the Commission that all debts owing are recoverable.

#### (g) Acquisition of assets

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

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

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

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

Building and Infrastructure Assets	\$10,000
Land	\$1
Other (including heritage and cultural)	\$5,000

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

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

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

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

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

The Commission revalues each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluation was completed on 30 June 2006 and was based on an independent assessment. Interim valuations using appropriate indices are otherwise performed on an annual basis where there has been a material variation in the index. Any revaluation increment arising on the revaluation of an asset is credited directly to the asset revaluation reserve of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation reserve relating to that class.

A revaluation increment was applied to the Commission's physical non-current assets (excluding land) as at 30 June 2009 using the Building Price Index of 1.84% published by the NSW Department of Commerce.

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.

Only those assets, the total values of which are material compared to the value of the class of assets to which they belong, are comprehensively revalued.

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

#### (j) Maintenance

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



# DUMARESQ-BARWON BORDER RIVERS COMMISSION

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

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

#### (k) Amortisation and depreciation of intangibles and property, plant and equipment

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

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the Commission.

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>Asset category</b>	<b>Number of years</b>
<b>Buildings:</b>	
Buildings - workshop/depot	50
Buildings - houses/office complex	75
<b>Water infrastructure:</b>	
Dam - structural components	150
Dam - mechanical/electrical components	25-45
Major weir - structural components	70-100
Major weir - mechanical/electrical components	25-45
Minor weir - regulator/structural components	30-50
<b>Plant &amp; equipment:</b>	
Plant & equipment (at cost)	3-10

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

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

#### (m) Payables

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

#### (n) Insurance

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

#### (o) Employee benefits

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

#### (p) Accounting for the Goods and Services Tax (GST)

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

- 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
- where receivables and payables are stated with the amount of GST included.

#### (q) Rounding

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

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

At reporting date, the following list of Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board had been issued, but were not yet operative. These accounting standards have not been early adopted by the Commission on the basis that NSW Treasury Mandate (TC 09/03) precludes this.

## DUMARESQ-BARWON BORDER RIVERS COMMISSION

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

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

Accounting Standard	Issue date	Application date for annual reporting periods beginning on or after
AASB 3 Business Combinations, AASB 127 Consolidated and Separate Financial Statements and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	March 2008	1 July 2009
AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8	February 2007	1 January 2009
AASB 101 Presentation of Financial Statements, AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101	September 2007 and December 2007	1 January 2009
AASB 2008-2 Amendments to Australian Accounting Standards - Puttable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132, AASB 139 & Interpretation 2]	March 2008	1 January 2009
AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 January 2009
AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1 & AASB 5]	July 2008	1 July 2009
AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101	September 2008	1 January 2009
AASB 2009-2 Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments	April 2009	1 January 2009
AASB 2009-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project	May 2009	1 July 2009
AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	May 2009	1 January 2010
AASB 2009-6 Amendments to Australian Accounting Standards	June 2009	1 January 2009
AASB 2009-7 Amendments to Australian Accounting Standards	June 2009	1 July 2009
AASB Interpretation 17 Distributions of Non-cash Assets to Owners and AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17	December 2008	1 July 2009

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

## DUMARESQ-BARWON BORDER RIVERS COMMISSION

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

#### 2 Expenses including losses

	2009 \$'000	2008 \$'000
<b>(a) Insurance</b>		
NSW insurance	22	22
QLD insurance	38	39
	<b>60</b>	<b>61</b>
<b>(b) Operating expenses - services provided by the states</b>		
Department of Water and Energy (NSW)	488	467
State Water Corporation (NSW)	29	29
Department of Environment and Resource Management (Qld)	415	500
SunWater (Qld)	1,090	947
	<b>2,022</b>	<b>1,943</b>
<b>(c) Depreciation</b>		
Buildings	15	16
Infrastructure	1,030	991
Plant & equipment	2	2
	<b>1,047</b>	<b>1,009</b>
<b>(d) Other expenses</b>		
Audit fee	7	6
Bank fees and charges	3	3
Other expenses from ordinary activities	-	1
	<b>10</b>	<b>10</b>
<b>3 Revenue</b>		
<b>(a) Contributions by the states</b>		
Department of Water and Energy (NSW)	1,100	1,050
Department of Environment and Resource Management (Qld)	1,100	1,050
	<b>2,200</b>	<b>2,100</b>
<b>(b) Investments income</b>		
Interest on current account	3	5
Interest on QTC investment	167	220
	<b>170</b>	<b>225</b>
<b>(c) Rental income</b>		
Rental income - Glenlyon Dam	25	20
	<b>25</b>	<b>20</b>
<b>4 Loss on disposal</b>		
Proceeds from disposal	15	-
Written down value of assets disposed	(110)	-
<b>Net loss on disposal of property, plant and equipment</b>	<b>(95)</b>	<b>-</b>

## DUMARESQ-BARWON BORDER RIVERS COMMISSION

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

#### 5 Current assets - cash and cash equivalents

	2009 \$'000	2008 \$'000
Cash at bank and on hand	2	4
At call interest bearing investment	2,670	2,336
<b>Closing cash and cash equivalents</b>	<b>2,672</b>	<b>2,340</b>

Investments deposited with the Westpac Banking Corporation earned interest at rates between 0.001% to 2.40% (2007-08: Westpac Banking Corporation 0.05% to 2.40%).

Investments deposited with the Queensland Treasury Corporation capital guaranteed fund earn interest at rates between 3.27% to 8.39% (2007-08: Queensland Treasury Corporation 6.50% to 8.37%).

Refer Note 12 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

#### 6 Current/non-current assets - receivables

	2009 \$'000	2008 \$'000
Sundry debtors	15	2
Goods and Services Tax recoverable from ATO	60	58
	<b>75</b>	<b>60</b>

Details regarding credit risk, liquidity risk and market risk including financial assets that are either past due or impaired, are disclosed in Note 12.

#### 7 Non-current assets - property, plant and equipment

	2009 \$'000	2008 \$'000
Buildings (at valuation)	1,151	1,321
less: accumulated depreciation	(533)	(588)
	<b>618</b>	<b>733</b>
Water infrastructure systems (at valuation)	100,025	98,217
less: accumulated depreciation	(31,921)	(30,314)
	<b>68,104</b>	<b>67,903</b>
Land (at valuation)	1,650	1,650
	<b>1,650</b>	<b>1,650</b>
Plant and equipment (at cost)	23	23
less: accumulated depreciation	(13)	(11)
	<b>10</b>	<b>12</b>
<b>Total property, plant and equipment</b>	<b>70,382</b>	<b>70,298</b>

## DUMARESQ-BARWON BORDER RIVERS COMMISSION

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

#### 7 Non-current assets - property, plant and equipment (continued)

	Buildings	Water infrastructure systems	Land	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2008 - fair value</b>					
Gross carrying amount	1,321	98,217	1,650	23	101,211
Accumulated depreciation	(588)	(30,314)	-	(11)	(30,913)
Net carrying amount	733	67,903	1,650	12	70,298

<b>At 30 June 2009 - fair value</b>					
Gross carrying amount	1,151	100,025	1,650	23	102,849
Accumulated depreciation	(533)	(31,921)	-	(13)	(32,467)
Net carrying amount	618	68,104	1,650	10	70,382

#### Reconciliation

##### Year ended 30 June 2009

Net carrying amount at 1 July 08	733	67,903	1,650	12	70,298
Revaluation increments	10	1,231	-	-	1,241
Disposals	(110)	-	-	-	(110)
Depreciation	(15)	(1,030)	-	(2)	(1,047)
<b>Net carrying amount at 30 June 09</b>	<b>618</b>	<b>68,104</b>	<b>1,650</b>	<b>10</b>	<b>70,382</b>

##### At 1 July 2007 - fair value

Gross carrying amount	1,271	94,485	1,650	23	97,429
Accumulated depreciation	(549)	(28,171)	-	(9)	(28,729)
Net carrying amount	722	66,314	1,650	14	68,700

##### At 30 June 2008 - fair value

Gross carrying amount	1,321	98,217	1,650	23	101,211
Accumulated depreciation	(588)	(30,314)	-	(11)	(30,913)
Net carrying amount	733	67,903	1,650	12	70,298

#### Reconciliation

##### Year ended 30 June 2008

Net carrying amount at 1 July 07	722	66,314	1,650	14	68,700
Revaluation increments	27	2,580	-	-	2,607
Depreciation	(16)	(991)	-	(2)	(1,009)
<b>Net carrying amount at 30 June 08</b>	<b>733</b>	<b>67,903</b>	<b>1,650</b>	<b>12</b>	<b>70,298</b>

## DUMARESQ-BARWON BORDER RIVERS COMMISSION

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

#### 8 Current liabilities - payables

	2009 \$'000	2008 \$'000
Accrued expenditure	282	250
Accrued audit fees	6	9
	<b>288</b>	<b>259</b>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 12.

#### 9 Changes in equity

	Accumulated funds		Asset revaluation reserve		Total equity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Balance at beginning of year</b>	<b>15,915</b>	<b>16,593</b>	<b>56,524</b>	<b>53,917</b>	<b>72,439</b>	<b>70,510</b>
<b>Changes in equity - other than transactions with owners as owners</b>						
Increment/(decrement) on revaluation of:						
Land and buildings	-	-	10	27	10	27
Infrastructure assets	-	-	1,231	2,580	1,231	2,580
(Deficit) for the year	(839)	(678)	-	-	(839)	(678)
<b>Total change in equity</b>	<b>(839)</b>	<b>(678)</b>	<b>1,241</b>	<b>2,607</b>	<b>402</b>	<b>1,929</b>
<b>Balance at end of year</b>	<b>15,076</b>	<b>15,915</b>	<b>57,765</b>	<b>56,524</b>	<b>72,841</b>	<b>72,439</b>

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

	2009 \$'000	2008 \$'000
Net operating result	(839)	(678)
Depreciation	1,047	1,009
(Increase)/decrease in accounts receivable	(15)	156
Increase/(decrease) in accounts payable	29	(200)
Net loss on sale of property, plant and equipment	95	-
<b>Net cash provided by (used in) operating activities</b>	<b>317</b>	<b>287</b>

## DUMARESQ-BARWON BORDER RIVERS COMMISSION

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

#### 11 Contingent liabilities

	2008	2007
Number of cases	1	1

The reassessment of the Glenlyon Dam design flood hydrology completed by SunWater on the Commission's behalf during 2007-2008 points to the need for the Commission to increase the spillway capacity of Glenlyon Dam prior to the year 2025 to meet the new Queensland Guidelines for the Acceptable Flood Capacity of Dams, February 2007. The Commission expects that it will complete the other studies and investigations required to determine the extent to which the spillway capacity must be increased and to confirm the deadline for completion of the work, by the end of June 2010. The states of Queensland and New South Wales are both aware of the possible need to provide funding to the Commission to upgrade the Glenlyon Dam spillway.

#### 12 Financial instruments

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

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

The Commissioners have overall responsibility for developing and implementing processes to review and manage risks. Risk management policies are established to identify and analyse the risks faced by the Commission, to set risk limits and controls and to monitor risk.

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

##### (a) Financial instrument categories

Financial assets	Note	Category	Carrying amount	
			2009 \$'000	2008 \$'000
<b>Class:</b>				
Cash and cash equivalents	5	N/A	2,672	2,340
Receivables <sup>1</sup>	6	Receivables	15	2
			<b>2,687</b>	<b>2,342</b>
<hr/>				
Financial liabilities	Note	Category	Carrying amount	
			2009 \$'000	2008 \$'000
<b>Class:</b>				
Payables <sup>2</sup>	8	Financial liabilities measured at amortised cost	288	259
			<b>288</b>	<b>259</b>
<hr/>				

Notes:

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

## DUMARESQ-BARWON BORDER RIVERS COMMISSION

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

#### 12 Financial instruments (continued)

##### (b) Credit Risk

Credit risk arises from the financial assets of the Commission including cash, receivable, 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 balance date. Collectibility of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts. No interest is earned on trade debtors. Sales are made on 14 day terms.

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

##### (c) Liquidity risk

The Commission manages its liquidity risk as much as practicable through the effective application of cash management practices. These practices aim to reduce the exposure to liquidity risk by ensuring the Commission has sufficient funds available to meet supplier obligations at all times. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various supplier liabilities.

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

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

	Weighted average rate	Nominal amount	Interest rate exposure			Maturity dates			Total
			Fixed interest rate	Variable interest rate	Non interest bearing	1 year or less	1 to 5 years	Greater than 5 years	
	%	\$'000			\$'000	\$'000	\$'000	\$'000	
<b>30 June 2009</b> Payables		288			288	288			288
		<b>288</b>			<b>288</b>	<b>288</b>			<b>288</b>
<b>30 June 2008</b> Payables		259			259	259			259
		<b>259</b>			<b>259</b>	<b>259</b>			<b>259</b>

Note:

- The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities and therefore may not reconcile to the balance sheet.



## DUMARESQ-BARWON BORDER RIVERS COMMISSION

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

#### 12 Financial instruments (continued)

##### (d) Market risk

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

##### *Interest rate risk*

Exposure to interest rate risk arises primarily through the Commission's interest earning deposits. The Commission minimises this risk by having the majority of its monies invested with the Qld Treasury Corporation. The Commission uses a reasonably possible change of +/- 1% to assess its exposure to interest rate risk, which, in normal circumstances, is consistent with trends in interest rates. 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>2009</b>					
<i>Financial Assets</i>					
Cash and cash equivalents	2,672	(27)	(27)	27	27
Receivables	15	-	-	-	-
<i>Financial liabilities</i>					
Payables	288	-	-	-	-
<b>2008</b>					
<i>Financial Assets</i>					
Cash and cash equivalents	2,340	(23)	(23)	23	23
Receivables	2	-	-	-	-
<i>Financial liabilities</i>					
Payables	259	-	-	-	-

#### 13 Commitments for expenditure

The Commission is not aware of any commitments for expenditure for year 2008-2009 and year 2007-2008.

#### 14 Post balance date event

There are no known post balance date events that would have an effect on the Financial Report.

**End of Audited Financial Report**