



*Dumaresq-Barwon
Border Rivers Commission*

*Annual Report
2009-10*

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 2010.

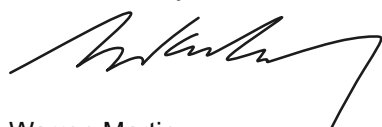
Dumaresq-Barwon Border Rivers Commission
c/- PO Box 318, Toowoomba Q 4350

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 Act 1946, the Financial Accountability Act 2009 and the extension to the tabling period for the Commission's annual report granted by you, I have pleasure in enclosing, for presentation to the Parliament, the Annual Report of the Dumaresq-Barwon Border Rivers Commission for the year ended 30 June 2010.

Yours sincerely



Warren Martin
Chairman

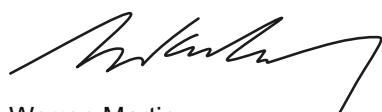
Dumaresq-Barwon Border Rivers Commission
c/- PO Box 318, Toowoomba Q 4350

The Honourable Phillip Costa, MP
Minister for Water and Minister
for Corrective Services
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 Act 1947 and the Annual Reports (Statutory Bodies) Act 1984, I have pleasure in enclosing, for presentation to the Parliament, the Annual Report of the Dumaresq-Barwon Border Rivers Commission for the year ended 30 June 2010.

Yours sincerely



Warren Martin
Chairman

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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.

2009-10 at a glance

Appointments

- Mr Warren Martin was appointed as a commissioner and chair of the Commission from 9 October 2009 to 31 March 2012.

Meetings

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

Dam safety

- The Five-Yearly Comprehensive Inspection and Glenlyon Dam Acceptable Flood Capacity assessment for Glenlyon Dam were completed and submitted to the Queensland Dam Safety Regulator.
- The Glenlyon Dam Safety Condition Schedule has now been amended to include the requirement that the spillway be upgraded by 2025.

Glenlyon Dam hydrology

- Work to revise and update the dam break analysis for Glenlyon Dam was deferred to 2010-11 subject to the availability of suitable topographic information upstream of Boggabilla.

Service provider obligations

- Reporting on the quality of the drinking water supplied at Glenlyon Dam commenced under the requirements of the *Queensland Water Supply (Safety and Reliability) Act 2008*. No quality problems occurred during the year.
- The Commission is seeking advice about its obligations under the *Queensland Environmental Protection (Water) Policy 2009* in relation to the sewerage system it operates at Glenlyon Dam.

Major planned maintenance

- Projects completed in accordance with the planned program included the upgrade of the remote control system to operate the gates and security fencing at Boggabilla Weir, building refurbishment at Glenlyon Dam and minor repairs at Boomi Weir.

Asset management

- The operations and maintenance manual for Boggabilla Weir was completed.

Water sharing

- 59 GL and 14 GL of water was taken from regulated flows in the Border Rivers by New South Wales and Queensland respectively.
- 37 GL and 41 GL of unsupplemented/supplementary water was taken from the Border Rivers by New South Wales and Queensland respectively.
- 6.1 GL and 6.2 GL of groundwater was taken from the Dumaresq River Groundwater Area by New South Wales and Queensland respectively.
- Neither of the states used in excess of their entitlements during the year.

Beardmore Dam compensation releases

- Compensation releases in January 2010 followed by minor and then major flooding resulted in the replenishment of stock and domestic water supplies throughout the entire Culgoa-Balonne Minor distributary system.

Financial

- The Commission's net operating result for 2009-10, excluding depreciation, was a surplus of \$453,000.

Institutional reform investigations

- The Murray-Darling Basin Officials Committee considered the option of the Commission being integrated into the Murray-Darling Basin Authority in the first stage of its review of the Murray-Darling Basin Agreement. Whether this option is considered further will be determined in the next phase of the review.

Arrangements for the provision of services to the Commission

- Arrangements were made for State Water Corporation to manage and oversee flows in the Border Rivers on the Commission's behalf as from 1 July 2010.

Chair's report

The Annual Report of the Barwon-Dumaresq Border Rivers Commission is a key reporting instrument to governments of each of the joint venture states, New South Wales and Queensland. The report outlines how the Commission has handled the planned and non-planned key issues during the course of 2009-10. It is not my intention in my first statement as chair of the Commission to re-iterate the content presented within the report itself.

It is my view the chair's report should provide a focus on the key management issues now before the Commission. It is evident from the 2009-10 financial statements that the efforts of the previous chair, Mr Mike Montefiore, have provided a strong financial foundation on which the Commission can have confidence in meeting its future short and medium term fiscal commitments and for future investments within the confines of the Commission's existing risk management strategies.

My observations of the key future requirements of the Commission relate to institutional and management aspects of its statutory functions. During my term as chair of the Commission, which expires at the end of March 2012, it is my intention to have the Commission address a number of the key institutional and management issues.

The main issues which I have assessed as requiring some attention relate to providing greater clarity and transparency for the policy issues which the Commission has to deal with through the preparation of a policy dossier, rationalisation of the Commission's current risk management strategies, development of more corporate based performance management for the key statutory functions and attempting to resolve those management constraints which limit the Commission's ability to effectively perform its duties.

During 2011-12 the Commission will also need to participate in matters within its statutory functions associated with actions relating to the Murray Darling Basin Authority's Basin Plan.

I would like to thank the management committee members for their continual diligence in assessing and reporting to the Commission on a range of water and asset management issues during 2009-10 which are relevant to today's operation and provide the Commission with signposts to future directions. The continual dedication of the Commission's Secretary/Project Officer, Accountant and their assistants are recognised. The Commission thanks them for their efforts. In addition the Commission thanks SunWater Limited and State Water Corporation most sincerely for managing the integrity of the Commission's major and minor works and delivering water to the states during the year on behalf of the Commission.



Warren Martin
Chairman

The Commission

Purpose

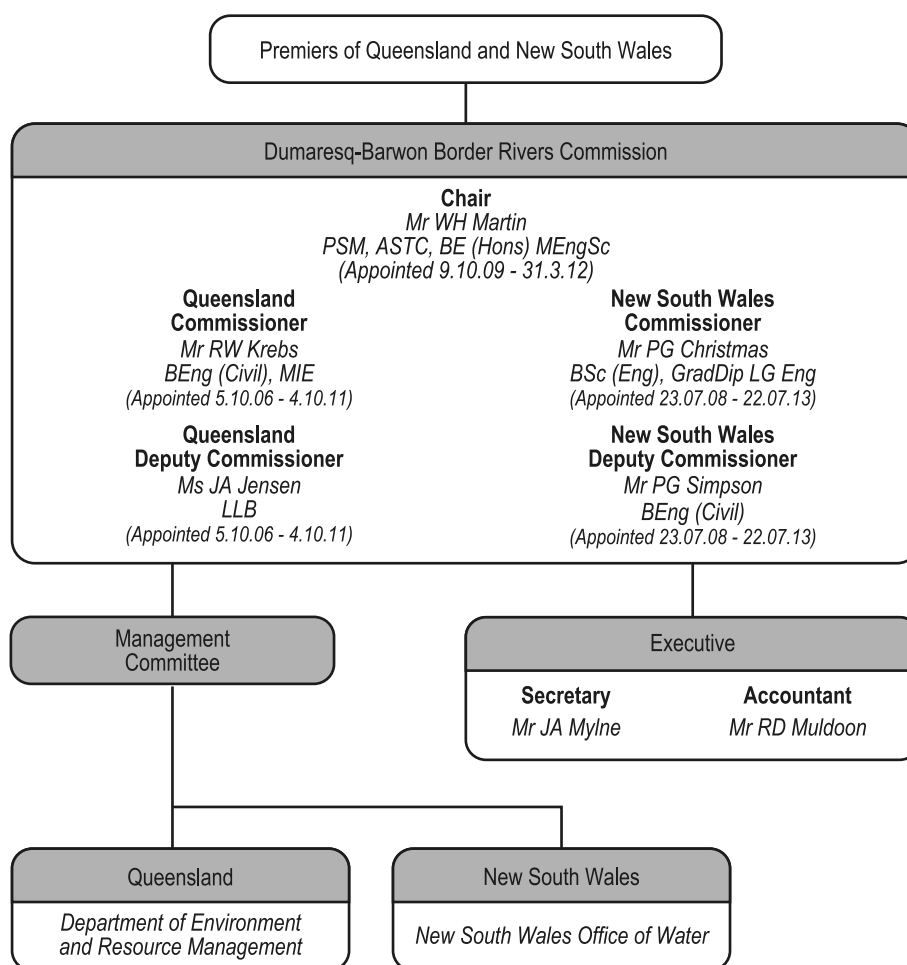
The Commission was established by the States of New South Wales and Queensland to give effect to the *New South Wales-Queensland Border Rivers Agreement* (the Agreement) and the legislation enacted in both states to ratify the Agreement.

Commission's duties and functions

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

- determine the quantities of water available to the states under the agreed water sharing arrangements from the Border Rivers and from the shared dams and weirs
- control the construction, operation and maintenance of works taken over or constructed by the Commission under the Agreement
- investigate matters to enable the Commission to exercise the powers and discharge the duties conferred upon it by the Agreement
- report and make recommendations to the governments of New South Wales and Queensland regarding the construction of works, sharing the waters of the Intersecting Streams, sharing groundwater and other matters
- arrange for river flows and groundwater levels to be effectively monitored.

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



Operational area

The Commission's operational area of responsibility includes:

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

Membership

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

The commissioners during 2009-10 were:



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

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



- **Mr R W (Ross) Krebs**
Commissioner representing Queensland

Appointed to the position for the period from 5 October 2006 to 4 October 2011. During 2009-10 Mr Krebs was Regional Manager, Water Services, South West Region in the Queensland Department of Environment and Resource Management.



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

Appointed to the position for the period from 23 July 2008 to 22 July 2013. During 2009-10 Mr Christmas was Director, Water Management and Implementation in the New South Wales Office of Water.

The deputy commissioners during 2009-10 were:

- **Ms J A (Judith) Jensen**
Deputy Commissioner representing Queensland

Appointed to the position for the period from 5 October 2006 to 4 October 2011. During 2009-10 Ms Jensen was Director, Water Legislation, Policy and Pricing in the Queensland Department of Environment and Resource Management.

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

Appointed to the position for the period from 23 July 2008 to 22 July 2013. During 2009-10 Mr Simpson was Manager, Interstate Program Performance in the New South Wales Office of Water.

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

Meetings

The Commission met on one occasion during the year. Meeting No 168 of the Commission, held in Brisbane on 6 May 2010, was attended by Commissioners Martin, Krebs and Christmas. All other business during the year was conducted out-of-session.

Management committee

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

During 2009-10 the management committee consisted of Mr P G (Peter) Christmas and Mr D M (Derek) Everson of the New South Wales Office of Water and Mr P T (Paul) Mills and Mr R (Ross) W Krebs 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 two occasions during the year. Those meeting were held on 28 October 2009 and 25 March 2010. Other business during the year was conducted out-of-session.

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

Access

The Commission may be contacted through its secretary as follows:

- The Secretary
Dumaresq-Barwon Border Rivers Commission
c/- Department of Environment and Resource Management
PO Box 318
Toowoomba Qld 4350
- Phone: (07) 4688 1010
- Fax: (07) 4688 1488
- Email: brc@derm.qld.gov.au.

The address of the Commission's website is www.brc.gov.au.

The water infrastructure

OBJECTIVES

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

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

Maintain works to defined asset management standards.

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

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

STRATEGIC FOCUS

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

The Commission has arrangements with the Queensland water service provider, SunWater, and the NSW water service provider, State Water, to provide facility management and river management services on its behalf.

Further details of the infrastructure controlled by the Commission may be found in its report, *Annual Statistics 2009-10*, which is available from the Commission or from its web site.

ACHIEVEMENTS DURING 2009-10

Dam safety

As required by the dam safety conditions for Glenlyon Dam, the Commission:

- completed an assessment of the Acceptable Flood Capacity for Glenlyon Dam and submitted a report on the assessment to Queensland Dam Safety Regulator
- carried out the Five-Year Comprehensive Inspection in accordance with the Queensland Dam Safety Management Guidelines.

The assessment of the spillway at Glenlyon Dam indicated that the spillway is currently able to safely pass 73% of the Acceptable Flood Capacity. The Queensland Dam Safety Regulator has amended the Dam Safety Condition Schedule so as to require the Commission to upgrade the spillway to 75% of Acceptable Flood Capacity by 2025 and to 100% by 2035.

In addition, regular and routine dam surveillance activities were performed at all works in accordance with industry best practice and standards.

Glenlyon Dam hydrology

SunWater recommenced work on the Commission's behalf to revise the dam break analysis for Glenlyon Dam following the revision of the design flood hydrology to provide:

- estimates of the Population at Risk figures for the Acceptable Flood Capacity assessment
- inundation mapping to update the Emergency Action Plan.

Due to a lack of suitable topographic information the project could not be completed. To enable the Acceptable Flood Capacity assessment to proceed, the Population at Risk figures were estimated using a combination of hydraulic model results and inferred routing techniques. The Commission anticipates that suitable topographic information will be available in mid-2010 and it is expected it will be possible to complete the work to revise the dam break analysis during 2010-11.

Water service provider obligations

In its role as a water service provider under the Queensland *Water Supply (Safety and Reliability) Act 2008*, the Commission:

- commenced providing quarterly reports and incident reports (if required) to the Queensland Department of Environment and Resource Management on the quality of the drinking water supplied at Glenlyon Dam
- has asked for advice about the possible requirement for it to develop a trade waste management plan in relation to the retail sewerage services it provides at Glenlyon Dam under the requirements of the Queensland *Environmental Protection (Water) Policy 2009*
- prepared an annual report on its Strategic Asset Management Plan and submitted it to the Office of the Water Supply Regulator in Queensland
- commenced an internal review of its Strategic Asset Management Plan.

One drinking water quality incident report was submitted. After further testing it was found that no problem existed.

Planned maintenance and renewals

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

- completion of work to upgrade the Boggabilla Weir remote control system for gate operations
- completion of work to upgrade the security fencing at Boggabilla Weir
- building repairs and refurbishment at Glenlyon Dam
- minor repairs to Boomi Weir

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

Asset management

The improvement of the asset management practices used by the Commission and its contractors continues to be a major focus for the Commission. During the year:

- the comprehensive Five-Year Asset Management Plan for the Commission was reviewed and updated.
- work continued on the project to incorporate the Commission's assets into the SunWater asset management system
- development of the operations and maintenance manual for Boggabilla Weir was completed.

Public access and recreation

The Commission continued to provide and maintain recreation facilities at Glenlyon Dam to cater for day trippers interested in picnicking, swimming, recreational fishing, boating and water skiing whilst the caravan park and camping area, operated by private lessees, provided facilities for those wishing to stay longer. It was estimated that more than 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 2009-10 about 80,000 fingerlings were released into Glenlyon Dam of which 10,000 were Murray Cod.

FUTURE DIRECTIONS

Work will be commenced and/or completed during 2010/11 on projects to:

- repair and reseal the roadway across Glenlyon Dam
- complete the revision of the dam break analysis for Glenlyon Dam
- install an actuator to address workplace health and safety issues with gate operations and effect repairs to the Whyenbah bifurcation weir on the Culgoa River
- consider the need for warning buoys and fencing at weirs and regulators
- improve the adequacy of the asset management system for the Commission's assets.

The water resources

OBJECTIVES

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

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

Monitor the aquatic environment to identify emerging water quality issues.

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

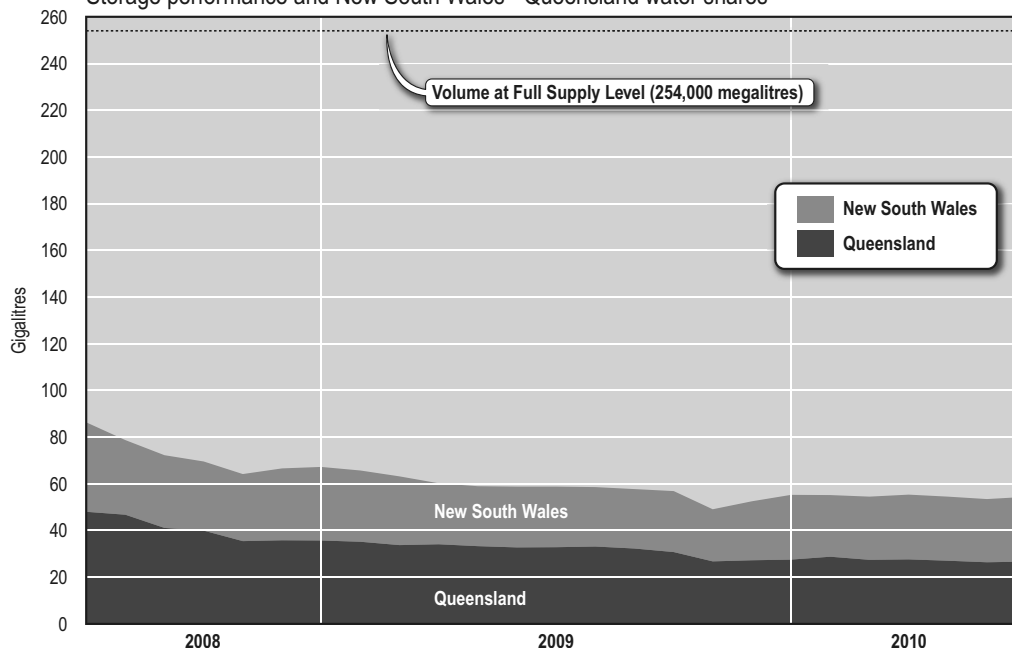
STRATEGIC FOCUS

The Commission is accountable for overseeing the implementation of the agreed arrangements for sharing the waters of the Border Rivers between the states as prescribed in the New South Wales-Queensland Border Rivers Agreement (the Agreement) and the New South Wales-Queensland Intergovernmental Agreement 2008.

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

Whilst it is not a statutory requirement under the Agreement, the Commission is also responsible for implementing a coordinated program of water quality monitoring in both the Border Rivers and the Intersecting Streams to obtain an ongoing record of key water quality indicators and to identify emerging water quality issues.

Figure 1
Glenlyon Dam
Storage performance and New South Wales - Queensland water shares



ACHIEVEMENTS DURING 2009-10

Water sharing

Resource assessments were routinely carried out by the Commission at least once per month, and more often when required, to calculate the volumes of regulated water in the Border Rivers available to be shared between the states. Due to the occurrence of minimal inflows to the dams and only minor unregulated tributary inflows during the year 31,530 ML and 8,210 ML of regulated water were distributed during the year to New South Wales and Queensland water users along the Border Rivers for general use.

In the 12 month period from 1 July 2009 New South Wales water users diverted 58,890 ML of regulated water and Queensland water users diverted 14,010 ML. This use resulted in a depletion of the water supplies held in Border Rivers storages as illustrated in Figure 1 which shows the decline in the volumes of water held in Glenlyon Dam by the states during the year.

Water users were granted a number of relatively brief opportunities to pump unregulated water from the Border Rivers during the year. In total 36,810 ML and 41,170 ML were diverted from unregulated flows during the year by New South Wales and Queensland respectively.

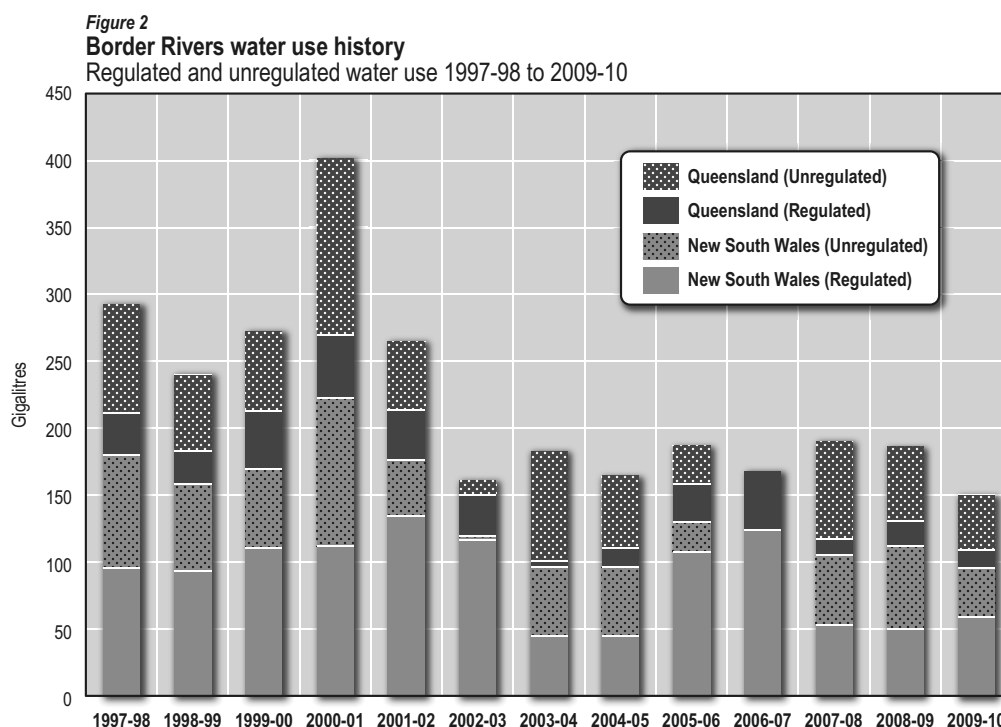
Figure 2 shows the history of the use of both regulated and unregulated water resources in the Border Rivers over the previous thirteen years. This clearly illustrates the impact of the prolonged period of drought on water use from the Border Rivers.

Beardmore Dam compensation releases

Following consultation in January 2010 with New South Wales departmental officers and downstream landholders, the Queensland Department of Environment and Resource Management arranged for the 5,800 ML of stored compensation water to be released from Beardmore Dam. Due to the release of additional inflows as well, a total of 13,360 ML of compensation water was released for stock and domestic purposes over a 20 day period in January 2010.

Moderate flooding upstream of Beardmore Dam in February 2010 followed by record flooding in March 2010 resulted in significant flooding throughout the entire Culgoa-Balonne Minor distributary system.

Releases from Beardmore Dam until mid April 2010 and follow-up rain ensured that stock and domestic water supplies throughout the Culgoa-Balonne Minor distributary system were either full or close to full at the end of June 2010.



Stream gauging

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

Water quality

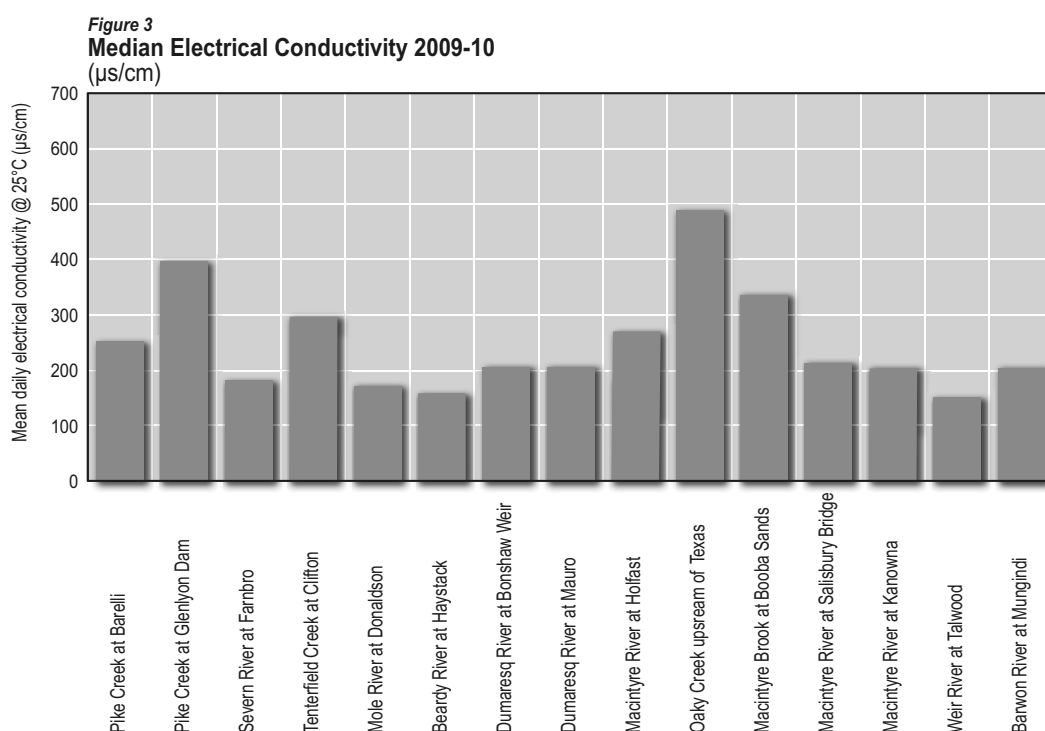
The New South Wales Office of Water monitors water quality at 16 sites in the Border Rivers and six sites in the Intersecting Streams on behalf of the Commission. Under the program water temperature, electrical conductivity, turbidity and total nitrogen and phosphorus were measured on a monthly basis to provide baseline water quality data and to identify emerging water quality issues. A summary of the results of the water quality monitoring program is provided in the Commission's *Annual Statistics 2009-10* report which is available from the Commission or from its website.

The electrical conductivity of the water samples is measured to provide an indicator of the salinity levels at the monitoring sites. Figure 3 shows the median electrical conductivity measured at the sites in the Border Rivers catchment during 2009-10. It should be noted that electrical conductivities tend to vary as the flow varies. High flows will generally dilute the salts in a water sample, however, the total salt load at a site may well increase due to the magnitude of the flow at the time of sampling. Median electrical conductivities are generally below the default trigger value of 350 $\mu\text{S}/\text{cm}$ which, if exceeded, may indicate that conditions detrimental to the health of the ecosystem exist.

Blue green algal levels at Glenlyon Dam were regularly monitored during the year. Moderate levels of blue green algae were recorded from November 2009 through to April 2010. No algal blooms occurred during the year.

Groundwater

During the year irrigators in the New South Wales and Queensland sections of the Dumaresq River Groundwater Area used 6,144 ML and 6,897 ML of groundwater respectively. Figure 4 illustrates the continued high level of use from the aquifers associated with the Dumaresq River alluvium over the past thirteen years.



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

Figure 4
Dumaresq River Groundwater Area
Groundwater use 1997-98 to 2009-10

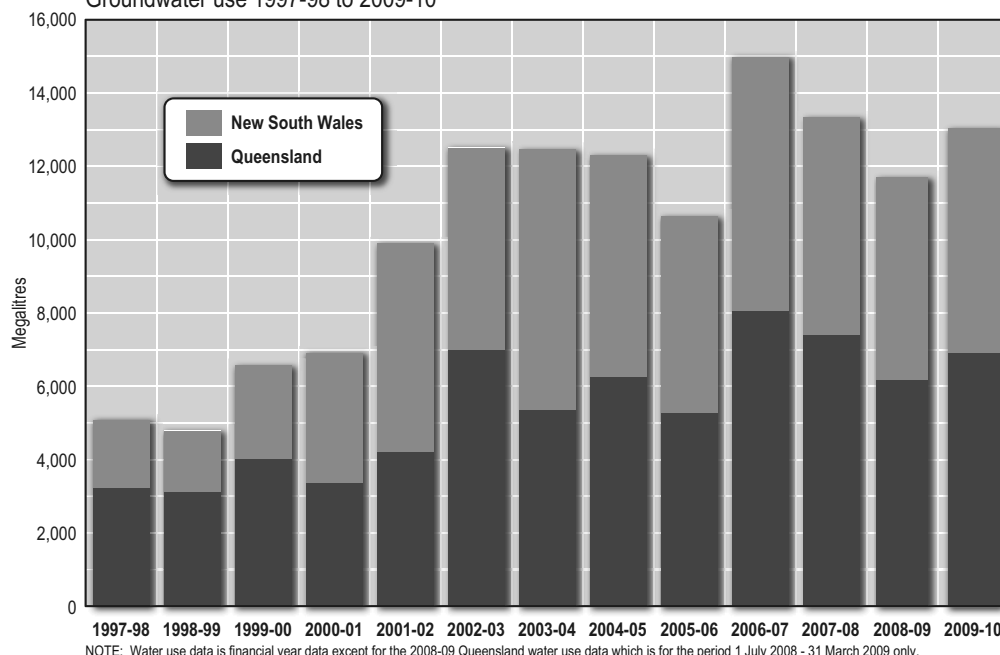
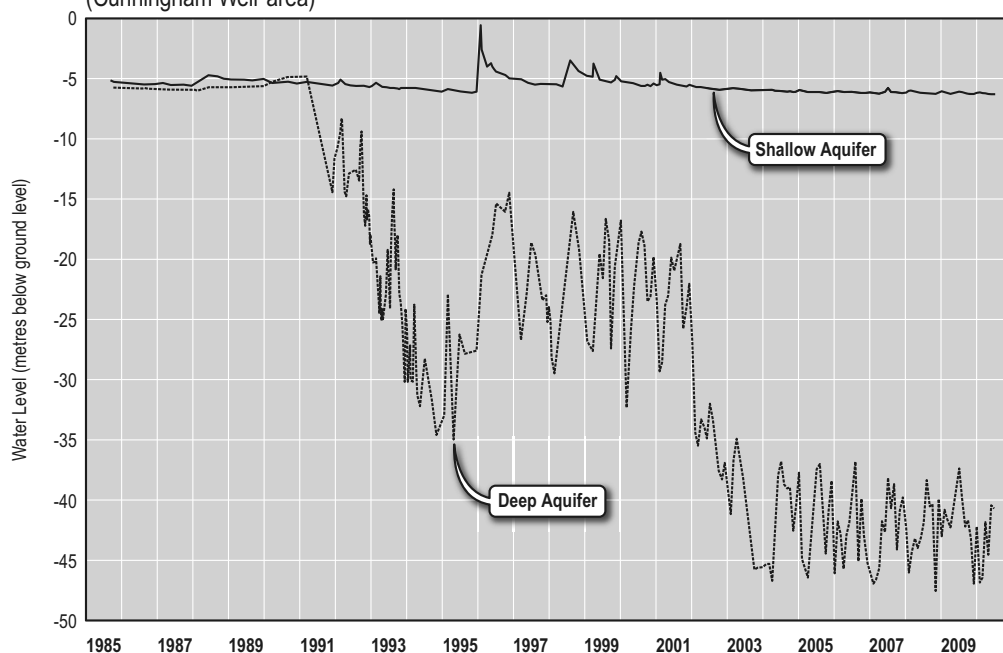


Figure 5 shows groundwater levels in an observation bore located in the vicinity of Cunningham Weir over the past twenty-five years. The performance of this observation bore is typical of most of the observation bores throughout the area. It shows that whilst groundwater levels have dropped in recent years they appear to be remaining reasonably stable at the current level of use.

Figure 5
Observation Bore 41630072
(Cunningham Weir area)



FUTURE DIRECTIONS

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

- ensure that the agreed water sharing arrangements are implemented and met by the states
- provide funding to the states to operate and maintain the existing stream gauging and groundwater monitoring networks and the current water quality monitoring program and maintain an overall stewardship role in accord with its statutory obligations.

The business and our customers

OBJECTIVES

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

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

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

STRATEGIC FOCUS

The Border Rivers Commission is a "business" responsible for providing water services to two customers, the State of Queensland and the State of New South Wales.

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

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

ACHIEVEMENTS DURING 2009-10

Summary of financial results

During 2009-10 the Commission received total revenue of \$2,376,000 comprising the call-up from the states of \$2,200,000 investment revenue of \$157,000 and miscellaneous income of \$19,000. Total expenses due to ordinary activities were \$2,970,000 which included depreciation of \$1,047,000. The Commission's net operating result for 2009-10 was a deficit of \$594,000.

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

After allowing for depreciation the Commission had an operating surplus of \$453,000 which will be available to fund future works.

Customer consultation

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

Institutional reform investigations

The option of integrating the functions and responsibilities of the Commission into the Murray-Darling Basin Authority was considered by the Murray-Darling Basin Officials Committee during the first stage of the Review of the Murray-Darling Basin Agreement undertaken during the year.

In its scoping report the Review Taskforce suggested that whilst the proposal, which was submitted for consideration by Queensland, would be feasible, it is unlikely that such a transfer of functions and responsibilities would occur unless both Queensland and New South Wales were in agreement. At this stage neither state has sought input from the Commission in relation to the integration of functions and responsibilities issue.

Arrangements for the provision of services to the Commission

The Commission has formally arranged for the New South Wales water service provider, State Water, to manage and oversee flows in the Border Rivers on its behalf as from 1 July 2010 in lieu of the previous joint management arrangements that had been in place more for more than 25 years.

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

Website

The Commission's website at www.brc.gov.au 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 a contract with a consultant. Consequently the Commission did not engage any consultants during 2009-10.

Any consultants providing services to the Commission are engaged on the Commission's behalf by one or other of the states' water service providers or by the relevant state government department in either New South Wales or Queensland.

Insurance

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

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/Right to 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 Office of Water. No complaints were received during the year.

Queensland Carers (Recognition) Act 2008

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

Production of the annual report

The cost of printing the 2009-10 Annual Report and 2009-10 Annual Statistics was \$6.20 and \$3.95 respectively per copy.

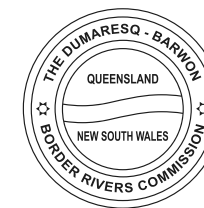
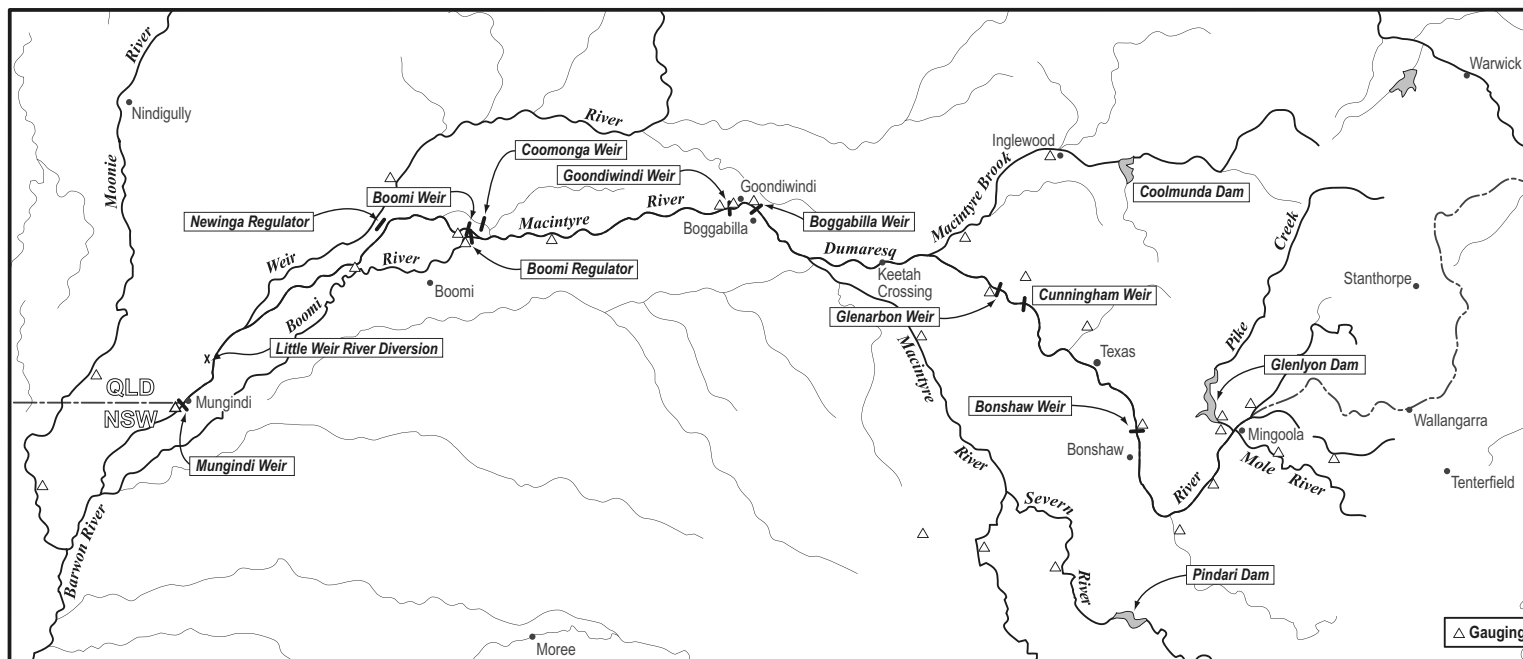
Copies of annual report

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. 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.

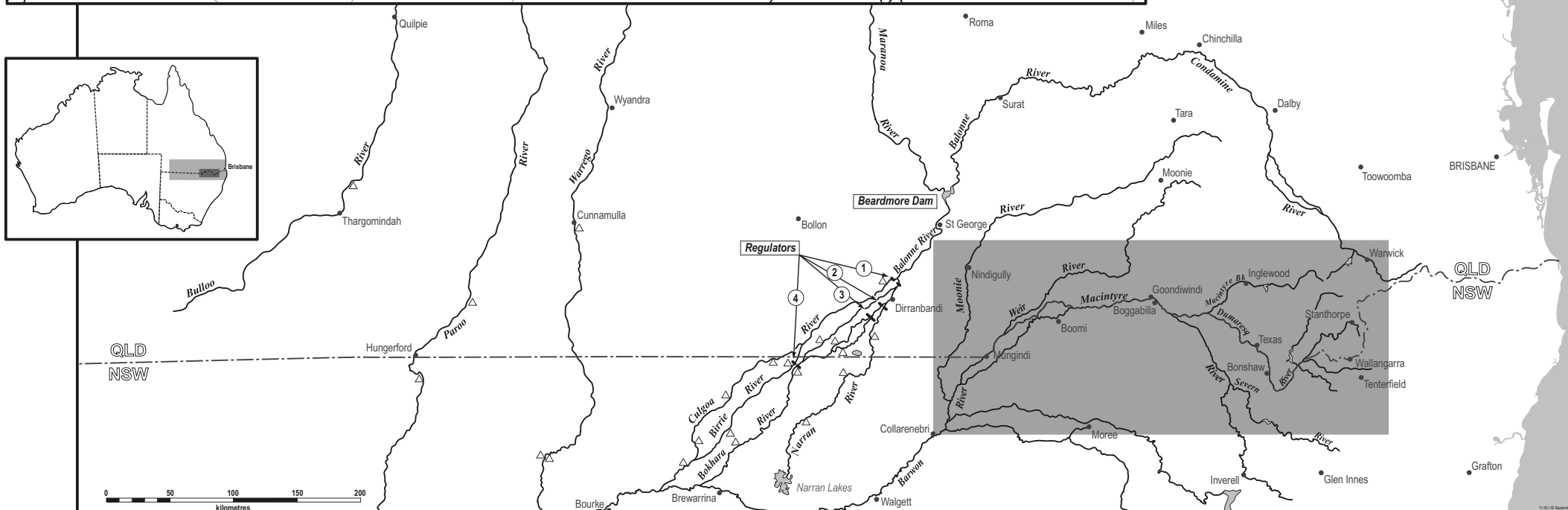
FUTURE DIRECTIONS

Significant projects/activities in relation to our business and our customers which will be commenced and/or completed during 2010-11 include:

- a review of current issues and risks for the Commission
- negotiations to formalise the arrangements under which SunWater provides facility management services to the Commission.



DUMARESQ - BARWON BORDER RIVERS COMMISSION OPERATIONS AREAS



Financial statements for the year ended 30 June 2010



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Dumaresq-Barwon Border Rivers Commission

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Dumaresq-Barwon Border Rivers Commission (the Commission), which comprises the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity, statement of cash flows, service group statements and a summary of compliance with financial directives for the year then ended, a summary of significant accounting policies and other explanatory notes.

Auditor's Opinion

In my opinion, the financial statements:

- present fairly, in all material respects, the financial position of the Commission as at 30 June 2010, and its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

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

The Commissioners' Responsibility for the Financial Statements

The Commissioners are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (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 statements that are 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 statements.

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

My opinion does not provide assurance:

- about the future viability of the Commission,
- that it has carried out its activities effectively, efficiently and economically,
- about the effectiveness of its internal controls, or
- on the assumptions used in formulating the budget figures disclosed in the financial statements.

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

17 September 2010
SYDNEY



Dumaresq-Barwon Border Rivers Commission

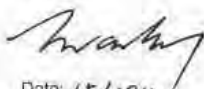
Certificate under Section 41C (1B) and (1C) of the Public Finance and Audit Act 1983 and under clause 7 of the Public Finance and Audit Regulation 2010

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


- (a) The accompanying financial statements exhibits a true and fair view of the financial position of the Dumaresq-Barwon Border Rivers Commission as at 30 June 2010, 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 other authoritative pronouncements of the Australian Accounting Standard Board; and
 - the provisions of the *Public Finance and Audit Act 1983* and under clause 7 of *Public Finance and Audit Regulation 2010*.
- (c) As at the date of this Certificate, there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

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

Mr Warren Martin
Chairman


Date: 15/09/10

Mr Paul Simpson
NSW Deputy Commissioner


Date: 15/09/10

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Statement of comprehensive income for the year ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
Revenue			
Contributions by the states	3a	2,200	2,200
Investment revenue	3b	157	170
Rental income	3c	19	25
Total revenue		2,376	2,395
Expenses excluding losses			
Administrative allowances	2a	16	-
Insurance expense	2b	61	60
Fees for services - provided by the states	2c	1,833	2,022
Depreciation	2d	1,047	1,028
Other expenses	2e	13	10
Total expenses excluding losses		2,970	3,120
Loss on disposal	4	-	(95)
DEFECIT FOR THE YEAR		(594)	(820)
Other comprehensive income			
Net increase/(decrease) in property, plant and equipment asset revaluation reserve	7	445	1,222
Other comprehensive income for the year		445	1,222
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(149)	402
Total comprehensive income attributable to:			
Department of Environment, Climate Change and Water - NSW Office of Water (NSW)		(75)	201
Department of Environment and Resource Management (Qld)		(75)	201
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(149)	402

The accompanying notes form part of these financial statements.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Statement of financial position as at 30 June 2010

	Notes	2010 \$'000	2009 \$'000 Restated	1 July 2008 \$'000 Restated
Assets				
Current assets				
Cash and cash equivalents	5	3,007	2,672	2,340
Receivables	6	68	75	60
Total current assets		3,075	2,747	2,400
Non-current assets				
Property, plant and equipment	7			
Land and buildings		2,258	2,268	2,383
Plant and equipment		9	10	12
Infrastructure systems		67,186	67,650	67,449
Total property, plant and equipment		69,453	69,928	69,844
Total non-current assets		69,453	69,928	69,844
Total assets		72,528	72,675	72,244
Liabilities				
Current liabilities				
Payables	8	290	288	259
Total current liabilities		290	288	259
Total liabilities		290	288	259
Net assets		72,238	72,387	71,985
Equity				
Accumulated funds	9	14,455	15,049	15,869
Asset revaluation reserve		57,783	57,338	56,116
Total equity	9	72,238	72,387	71,985

The accompanying notes form part of these financial statements.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Statement of cash flows for the year ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
Cash flows from operating activities			
Receipts			
Contributions by the states		2,200	2,200
Rental income		29	12
Interest received		157	170
Other		(3)	-
Payments			
Insurance		(61)	(60)
Payments for services		(1,847)	(1,995)
Other		(13)	(10)
Net cash flows from operating activities	10	462	317
Cash flows from investing activities			
Proceeds from sale of land and buildings, plant and equipment and infrastructure systems	4	-	15
Purchases of land and buildings, plant and equipment and infrastructure systems	7	(127)	-
Net cash flows from investing activities		(127)	15
Net increase in cash and cash equivalents		335	332
Opening cash and cash equivalents		2,672	2,340
Closing cash and cash equivalents	5	3,007	2,672

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 2010

	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance at 1 July 2009		15,049	57,338	72,387
Surplus/(deficit) for the year		(594)	-	(594)
Total other comprehensive income		-	445	445
Total comprehensive income for the year		(594)	445	(149)
Transactions with owners in their capacity as owners				
Increase /(decrease) in net assets from equity transfers		-	-	-
Balance at 30 June 2010	9	14,455	57,783	72,238
Balance at 1 July 2008		15,915	56,524	72,439
Correction of errors	9	(46)	(408)	(454)
Restated total equity at 1 July 2008		15,869	56,116	71,985
Surplus/(deficit) for the year		(820)	-	(820)
Total other comprehensive income		-	1,222	1,222
Total comprehensive income for the year		(820)	1,222	402
Transactions with owners in their capacity as owners				
Increase /(decrease) in net assets from equity transfers		-	-	-
Balance at 30 June 2009	9	15,049	57,338	72,387

The accompanying notes form part of these financial statements.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements

Objectives and principal activities of the Commission

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

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

1 Summary of significant accounting policies

(a) Basis of accounting

The Commission's financial statement is a general purpose financial statement 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 2010*.

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

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

(b) The reporting entity

The Commission is a not-for-profit entity

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

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

Under the current agreement embodied in the constituting legislation, the two states, being New South Wales and Queensland, will continue to share equally the costs associated with the Commission's activities. The Commission has current arrangements for secretarial support to be provided by an officer of the Department of Environment and Resource Management (Queensland) and accounting support to be provided by the Department of Environment, Climate Change and Water (NSW). Prior to this current arrangement, the Department of Environment and Resource Management (Queensland) provided secretarial support and the Department of Water and Energy provided accounting support.

The financial statement has been authorised for issue by the Commission on 15 September 2010.

(c) Statement of compliance

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

(d) Income recognition

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

(i) Interest

Interest income is recognised as it accrues.

(ii) Grants and contributions

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

(iii) Rental income

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

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements

1 Summary of significant accounting policies (continued)

(e) Cash and cash equivalents

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

(f) Receivables

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

(g) Acquisition of assets

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

Assets acquired at no cost or for nominal consideration are recognised at their fair value at date of acquisition in accordance with 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 assets)	\$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 (TPP07-01) *Non-Current Asset Accounting Policies for the Queensland Public Sector*.

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

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

The Commission revalues each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluation was completed on 30 June 2006 and was based on an independent assessment. Interim revaluations 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 in which case the increment is recognised immediately as revenue in the profit and loss. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation reserve relating to that class.

A revaluation increment was applied to the Commission's physical non-current assets (excluding land) as at 30 June 2010 using the Building Price Index of 0.66% published by the NSW Department of Services, Technology and Administration.

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

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements

1 Summary of significant accounting policies (continued)

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

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

(j) Maintenance

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

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

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

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

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Commission.

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

Asset category	Number of years
Buildings:	
Buildings - workshop/depot	50
Buildings - houses/office complex	75
Water infrastructure:	
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
Plant and equipment:	
Plant and 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) Critical Accounting Estimates

(i) Significant accounting judgement

In the preparation of the financial statements, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may vary from these estimates.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements

1 Summary of significant accounting policies (continued)

(i) Significant accounting judgement (continued)

Key judgements are disclosed as part of accounting policies notes.

(ii) Significant accounting estimates and assumptions

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

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

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

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

(r) Rounding

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

(s) Comparative

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

(t) New Australian Accounting Standards issued but not effective

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

Accounting Standard	Issue date	Application date for annual reporting periods beginning on or after
AASB 9 Financial Instruments	December 2009	1 January 2013
AASB 124 Related Party Disclosures	December 2009	1 January 2011
AASB 118 Revenue	May 2009	1 January 2010
AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	May 2009	1 January 2010
AASB 2009-9 First-time Adoption of Australian Accounting Standards	February 2010	1 July 2010
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9	December 2009	1 January 2013
AASB 2009-12 Amendments to Australian Accounting Standards	December 2009	1 January 2011
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	June 2010	1 July 2013
AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project	June 2010	1 July 2010
AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	June 2010	1 July 2011

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

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements

	2010 \$'000	2009 \$'000
2 Expenses excluding losses		
(a) Administrative allowances		
Salaries and wages	14	-
Superannuation	1	-
Other expense	1	-
	16	-
(b) Insurance		
NSW insurance	22	22
Qld insurance	39	38
	61	60
(c) Fees for services - provided by the states		
Department of Environment, Climate Change and Water (NSW)	534	488
State Water Corporation (NSW)	96	29
Department of Environment and Resource Management (Qld)	452	415
SunWater (Qld)	751	1,090
	1,833	2,022
(d) Depreciation		
Buildings	15	15
Infrastructure	1,031	1,011
Plant and equipment	1	2
	1,047	1,028
(e) Other expenses		
Audit fee	8	7
Bank fees and charges	4	3
Other expenses from ordinary activities	1	-
	13	10
3 Revenue		
(a) Contributions by the states		
Department of Environment, Climate Change and Water (NSW)	1,100	1,100
Department of Environment and Resource Management (Qld)	1,100	1,100
	2,200	2,200
(b) Investment income		
Interest on current account	-	3
Interest on QTC investment	157	167
	157	170
(c) Rental income		
Rental income - Glenlyon Dam	14	25
Rental income - Others	5	-
	19	25
4 Loss on disposal		
Loss on disposal of property, plant and equipment		
Proceeds from disposal	-	15
Written down value of assets disposed	-	(110)
Net loss on disposal of property, plant and equipment	-	(95)

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements

5 Current assets - cash and cash equivalents

	2010 \$'000	2009 \$'000
Cash at bank and on hand	18	2
At call interest bearing investment	2,989	2,670
Closing cash and cash equivalents	3,007	2,672

Investments deposited with the Westpac Banking Corporation earned interest at 0.01%. (2008-09: Westpac Banking Corporation 0.01% to 2.40%).

Investments deposited with the Queensland Treasury Corporation capital guaranteed fund earned interest at rates between 3.36% to 5.28%. (2008-09: Queensland Treasury Corporation 3.27% to 8.39%).

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

6 Current/non-current assets - receivables

	2010 \$'000	2009 \$'000
Sundry debtors	5	15
Goods and Services Tax recoverable from ATO	63	60
	68	75

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

	2010 \$'000	2009 \$'000
Buildings (at valuation)	1,158	1,151
less: accumulated depreciation	(551)	(533)
	607	618
Water infrastructure systems - WIP (at valuation)	127	-
	127	-
Water infrastructure systems (at valuation)	99,551	98,898
less: accumulated depreciation	(32,492)	(31,248)
	67,059	67,650
Land (at valuation)	1,651	1,650
	1,651	1,650
Plant and equipment (at cost)	23	23
less: accumulated depreciation	(14)	(13)
	9	10
Total property, plant and equipment	69,453	69,928

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements

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

	Buildings \$'000	Water infrastructure systems \$'000	Land \$'000	Plant and equipment \$'000	Total \$'000
At 30 June 2009 - fair value - Restated					
Gross carrying amount	1,151	98,898	1,650	23	101,722
Accumulated depreciation	(533)	(31,248)	-	(13)	(31,794)
Net carrying amount	618	67,650	1,650	10	69,928

At 30 June 2010 - fair value					
Gross carrying amount	1,158	99,678	1,651	23	102,510
Accumulated depreciation	(551)	(32,492)	-	(14)	(33,057)
Net carrying amount	607	67,186	1,651	9	69,453

Reconciliation - A reconciliation of the carrying amount of each class of Property, Plant and Equipment at the beginning and end of current reporting period is set out below:

Year ended 30 June 2010

Net carrying amount at 1 July 09	618	67,650	1,650	10	69,928
Acquisitions	-	127	-	-	127
Revaluation increments	4	440	1	-	445
Depreciation	(15)	(1,031)	-	(1)	(1,047)
Net carrying amount at 30 June 10	607	67,186	1,651	9	69,453

At 1 July 2008 - fair value - Restated

Gross carrying amount	1,321	97,090	1,650	23	100,084
Accumulated depreciation	(588)	(29,641)	-	(11)	(30,240)
Net carrying amount	733	67,449	1,650	12	69,844

At 30 June 2009 - fair value - Restated

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

Reconciliation - A reconciliation of the carrying amount of each class of Property, Plant and Equipment at the beginning and end of current reporting period is set out below:

Year ended 30 June 2009 - Restated

Net carrying amount at 1 July 08	733	67,449	1,650	12	69,844
Acquisitions	-	-	-	-	-
Revaluation increments	10	1,212	-	-	1,222
Disposals	(110)	-	-	-	(110)
Depreciation	(15)	(1,011)	-	(2)	(1,028)
Net carrying amount at 30 June 09	618	67,650	1,650	10	69,928

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements

8 Current liabilities - payables

	2010 \$'000	2009 \$'000
Accrued expenditure	284	282
Accrued audit fees	6	6
	290	288

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	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Balance at beginning of year	15,049	15,915	57,338	56,524	72,387	72,439
Prior period error adjustment	-	(46)	-	(408)	-	(454)
Restated opening balance	15,049	15,869	57,338	56,116	72,387	71,985
Changes in equity - other than transactions with owners as owners						
Increment/(decrement) on revaluation of:						
Land and buildings	-	-	5	10	5	10
Infrastructure assets	-	-	440	1,212	440	1,212
Surplus/(deficit) for the year	(594)	(820)	-	-	(594)	(820)
Total change in equity	(594)	(820)	445	1,222	(149)	402
Balance at end of year	14,455	15,049	57,783	57,338	72,238	72,387

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

	2010 \$'000	2009 \$'000
Net operating result	(594)	(820)
Depreciation	1,047	1,028
(Increase)/decrease in accounts receivable	7	(15)
Increase/(decrease) in accounts payable	2	29
Net gain/(loss) on sale of property, plant and equipment	-	95
Net cash provided by (used in) operating activities	462	317

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements

11 Contingent liabilities

	2010	2009
Number of cases	1	1

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

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 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 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	
			2010 \$'000	2009 \$'000
Class:				
Cash and cash equivalents	5	N/A	3,007	2,672
Receivables ¹	6	Receivables	5	15
			3,012	2,687
<hr/>				
Financial liabilities	Note	Category	Carrying amount	
			2010 \$'000	2009 \$'000
Class:				
Payables ²	8	Financial liabilities measured at amortised cost	290	288
			290	288

Notes:

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

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

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements

12 Financial instruments (continued)

(b) Credit risk

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

Cash

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

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at end of reporting period. Collectibility of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding 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.

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

	\$'000		
	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered Impairment ^{1,2}
2010			
< 3 months overdue	5	5	-
3 months – 6 months overdue	-	-	-
> 6 months overdue	-	-	-
2009			
< 3 months overdue	15	15	-
3 months – 6 months overdue	-	-	-
> 6 months overdue	-	-	-

(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 liabilities, together with the interest rate exposure.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements

12 Financial Instruments (continued)

	Weighted average rate	Nominal amount ¹	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	\$'000
30 June 2010									
Payables	-	290	-	-	290	290	-	-	290
		290	-	-	290	290	-	-	290
30 June 2009									
Payables	-	288	-	-	288	288	-	-	288
		288	-	-	288	288	-	-	288

Note:

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

(d) Market risk

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

Interest rate risk

Exposure to interest rate risk arises primarily through the Commission's interest earning deposits. The Commission minimises this risk by having the majority of its monies invested with the Qld Treasury Corporation. The Commission uses a reasonably possible change of +/- 1% to assess its exposure to interest rate risk, which is consistent with trends in interest rates. The analysis is performed on the same basis as for 2009. The Commission's exposure to interest rate risk is set out below.

	Carrying amount	-1%		1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2010					
<i>Financial assets</i>					
Cash and cash equivalents	3,007	(30)	(30)	30	30
Receivables	5	-	-	-	-
<i>Financial liabilities</i>					
Payables	290	-	-	-	-
2009					
<i>Financial assets</i>					
Cash and cash equivalents	2,672	(27)	(27)	27	27
Receivables	15	-	-	-	-
<i>Financial liabilities</i>					
Payables	288	-	-	-	-

13 Commitments for expenditure

The Commission is not aware of any commitments for expenditure for year 2009-2010 and year 2008-2009.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements

14 Prior Period Errors

(a) Water infrastructure assets - gauging stations

The Commission has in prior years treated river gauging stations and the associated assets constructed under section 14 of the New South Wales-Queensland Border Rivers Agreement as being assets controlled by the Commission. Following the receipt of recent advice in relation to the ownership of the data from those gauging stations, the Commission is now aware that those assets are not controlled by the Commission, rather they are both owned and controlled by either the State of Queensland or the State of New South Wales. Accordingly the Commission has now removed the river gauging stations and associated assets from its asset register.

As a result, the total gross amount for those assets of \$1,263,155.51, the total accumulated depreciation of \$773,603.28 and the total 2008-09 depreciation expense of \$21,485.64 have been de-recognised from the Dumaresq-Barwon Border Rivers Commission's financial statements.

(b) Water infrastructure assets - levee banks

To correct an oversight, the Commission has now listed four small levee structures on its asset register, which were constructed in conjunction with the bifurcation weirs on the Culgoa-Balonne Minor distributary system in 1973 and 1974. Three of the levees were constructed in 1974 and the other in 1985.

As a result, the total carrying amount of these assets of \$136,720.24, the total accumulated depreciation of \$101,402.12 and the total equity of \$35,318.12 have been recognised in the Dumaresq-Barwon Border Rivers Commission's financial statements.

Under AASB 108 requirements, an entity shall correct material prior period errors retrospectively by restating the comparative amounts for the period in which the error occurred. As a result of these errors occurring prior to 1 July 2007, the affected financial statement line items for the year end 30 June 2008 and 30 June 2009 have been restated as per below:

	Restated 2009 \$'000	Original 2009 \$'000	Movement \$'000
Expenses excluding losses			
<i>Insurance</i>	60	60	-
<i>Fees for services - provided by the states</i>	2,022	2,022	-
<i>Depreciation - water infrastructure systems</i>	1,011	1,030	(19)
<i>Depreciation - others</i>	17	17	-
<i>Other expenses</i>	10	10	-
Total expenses excluding losses	3,120	3,139	(19)
Revenue			
<i>Contributions by the states</i>	2,200	2,200	-
<i>Investment revenue</i>	170	170	-
<i>Rental income</i>	25	25	-
Total revenue	2,395	2,395	-
<i>Loss on disposal</i>	(95)	(95)	-
DEFICIT FOR THE YEAR	(820)	(839)	19

DUMARESQ-BARWON BORDER RIVERS COMMISSION

Notes to the financial statements

14 Prior Period Errors (continued)

	Restated 2009 \$'000	Original 2009 \$'000	Restated 1 July 2008 \$'000	Original 1 July 2008 \$'000	Movement \$'000
Non-current assets					
<i>Water infrastructure systems</i>					
<i>Gross carrying amount</i>	98,898	100,025	97,090	98,217	(1,127)
<i>Accumulated depreciation</i>	(31,248)	(31,921)	(29,641)	(30,314)	673
<i>Total water infrastructure systems</i>	67,650	68,104	67,449	67,903	(454)
Total non-current assets	69,928	70,382	69,844	70,298	(454)
Total assets					
<i>Total assets stated in the Statement of Financial Position as at 30 June 2009</i>	72,675	73,129	72,244	72,698	(454)
Net assets					
<i>Net assets stated in the Statement of Financial Position as at 30 June 2009</i>	72,387	72,841	71,985	72,439	(454)
Accumulated funds					
<i>Accumulated funds stated in the Statement of Financial Position as at 30 June 2009</i>	15,049	15,076	15,869	15,915	(46)
Asset revaluation reserve					
<i>Asset revaluation reserve stated in the Statement of Financial Position as at 30 June 2009</i>	57,338	57,765	56,116	56,524	(408)
Total equity					
<i>Total equity stated in the Statement of Financial Position as at 30 June 2009</i>	72,387	72,841	71,985	72,439	(454)

15 Post balance date event

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

End of Audited Financial Statements

Notes