

Goulburn Broken Catchment Management Authority

Disclosure Index

The 2004/05 Annual Report of the Goulburn Broken Catchment Management Authority is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Authority's compliance with statutory disclosure requirements.

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Goulburn Broken
Catchment Management Authority
Financial Report
2004 - 2005

Goulburn Broken Catchment Management Authority

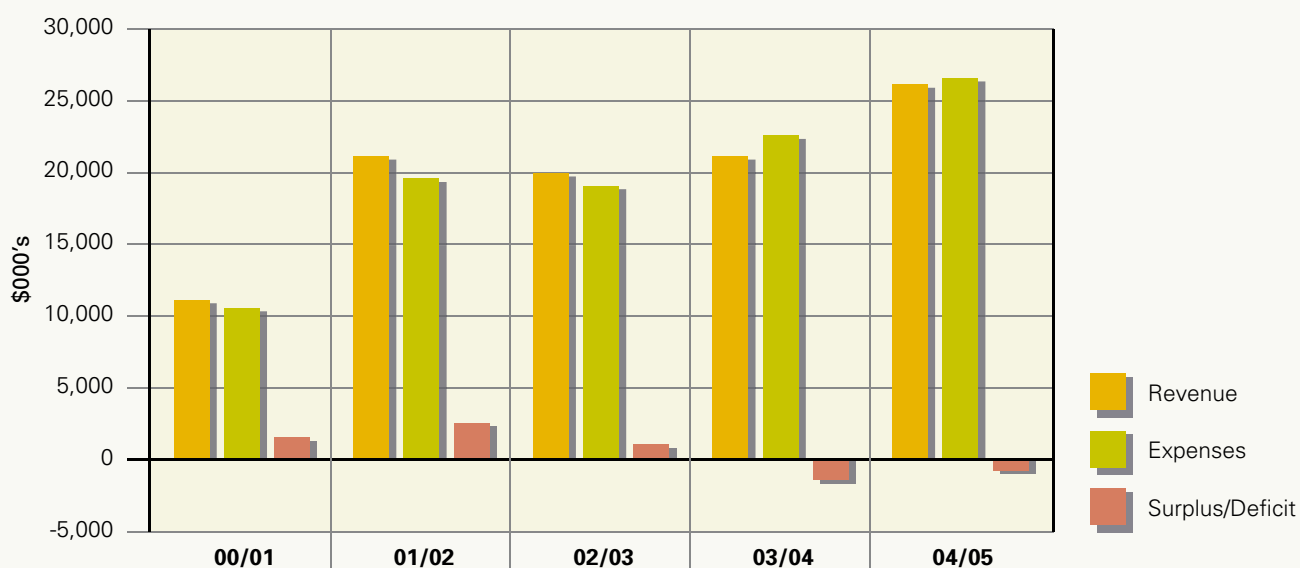
Financial and Other Information

Summary of Financial Results – Current plus Past Four Years

	2000/01	2001/02	2002/03	2003/04	2004/05
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Income & Expenditure					
Government Contributions	11,155	19,861	19,112	19,668	25,556
Other revenues	434	1,069	797	1,584	1,077
Total Income	11,589	20,930	19,909	21,252	26,633
Expense	10,567	18,748	19,089	22,487	26,883
Interest	2	-	-	7	6
Surplus/(Deficit)	1,020	2,182	820	(1,242)	(256)
Balance Sheet Items					
Current Assets					
Cash	4,800	4,356	7,784	8,210	8,357
Receivables	496	4,326	2,288	830	981
Inventories	4	2	1	-	-
Prepayments	21	28	36	12	156
Total Current Assets	5,321	8,712	10,109	9,052	9,494
Fixed Assets	799	999	1,078	1,144	1,329
Non Current Assets	29	-	-	-	-
Total Assets	6,149	9,711	11,187	10,196	10,823
Current Liabilities					
Trade Creditors	1,140	1,102	1,316	2,598	1,255
GST Liabilities	241	294	64	-	116
Borrowings	-	-	21	48	63
Accruals	342	1,681	2,247	1,163	3,214
Provisions	133	150	119	178	165
Total Current Liabilities	1,856	3,227	3,767	3,987	4,813
Non Current Liabilities					
Borrowings	-	-	70	88	77
Other	159	168	214	227	295
Total Non Current Liabilities	159	168	284	315	372
Net Assets	4,134	6,316	7,136	5,894	5,638
Equity Items					
Contributed capital	1,884	1,884	4,134	4,134	4,134
Accumulated surplus	2,250	4,432	3,002	-	-
Reserves	-	-	-	1,760	1,504
Total Equity	4,134	6,316	7,136	5,894	5,638
Cash Flow Items					
Net Operating Activities	2,685	(33)	3,659	723	634
Net Investing Activities	(429)	(411)	(322)	(342)	(435)
Net Financing Activities	(30)	-	91	45	(52)
Net Cash Movement	2,226	(444)	3,428	426	147

Goulburn Broken Catchment Management Authority

Financial and Other Information



Significant changes in financial results for 2004-05

Significant changes in the financial results for 2004-05 compared to the Authority's 2004-05 Corporate Plan are summarised as follows:

	Corporate Plan \$000's	Actual \$000's
Statement of Financial Performance		
Total Revenue	26,254	26,633
Total Expenditure	26,239	26,889
Net Profit / (Deficit)	15	(256)
Statement of Financial Position		
Cash & Receivables	9,607	9,338
Other	43	156
Non-Current Assets	1,255	1,329
Total Assets	10,904	10,823
Liabilities		
Current	(2,456)	(4,813)
Non-Current	(291)	(372)
Total Liabilities	(2,747)	(5,185)
Net Assets	8,157	5,638

Consultancies

Eighteen consultants were engaged at various intervals during the year at a total cost of \$1,464,772. There were no individual consultancies awarded in excess of \$100,000.

National Competition Policy

The Authority complies with the aims and objectives of the National Competition Policy.

Extent of compliance with Building Act 1993

The Authority complies with the requirements of the Building Act 1993.

Goulburn Broken Catchment Management Authority

Financial and Other Information

Statement of availability of other information

The information listed in Part 9.1.3(iv) of the Financial Management Act 1994 is available on request.

Application and operation of Freedom of Information Act 1982 (FOI)

The FOI Act gives persons the right to request certain types of information (which are not exempt documents) held by the Authority. The Authority's FOI officer is Kathy Fuller, who is authorised to make decisions about access to documents under the FOI Act. The officer has 45 days from the date of receiving a valid request to accede to or reject the applicant's request.

There are 2 costs associated with making an FOI request, the:

- Application Fee of \$21.00 which is non refundable and an
- Access cost which covers the cost to the Authority of obtaining the information.

During the year under review the Authority did not receive any applications for information under the Freedom of Information Act 1982.

Occupational Health & Safety

The Authority is committed to the provision of a safe workplace environment and undertook a review of its OH&S policies. All employees participated in a training day to highlight recent changes in OH&S legislation. Outdoor staff continued training in hazard identification, safe handling of chemicals, first aid and operation of plant & equipment.

Contractors employed at work sites must also demonstrate safe workplace practices and site safety plans are established prior to works commencing.

Workforce Data

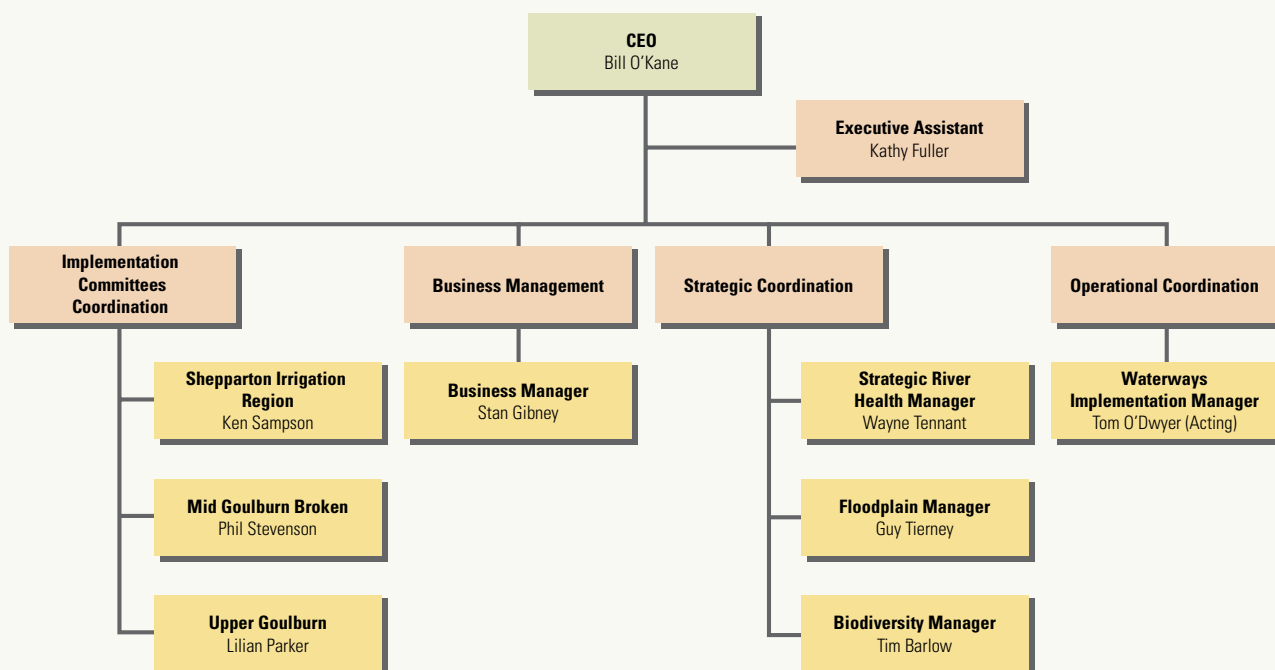
An analysis of the Authority's workforce as at end June 2004 and comparison to the previous year is as follows:

	30 June 2005		30 June 2004	
	Part-time	Full-time	Part-time	Full-time
No. of Women	9	17	4	16
No. of Men	-	26	-	23
Total Employees	9	43	4	39

The Authority is an equal opportunity employer and adheres strictly to the principles of public sector employment, under the Public Administration Act 2004.

Goulburn Broken Catchment Management Authority

Management Structure



Board members of the Authority, as appointed by the Minister for Environment are:

Don Cummins	Yvonne Davies	Ailsa Fox	Lyn Gunter
Charles Jones	Stephen Junghenn*	Craig Madden	Stephen Mills (Chair)
Catherine Scott	Graeme Williams		

* Stephen Junghenn resigned from the Board in March 2005.

Kevin Ritchie and Brian Thompson, Managers with the Department of Primary Industries and Department of Sustainability and Environment, are Departmental representatives on the Board.

The Board has established Audit, Remuneration and Compliance Committees comprising the following Board members:

Audit Committee

Catherine Scott (Chair)	Don Cummins	Ailsa Fox
Lyn Gunter	John Pettigrew	

All members of the Audit Committee are independent in terms of the State's Financial Management Compliance Framework.

Remuneration Committee

John Pettigrew (Chair)	Yvonne Davies	
Craig Madden	Stephen Mills	Catherine Scott

Compliance Committee

Craig Madden (Chair)	Stephen Junghenn	Graeme Williams	Stephen Mills
Kevin Ritchie	Brian Thompson	Charles Jones	

Chief Executive Officer

Bill O'Kane

Senior Office Holders

Stan Gibney – Business Manager

The Business Manager's role is to ensure the efficient administration of the Authority and the provision of prompt and timely advice to the Board.

Goulburn Broken Catchment Management Authority

Management Structure

Tim Barlow – Biodiversity Manager

The Biodiversity Manager is responsible for the development and implementation of major Biodiversity strategies. Tim assumed the role in November 2004 as a maternity replacement position for Kate Bell.

Tom O'Dwyer – Waterways Implementation Manager (Acting).

The Waterways Implementation Manager ensures that targets and outcomes agreed in line with Funding Bodies Agreements as well as the Authority's Business Plan are achieved.

Guy Tierney – Floodplain Manager

The Floodplain Manager coordinates floodplain management activities across the Goulburn, Broken and part of the Murray River basins.

Ken Sampson – Shepparton Irrigation Region IC Executive Officer

The SIRIC Executive Officer provides executive liaison with the Implementation Committee to ensure works program targets are met in line with the Business Plan.

Phil Stevenson – Mid Goulburn Broken IC Executive Officer

The MGBIC Executive Officer provides executive liaison with the Implementation Committee to ensure works program targets are met in line with the Business Plan.

Lilian Parker – Upper Goulburn IC Executive Officer

The UGIC Executive Officer provides executive liaison with the Implementation Committee to ensure works program targets are met in line with the Business Plan. Lilian Parker assumed the role from Russell Wealands who resigned from the Authority in December 2004.

Wayne Tennant – Strategic River Health Manager

The Strategic River Health Manager provides strategic advice on emerging issues and policy development.

Pecuniary Interests

Declarations of Pecuniary Interests have been duly completed by all relevant officers of the Authority.

Culturally Appropriate Services

The Authority is committed to policies, programs and strategies aimed at delivering culturally appropriate services to all Victorians. Current practices of inclusive and thorough public consultation ensure that all persons who have an interest in investigations are kept informed and have the opportunity to have input into the Goulburn Broken Catchment Management Authority deliberations.

Manner of Establishment and relevant Minister

The Authority was established as a body corporate under the Catchment and Land Protection Act 1994 and then established as an Authority under the Water Act 1989 and given waterway management, floodplain management and drainage functions under Part 10 of the Water Act.

For the reporting period, the Authority reported to the Hon. John Thwaites MP, Minister for Environment and Minister for Water.

Goulburn Broken Catchment Management Authority

Objectives, functions powers and duties:

In relation to the undertaking of functions for which the Authority has direct service provision responsibility i.e. waterway management, floodplain management and regional drainage functions the Authority has powers under Part 10 of the Water Act. In addition to these the Authority also has the general powers of an Authority under part 7 of the Water Act which include:

- Power to do all things necessary (Section 123),
- Power to enter into contracts (Section 126),
- Commercial ventures (Section 127) and
- General By-law powers (Section 160 and Section 219).

Specifically under Section 13 of the Catchment and Land Protection Act 1994 the Authority has the following functions:

- To prepare a regional catchment strategy for the region and to co-ordinate and monitor its implementation,
- To prepare special area plans for areas in the region and to co-ordinate and monitor their implementation,
- To promote the co-operation of persons and bodies involved in the management of land and water resources in the region in preparing and implementing the strategy and special area plans,
- To advise the Minister, and, if requested by any other Minister, that other Minister
 - on regional priorities for activities by and resource allocation to bodies involved in the management of land and water resources in the region and;
 - on guidelines for integrated management of land and water resources in the region; and
 - on matters relating to catchment management and land protection; and
 - on the condition of land and water resources in the region;
- to promote community awareness and understanding of the importance of land and water resources, their sustainable use, conservation and rehabilitation;
- to make recommendations to the Minister about the funding of the implementation of the regional catchment strategy and any special area plan;
- to make recommendations to the Minister and the Secretary about actions to be taken on Crown land managed by the Secretary to prevent land degradation;
- to advise the Minister and provide information to the Minister on any matter referred to it by the Minister;
- to carry out any other functions conferred on the Authority by or under the CaLP Act 1994 or any other Act.

Whistleblowers Protection Act 2001

The Authority has established a Whistleblowers Protection Policy in line with its obligations under the Whistleblowers Protection Act 2001.

a) Contact persons within the Goulburn Broken Catchment Management Authority

Disclosures of improper conduct or detrimental action by the Goulburn Broken Catchment Management Authority or its employees, may be made to the following officers:

- The Protected Disclosure Coordinator
Fleur Jaques (03) 5820 1100
- Protected Disclosure Officer/s
Lilian Parker (03) 5797 2001
Wayne Tennant (03) 5761 1506
Peter Howard (03) 5833 5343
- All correspondence, phone calls and emails from internal or external whistleblowers will be referred to the protected disclosure coordinator.
- Where a person is contemplating making a disclosure and is concerned about approaching the protected disclosure coordinator or a protected disclosure officer in the workplace, he or she can call the relevant officer and request a meeting in a discreet location away from the workplace.

b) Alternative contact persons

A disclosure about improper conduct or detrimental action by the Goulburn Broken Catchment Management Authority or its employees, may also be made directly to the Ombudsman.

The Authority operates the current procedures in line with its Whistleblowers Protection Policy.

c) Protected Disclosure Officers

Protected Disclosure Officers will:

- be a contact point for general advice about the operation of the Act for any person wishing to make a disclosure about improper conduct or detrimental action;
- make arrangements for a disclosure to be made privately and discreetly and, if necessary, away from the workplace;
- receive any disclosure made orally or in writing (from internal and external whistleblowers);
- commit to writing any disclosure made orally;
- impartially assess the allegation and determine whether it is a disclosure made in accordance with Part 2 of the Act (that is, a protected disclosure);
- take all the necessary steps to ensure the identity of the whistleblower and the identity of the person who is the subject of the disclosure are kept confidential; and
- forward all disclosures and supporting evidence to the protected disclosure coordinator.

d) Protected Disclosure Coordinator

The Protected Disclosure Coordinator has a central clearinghouse role in the internal reporting system. The Protected Disclosure Coordinator will:

- Receive all disclosures forwarded from the protected disclosure officers.
- Receive all phone calls, emails and letters from members of the public or employees seeking to make a disclosure.
- Impartially assess each disclosure to determine whether it is a public interest disclosure.
- Refer all public interest disclosures to the Ombudsman.
- Be responsible for carrying out, or appointing an investigator to carry out, an investigation referred to the public body by the Ombudsman.
- Be responsible for overseeing and coordinating an investigation where an investigator has been appointed.
- Appoint a welfare manager to support the whistleblower and to protect him or her from any reprisals.
- Advise the whistleblower of the progress of an investigation into the disclosed matter.
- Establish and manage a confidential filing system.
- Collate and publish statistics on disclosures made.
- Take all necessary steps to ensure the identity of the whistleblower and the identity of the person who is the subject of the disclosure are kept confidential.
- Liaise with the Chief Executive Officer of the public body.

Goulburn Broken Catchment Management Authority

Certification to the Financial Statements

We hereby certify that the financial statements of the Goulburn Broken Catchment Management Authority, comprising a statement of financial performance, statement of financial position, statement of cash flows and notes to the financial statements have been prepared in accordance with the Financial Management Act 1994, applicable Australian Accounting Standards and other mandatory professional reporting requirements.

In our opinion, the financial statements present fairly the financial transactions for the year and the financial position of the Authority as at 30 June 2005.

At the date of signing, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

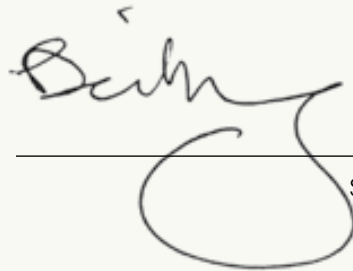
Signed in accordance with a resolution of the Board of Management dated 2 September 2005



S T MILLS, CHAIRMAN



W J O'KANE, CHIEF EXECUTIVE OFFICER



S D GIBNEY, BUSINESS MANAGER



AUDITOR GENERAL
VICTORIA

INDEPENDENT AUDIT REPORT

Goulburn Broken Catchment Management Authority

To the Members of the Parliament of Victoria and Members of the Board of the Authority

Scope

The Financial Report

The accompanying financial report for the year ended 30 June 2005 of Goulburn Broken Catchment Management Authority consists of the statement of financial performance, statement of financial position, statement of cash flows, notes to and forming part of the financial report, and the supporting declaration.

Members' Responsibility

The Members of the Board of Goulburn Broken Catchment Management Authority are responsible for:

- the preparation and presentation of the financial report and the information it contains, including accounting policies and accounting estimates
- the maintenance of adequate accounting records and internal controls that are designed to record its transactions and affairs, and prevent and detect fraud and errors.

Audit Approach

As required by the *Audit Act 1994*, an independent audit has been carried out in order to express an opinion on the financial report. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the financial report
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the members
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the financial report.

These procedures have been undertaken to form an opinion as to whether the financial report is presented in all material respects fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, so as to present a view which is consistent with my understanding of the Authority's financial position, and its financial performance and cash flows.

The audit opinion expressed in this report has been formed on the above basis.



AUDITOR GENERAL
VICTORIA

Independent Audit Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers are to be exercised. The Auditor-General and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, the financial position of Goulburn Broken Catchment Management Authority as at 30 June 2005 and its financial performance and cash flows for the year then ended.

MELBOURNE
2 September 2005



JW CAMERON
Auditor-General

Goulburn Broken Catchment Management Authority

Statement of Financial Performance for the year ended 30 June 2005

	Note	2005 \$'000	2004 \$'000
Revenues From Ordinary Activities			
Government Contributions	2	25,556	19,668
Other revenues from ordinary activities	2	1,077	1,584
		26,633	21,252
Expenses From Ordinary Activities			
Operating costs to works programs	3a	(25,373)	(21,047)
Amortisation of leased assets	3c	(63)	(48)
Depreciation	3b	(262)	(248)
Written-down value on disposal of non-current assets	7	(242)	(218)
Administration expenses	3d	(821)	(830)
Interest		(6)	(7)
Occupancy expenses		(122)	(96)
		(26,889)	(22,494)
Net Surplus / (deficit) from ordinary activities and total changes in equity other than those resulting from transactions with owners as owners		(256)	(1,242)

The accompanying notes form part of these financial statements.

Goulburn Broken Catchment Management Authority

Statement of Financial Position as at 30 June 2005

	Note	2005 \$'000	2004 \$'000
Current Assets			
Cash Assets	4	8,357	8,210
Receivables	5	981	830
Other	6	156	12
Total Current Assets		9,494	9,052
Non-Current Assets			
Property, Plant and Equipment	7	1,329	1,144
Total Non-Current Assets		1,329	1,144
Total Assets		10,823	10,196
Current Liabilities			
Payables	8	4,585	3,761
Interest Bearing Liabilities	9	63	48
Provisions	10	165	178
Total Current Liabilities		4,813	3,987
Non-current Liabilities			
Interest Bearing Liabilities	9	77	88
Provisions	10	295	227
Total Non-Current Liabilities		372	315
Total Liabilities		5,185	4,302
Net Assets		5,638	5,894
Equity			
Contributed Equity	12	4,134	4,134
Retained Surplus	13	-	-
Reserves	14	1,504	1,760
Total Equity		5,638	5,894

The accompanying notes form part of these financial statements.

Goulburn Broken Catchment Management Authority

Statement of Cash Flows for the year ended 30 June 2005

	Note	2005 \$'000	2004 \$'000
Cash Flow From Operating Activities			
Government Contributions		28,162	23,870
Payments to suppliers and employees		(28,303)	(24,323)
GST remitted to Australian Tax Office		(1,091)	(447)
Interest received		541	564
Other Revenue		1,325	1,059
Net cash provided by (used in) operating activities	19b	634	723
Cash Flow From Financing Activities			
Proceeds from Contributed capital		1,595	2,552
Contributed capital paid		(1,595)	(2,552)
Borrowings repaid		(52)	(35)
Net cash provided by (used in) financing activities		(52)	(35)
Cash Flow From Investing Activities			
Proceeds from sale of property, plant and equipment		262	238
Payment for property, plant and equipment		(697)	(500)
Net cash provided by (used in) investing activities		(435)	(262)
Net (decrease) / increase in cash held		147	426
Cash at beginning of year		8,210	7,784
Cash at end of year	19a	8,357	8,210

The accompanying notes form part of these financial statements.

Note 1: Statement Of Significant Accounting Policies

The financial statements are a general purpose financial report prepared in accordance with the requirements of the Financial Management Act 1994, applicable Australian Accounting Standards, and other mandatory professional reporting requirements (Urgent Issue Group Consensus Views).

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets which, as noted, have been shown at valuation. All amounts shown in the financial statements are expressed to the nearest thousand dollars.

(a) Inventories

Inventories comprise stores and materials used in the construction of new works and for the repair and maintenance of existing assets. All inventories are valued at the lower of cost and net realisable value.

(b) Income Recognition

Government grants are brought to account on the earlier of receipt or the right to receive the contributions. The full grant receivable is reflected as revenue. Instalment receipts on the grant are credited to the receivable account. Consequently, at year-end outstanding instalments on these grants are reflected as receivable from Government.

The value of all goods and services received free of charge are recognised as revenue when the authority gains control of them. The benefits derived from these goods and services are recorded at their fair values in the financial statements.

Grants and contributions for capital works from all sources are disclosed in the operating statement as operating revenue as these grants and contributions relate to expenditure on works written off in the year the expenditure is incurred. Any grants and contributions received from the Victorian State Government which the relevant Ministers have indicated are in the nature of owners' contributions, are accounted for as Equity – Contributed Capital. Gains or losses on disposal of non-current assets are calculated as the difference between the gross proceeds on sale and their written down value.

(c) Bad and Doubtful Debts

A provision is made for any doubtful debts, based on a review of all outstanding receivables at balance date. Bad debts are written off in the period in which they are identified.

(d) Employee Entitlements

The calculation of employee entitlements include all relevant on-costs.

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries and annual leave are recognised, and are measured as the amount expected to be paid as the liabilities are settled in respect of employees' services up to balance date. Non-vesting sick leave is not expected to exceed current and future sick leave entitlements and, accordingly, no liability is recognised in these financial statements.

Long Service Leave

A liability for long service leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash flows. The nominal amount of long service leave, if any, expected to be paid in the next financial year is included as a current liability.

Superannuation

The purpose of a superannuation scheme is to accumulate assets to meet members' benefits as they accrue. The Authority contributes in respect of its employees to a number of superannuation schemes administered by the Victorian Superannuation Board and the Local Authorities Superannuation Board. The amounts of these contributions are determined by each scheme's actuary in accordance with statutory requirements. The Authority's statutory contributions to these schemes are recorded as a superannuation expense (see Note 11).

Any unfunded liabilities in respect of those employees who are members of the above schemes are recognised in the Authority's statement of financial position. Unfunded liabilities are defined as the difference between the present value of employees' accrued benefits at the reporting date and the net market value of the superannuation plan's assets at that date.

Goulburn Broken Catchment Management Authority

Notes to the Financial Statements for the year ended 30 June 2005

(e) Fixed Assets

Fixed assets include buildings, plant and equipment, furniture and fixtures and motor vehicles. Items with a cost or value in excess of \$1,000 and a useful life to the Authority of more than one year are capitalised. All other assets acquired are expensed.

Fixed assets are brought to account at acquisition cost or in the case of assets acquired at no cost, at a fair value determined by the Authority in conjunction with the grantor, at the date they are acquired. The cost of fixed assets constructed by the Authority includes all direct labour and materials used in the construction together with an appropriate proportion of applicable overheads.

At balance date, the Authority reviews the carrying value of infrastructure assets to ensure that the carrying value of such assets materially approximates their fair value. Where the carrying value materially differs from the fair value the class of asset is revalued.

(f) Depreciation of Non-Current Assets

Depreciation is calculated on a straight line basis to write off the cost amount of each non-current asset item over its expected useful life to the Authority. Additions to non-current assets in the financial year are depreciated from their respective dates of acquisition.

Estimates of remaining useful lives of all non-current asset items are made on a regular basis with an annual review of all major non-current assets.

Depreciation rates currently applied to each class of asset are as follows:

	2005	2004
Buildings	2.5% - 10%	2.5% - 10%
Furniture & Fixtures	20 to 33%	20 to 33%
Plant & Equipment	10 to 33.3%	10 to 33.3%
Motor Vehicles	20%	20%
Dowdle Swamp Floodway	2%	2%

(g) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Authority, are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised on a straight line basis over their estimated useful lives where it is likely that the Authority will obtain ownership of the asset at the end of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as an expense in the periods in which they are incurred.

(h) Statement of Cash Flows

For the purpose of the Statement of Cash Flows, cash includes cash on hand and cash at bank. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position.

(i) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the item of expense.

Receivable and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(j) Adoption of Australian Equivalents to International Financial Reporting Standards

For the reporting period ending 30 June 2006, the Authority is required to adopt the financial reporting requirements of the Australian equivalents to International Financial Reporting Standards (A-IFRS). The financial report for the reporting period ending 30 June 2006 will require comparatives as at 30 June 2005 and hence will require opening balances for the financial year commencing 1 July 2004 to be determined. With certain exceptions, the opening balances are to be adjusted to reflect the position that would have existed had A-IFRS always applied and such retrospective adjustments will be made against opening retained earnings. The exceptions include deferral until 1 July 2005 of the application and adjustments for:

- AASB 132 – Financial Instruments : Disclosure and Presentation; and
- AASB 139 – Financial Instruments : Recognition and Measurement.

The comparative information for transactions effected by these Accounting Standards is to be accounted for in accordance with existing Australian Accounting Standards.

There are requirements under A-IFRS that apply specifically to not-for-profit entities that are not consistent with the requirements International Financial Reporting Standards. As the Authority is a not-for-profit entity those paragraphs in A-IFRS applicable to not-for-profit entities will be applied.

The Authority's A-IFRS compliant financial report for the reporting period ending 30 June 2006 will include a new statement of changes in equity in addition to the three existing financial statements, which will be renamed. The Statement of Financial Performance will be renamed as the Operating Statement, the Statement of Financial Position will be renamed as the Balance Sheet and the Statement of Cash Flows will be renamed as the Cash Flow Statement.

Further, following the Authority's impact analysis and evaluation of accounting policy alternatives, the Authority has concluded that there will not be a significant impact on the Authority's financial position and financial performance following the adoption of A-IFRS other than:

- a)** AASB 116 'Property, Plant & Equipment' – in accordance with the transitional provisions of the new standard the Authority will elect to measure items of property, plant and equipment at the date of transition to A-IFRS (ie. 1 July 2004) at its fair

value and use that fair value as its deemed cost as at that date.

This change in accounting policy is unlikely to have any impact on the Authority's financial position or financial performance.

- b)** AASB 119 'Employee Benefits' – on adoption of A-IFRS the Authority will be required to make a distinction between short term and long term annual leave entitlements. Short term annual leave entitlements are to be measured at their nominal values, however long term annual leave entitlements are to be measured at the present value of the expected future payments.

This change in accounting policy is not expected to have a material impact of the Authority's financial position or performance. However it will require a reclassification of the annual leave liability between current and non-current.

This financial report has been prepared in accordance with existing Australian accounting standards and other mandatory professional reporting requirements. The disclosures above are the Authority's best estimates of the likely impact of the transition to A-IFRS. However the actual impacts of the transition to A-IFRS may differ from the estimates disclosed due to:

- Changes in facts and circumstances;
- Ongoing work being undertaken by the Authority; and
- Potential amendments to A-IFRS and interpretations by the Australian Accounting Standards Board.

Goulburn Broken Catchment Management Authority

Notes to the Financial Statements for the year ended 30 June 2005

	Note	2005 \$'000	2004 \$'000
Note 2: Revenues			
Operating activities			
— Government Contributions	2a	25,556	19,668
Other Revenues			
Operating Activities			
— Interest		459	621
— Contributions from Third Parties		182	495
— Long Service Leave Contributions		9	12
— Rent Received		3	6
— Seedbank Funding		36	133
— Waterways Research & Development		30	25
— Other		96	54
		815	1,346
Non-Operating Activities			
— proceeds on disposal of property, plant and equipment		262	238
Other revenues from ordinary activities		1,077	1,584
Total revenue		26,633	21,252
a) Government Contributions:			
State Government of Victoria			
- Catchment Planning		235	230
- Environmental Flows Monitoring & Assessment		100	-
- Lower Goulburn Levees		250	-
- Lake Mokoan Study		41	5
- Pest Management		50	160
- River Health & Water Quality		715	719
- Salinity Infrastructure		1,495	250
- Second Generation Landcare		541	551
- Stressed Rivers / Healthy Rivers Initiative		2,555	550
- Sustainable Irrigated Agriculture		1,465	-
- Tariff Replacement Funding		1,930	1,930
- Victorian Water Trust & Smart Farms Initiative		1,000	700
- Victorian Water Trust & White Paper		1,296	-
- Index of Stream Condition		15	145
- Recreational Fish Licence		195	215
- Goulburn Broken Flood Level Declaration		27	33
- Monitoring Carbon		5	10
- Enterprise Bargaining Wage Supplementation		41	28
- Other		95	195
		12,051	5,721
Commonwealth Government			
Natural Heritage Trust	- Facilitators & Coordinators	562	189
	- Regional grants	1,248	2,473
	- Other AFFA	60	-
National Landcare Program		208	203
		2,078	2,865
Murray Darling Basin Commission – Living Murray		181	-
Victorian State & Commonwealth Government			
- National Action Plan		11,246	11,082
		25,556	19,668

Goulburn Broken Catchment Management Authority

Notes to the Financial Statements for the year ended 30 June 2005

	Note	2005 \$'000	2004 \$'000
Note 3: Surplus / (Deficit) From Ordinary Activities			
Surplus from ordinary activities has been determined after:			
(a) Operating Costs to Works Programs			
- Waterways		6,817	5,535
- Salinity Infrastructure		5,226	3,661
- Sustainable Irrigated Agriculture		1,445	237
- Devolved Grants		3,853	4,657
- Floodplain Administration		174	243
- Floodplain Works		435	89
- Second Generation Landcare		475	382
- Landcare Support		266	208
- Regional Catchment Strategy Review		13	-
- Grants			
- Environmental Management Grants		1,382	1,397
- Community Surface Drains		154	338
- Whole Farm Plans		278	371
- Automatic Irrigation		93	48
- Drainage Reuse		607	648
- Capital Salinity Grants		163	488
- Nutrient Removal		140	36
- Water for Growth – other		107	219
- Bushcare / Native Vegetation		1,073	612
- Water Quality		631	393
- Lake Mokoan Study		19	99
- Streamflow Management Plans		9	32
- Other		2,013	1,354
		25,373	21,047
(b) Depreciation of Non-Current Assets			
- buildings		4	4
- plant & equipment		45	63
- motor vehicles		213	181
		262	248
(c) Amortisation of leased assets			
		63	48
(d) Administration expenses			
- NHT administration		-	21
- Implementation Committees		50	50
- Audit fees – Internal Audit		10	7
– Auditor General		8	7
- Board Governance		157	155
- Salaries and on costs		473	460
- Other		123	130
		821	830

Goulburn Broken Catchment Management Authority

Notes to the Financial Statements for the year ended 30 June 2005

	Note	2005 \$'000	2004 \$'000
Note 4: Cash Assets			
Cash at bank and on hand		8,357	8,210
		8,357	8,210

All of these funds are restricted in that they are held to be spent on a range of programs which the Authority currently has underway.
(Note 15e)

Note 5: Receivables

Current

Government Grants Receivable		111	156
GST amount due from Australian Tax Office		573	307
Trade Debtors		300	368
Tariffs and Charges		12	15
Provision for Doubtful Debts		(15)	(16)
		981	830

Note 6: Other Assets

Current

Prepayments		156	12
		156	12

Note 7: Property Plant And Equipment

Buildings at Cost		43	43
Less accumulated depreciation		(29)	(25)
Total Buildings		14	18
Plant and Equipment at cost		388	335
Less accumulated depreciation		(298)	(254)
		90	81
Motor Vehicles at cost		1,190	997
Less accumulated depreciation		(229)	(224)
		961	773
Office and Computer Equipment acquired under finance lease		226	170
Accumulated amortisation		(111)	(48)
		115	122
Total Plant and Equipment		1,180	994
Dowdle Swamp Floodway at Valuation		170	170
Less accumulated depreciation		(21)	(20)
Total Floodway at valuation		149	150
Total Property, Plant and Equipment		1,329	1,144

Goulburn Broken Catchment Management Authority

Notes to the Financial Statements for the year ended 30 June 2005

Note 7: Property Plant And Equipment

a) Movements in Carrying Amounts:

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Dowdle Swamp Floodway \$'000	Buildings \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Equipment Under Finance/Lease \$'000	Total \$'000
Balance at the beginning of the year	150	18	81	773	122	1,144
Additions	-	-	53	643	56	752
Disposals	-	-	-	(242)	-	(242)
Depreciation expense	(1)	(4)	(44)	(213)	-	(262)
Amortisation	-	-	-	-	(63)	(63)
Carrying amount at the end of the year	149	14	90	961	115	1,329

Note	2005 \$'000	2004 \$'000
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Note 8: Payables

Current		
Trade Creditors	1,255	2,598
GST amount due to Australian Tax Office	116	-
Accruals	3,214	1,163
	4,585	3,761

Note 9: Interest Bearing Liabilities

Current			
Finance Lease Liability	15c	63	48
Non-Current			
Finance Lease Liability	15c	77	88
		140	136

Note 10: Provisions

Current			
Employee entitlements		165	178
Non-Current			
Employee entitlements		295	227
a. Aggregate employee entitlement liability		460	405
b. Number of employees at year end		54	42

Goulburn Broken Catchment Management Authority

Notes to the Financial Statements for the year ended 30 June 2005

Note 11: Superannuation

Contributions

The Authority contributes in respect of its employees, to the following principal superannuation schemes:

- Vision Super
- Government Superannuation Office
- Colonial

Contribution details are shown in the following table:

	Type of Scheme	Rate %	2005 \$'000	2004 \$'000
Colonial	Accumulation	9	12	11
Government Superannuation Office	Accumulation	Various	36	49
Vision Super	Defined Benefits	9.25	7	11
Vision Super	Accumulation	9	160	173
Other Funds	Accumulation	9	130	101
Total contributions to all Funds			345	345

As at balance date, there were no outstanding contributions payable.

	Note	2005 \$'000	2004 \$'000
Balance at the beginning of the reporting period		4,134	4,134
Contributed capital received	12(a)	1,595	2,552
Contributed capital paid	12(a)	(1,595)	(2,552)
Balance at the end of the reporting period		4,134	4,134

Note 12(a): In accordance with Financial Reporting Direction (FRD) 2 – Contributed Capital, issued by the Department of Treasury and Finance, grants totalling \$1,594,780 (2004: \$2,552,143) have been accounted for as a contributed capital contribution for capital works undertaken by Goulburn-Murray Water. Both the amount received from the Department and the amount paid to Goulburn-Murray Water has been accounted for through the Authority's contributed equity account.

In the 2002/03 financial year, the Authority complied with the requirements of UIG Abstract 38 – Contributions by Owners Made to wholly-owned Public sector Entities, AFRB 39 Accounting for Contributed Capital and AFRB 40 Establishment of Opening Balances and Formal Designation for Contributed Capital.

As a result an amount of \$2.25 million was transferred from accumulated surpluses as at 1 July 2001 and is now included in the opening balance of contributed equity. As the accumulated surpluses were derived from projects funded from various sources, the amount transferred represents contributed capital from the respective funding sources. Further, these funds are the balance of funding on grants programs carried forward to be spent in future years' works programs. Accordingly, in future years, expenditure on programs may result in a reduction in total equity of the Authority. The Authority made the transfer solely to comply with UIG 38 and AFRB 39&40.

Goulburn Broken Catchment Management Authority

Notes to the Financial Statements for the year ended 30 June 2005

Note	2005 \$'000	2004 \$'000
Note 13: Retained Surplus		
Balance at the beginning of the reporting period	-	3,002
Net result for the year	(256)	(1,242)
Transfer from / (to) reserves	256	(1,760)
Balance at the end of the reporting period	-	-

Note 14: Committed Funds Reserve

Balance at the beginning of the reporting period	1,760	-
Net transfers (to) / from retained surplus	(256)	1,760
Balance at the end of the reporting period	1,504	1,760

The purpose of the Committed Funds Reserve is to hold funds allocated for expenditure on works programs which have either not yet commenced or have not been completed at balance date. The Committed Funds Reserve is necessary as grant monies are taken to revenue as soon as the Authority has the right to receive those funds and generally there is a time lag between the right to receive the funds and the commencement of the associated works program.

At balance date, a total of \$5,637,556 in funding allocations remain to be expended on works programs in subsequent financial years, of which \$1,504,029 is held in the Committed Funds Reserve with the balance of \$4,133,527 held in Contributed Equity.

Note 15: Capital And Leasing Commitments

a. Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable		
- not later than 1 year	108	
- later than 1 year but not later than 5 years	534	
- later than 5 years but not later than 7 years	292	-
	934	-

b. As at 30 June the Authority had the following outstanding commitments

Contracts for works expenditure	303	81
Payable		
- not later than 1 year	303	81

c. Finance Leases

Payable		
- not later than 1 year	69	54
- later than 1 year but not later than 5 years	80	95
	149	149
Less future finance charges	(9)	(13)
Total Finance Lease Commitment	140	136
Current Liability	9	48
Non-Current Liability	9	88
	140	136

d. Capital Commitments

Contracts for capital expenditure payable		
- not later than one year	174	-

Goulburn Broken Catchment Management Authority

Notes to the Financial Statements for the year ended 30 June 2005

e. Compliance Statement – Contributions subject to restrictions

The following table reflects major program funding contributions which are subject to restrictions on expenditure profiles which may only be varied with the agreement of the funding body.

Program	Revenue recognised \$'000			Outgoings \$'000		Unexpended Program Contributions	Outstanding Program Commitment	Variance
	Funds b/f 1 July 2005	Funds Current Year	Total	Current Year	Total	Funds c/f 1 July 2005	\$'000	\$'000
Native Vegetation	547	2,338	2,885	1,817	1,817	1,068	1,146	(78)
Catchment Planning & Investment	1,093	2,504	3,597	3,145	3,145	452	558	(106)
Salinity & Soils	839	1,581	2,420	2,499	2,499	(79)	600	(679)
Sustainable Irrigation	1,147	13,207	14,354	11,371	11,371	2,983	3,554	(571)
River Health	2,268	7,003	9,271	8,057	8,057	1,214	2,336	(1,122)
Total	5,894	26,633	32,527	26,889	26,889	5,638	8,194	(2,556)

Variances under the salinity & soils, sustainable irrigation and River Health programs are in respect of grants approved in line with a two-year approval cycle which shall be funded from 2005/06 program funding. Indicative 3-year NAP funding allocations are advised to the Authority to enable programs to be accommodated within the 3-year cycle rather than limited only to the funding available for the particular year.

Note 16: Events Subsequent To Reporting Date

The Authority shall be relocating its principal place of business and registered office to 168-170 Welsford Street, Shepparton with effect from 5 September 2005.

Note 17: Responsible Persons Related Disclosures

(a) Responsible Persons

The names of persons who were responsible persons at anytime during the financial year were:

Minister for Water and Minister for Environment **Honourable John Thwaites** 1 July 2004 – 30 June 2005

There were numerous transactions between the Authority and the Department of Sustainability and Environment during the year under normal commercial terms and conditions.

Position		Appointed	Position		Appointed
Board Member	D Cummins	1 July 2003	Chairman	S Mills	14 May 2002
Board Member	J Pettigrew	1 July 2003	Board Member	C Scott *	1 July 2000
Board Member	L Gunter	1 July 2003	Board Member	A Fox	1 July 1997
Board Member	C Jones	1 July 2003	Board Member	C Madden	1 July 1997
Board Member	Y Davies	1 July 2000	Board Member	G Williams	1 July 2003
Board Member	K Ritchie	4 February 2000	Board Member	B Thompson	19 January 2004
Board Member	S Junghenn	1 July 2003 (resigned March 2005)			
CEO	W J O'Kane	4 October 1997	Acting CEO	S D Gibney	4-28 January 2005

* Denotes Deputy Chairman

Goulburn Broken Catchment Management Authority

Notes to the Financial Statements for the year ended 30 June 2005

(b) Remuneration of Responsible Persons

The number of responsible persons whose remuneration from the authority was within the specified bands are as follows:

	2005 No.	2004 No.
\$1 - \$9,999	10	10
\$10,000 - \$19,999	1	1

The total remuneration of responsible persons referred to in the above bands was \$104,640 (2004 \$100,280) which includes \$8,640 (2004 \$8,280) paid in Superannuation Contributions.

Kevin Ritchie and Brian Thompson are representatives of the Department of Primary industries and Department of Sustainability and Environment. They receive no remuneration from the Authority.

The relevant information of the Chief Executive Officer is reported under the Executive Officer's Remuneration.

The relevant Minister's remuneration is reported separately in the financial statements of the Department of Premier and Cabinet.

(c) Remuneration of Executives

The number of executive officers, other than responsible persons included under "Remuneration of Responsible persons" above, whose total remuneration exceeded \$100,000 during the reporting period are shown below in their relevant income bands:

Remuneration	2005 No.	2004 No.
\$100,000 - \$109,999	-	1
\$110,000 - \$119,999	1	-
\$150,000 - \$159,999	1	1

The total remuneration including superannuation of executives whose remuneration was greater than \$100,000 referred to in the above bands was \$275,913 (2004: \$264,080).

(d) Other Transactions

Loans: There were no loans in existence by the Authority to responsible persons or related parties at the date of this report.

Shares: There were no share transactions in existence between the Authority and Responsible Persons and their related parties during the financial year.

Other: Don Cummins, Yvonne Davies, Lyn Gunter and Graeme Williams are councillors with the Shire of Mansfield, Moira, Murrindindi and Strathbogie respectively. During the year, the Authority from time to time had dealings with those Municipalities on normal commercial terms and conditions.

Don Cummins and John Pettigrew are Board Members of Goulburn-Murray Water and, from time to time, the Authority had dealings with Goulburn-Murray Water on normal commercial terms and conditions. Catherine Scott is a Board member of Goulburn Valley Water and the Authority had dealings with Goulburn Valley Water on normal commercial terms and conditions.

An environmental management incentive for \$13,365.30 was paid for works carried out on property in which Ailsa Fox has an interest. A whole farm plan incentive for \$3,212.86 was paid for works carried out on property in which WJ O'Kane has an interest. Both incentives were normal payments in accordance with the Authority's grant incentive scheme.

Other than travel reimbursements there were no other transactions between the Authority and Responsible Persons and their related parties during the financial year.

Goulburn Broken Catchment Management Authority

Notes to the Financial Statements for the year ended 30 June 2005

(e) Board Members Attendance Record at Meetings

	Board Meetings	Compliance Committee	Audit Committee	Remuneration Committee
	13 Meetings Held	3 Meetings Held	4 Meetings Held	3 Meetings Held
Don Cummins	10	-	3	-
Yvonne Davies	12	-	-	1
Ailsa Fox	12	-	3	-
Lyn Gunter	11	-	4	-
Charles Jones	12	3	-	-
Stephen Junghenn	4 (OF 9)	1 (OF 2)	-	-
Craig Madden	13	3	-	3
Stephen Mills *	13	2	2	3
John Pettigrew	10	-	3	3
Kevin Ritchie	11	2	-	-
Catherine Scott	12	-	4	2
Brian Thompson	12	3	-	-
Graeme Williams	10	3	-	-

The Chairman, Stephen Mills is ex-officio of all Board Committees and is able to attend all meetings.

Note 18: Economic Dependence

To attain its goals as detailed in its Regional Catchment Strategy, the Authority continues to be dependent upon future funding commitments from both the State and Federal Governments.

Note 19: Cash Flow Information

	2005	2004
	\$	\$
a. Reconciliation of Cash		
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash at bank and on hand (Note 4)	8,357	8,210
	8,357	8,210
b. Reconciliation of cash flow from operations with surplus from ordinary activities		
Surplus / (Deficit) from ordinary activities	(256)	(1,242)
Non-cash flows in surplus from ordinary activities		
Depreciation	262	248
Amortisation	63	48
Net loss (gain) on disposal of non-current assets	(20)	(20)
Changes in assets and liabilities		
(Increase) / decrease in receivables	(150)	1,458
(Increase) / decrease in prepayments	(144)	24
(Increase) / decrease in provisions	55	72
Increase/(decrease) in inventories	-	1
Increase/(decrease) in payables	824	134
Cash flows from operations	634	723

c. **Property plant and equipment:** During the financial year, the Authority acquired computer equipment with an aggregate fair value of \$56,283 (2004 \$79,021) by means of finance leases. These acquisitions are not reflected in the statement of cash flows.

Goulburn Broken Catchment Management Authority

Notes to the Financial Statements for the year ended 30 June 2005

Note 20: Financial Instruments

a. Interest Rate Risk

The Authority's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Bearing		Non-Interest Bearing	
	2005 %	2004 %	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$
Financial Assets								
Cash at bank	5.52	5.12	8,357	8,210				
Receivables							1,078	846
Total Financial Assets			8,357	8,210			1,078	846
Payables							4,585	3,761
Fixed Interest Bearing Liabilities	4.35	5.15			140	136	-	-
Total Financial Liabilities					140	136	4,585	3,761

b. Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes the financial statements.

The Authority does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Authority.

c. Net Fair Values

For all financial assets and financial liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

d. Terms, Conditions and Accounting Policies

The Authority's accounting policies including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at balance date, are as follows:

Recognised Financial Instruments	Statement of Financial Position Notes	Accounting Policies	Terms and Conditions
(i) Financial Assets Receivables - Current Debtors	5	Debtors are carried at the nominal amounts	Credit is allowed for a 30 day term. Tariff Charges remain a charge on the property
(ii) Financial Liabilities Payables - Creditors and Accruals	8	Creditors and accruals are recognised for future amounts to be paid in respect of goods and services received, whether or not billed to the Authority.	Settlement of creditors is normally effected within a 30 day term.
(iii) Interest Bearing Liabilities Finance Leases	9	Leases meeting the definition of Finance Leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any residual values.	Lease payments made on a quarterly basis, are allocated the reduction of the lease and the lease interest expense for the period.

Note 21: Authority Details

The registered office of the Authority and principal place of business is: 55 Welsford Street, Shepparton 3630, Victoria but will be relocated to 168-170 Welsford Street with effect from 5 September 2005.