

# **Crowley Vale Water Board**

## **Final Report**

**1 July 2014 to 11 September 2015**

This publication has been compiled by Catchment Programs of Operations Support, Department of Natural Resources and Mines.

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## Table of contents

<b>Introduction .....</b>	<b>1</b>
Nature of the water authority.....	1
Roles and objectives.....	1
Location.....	1
<b>Operations .....</b>	<b>1</b>
Management.....	1
Organisational structure.....	2
Staff.....	2
Related entities .....	2
<b>Consultancies</b> .....	2
Overseas travel.....	2
Information systems and record keeping.....	2
Public Sector Ethics Act.....	2
Audit committee .....	2
Risk management and accountability .....	2
Machinery of government changes.....	3
Overview of operations .....	3
<b>Financial operations .....</b>	<b>3</b>
Internal audit .....	3
Outputs and output performance measures .....	3
Remuneration of chairperson and directors.....	3
External scrutiny.....	3
Summary of financial performance .....	3
Letter of compliance.....	3
Audit report information.....	3
Summary of independent audit report .....	3
<b>Annual report requirements for Queensland Government agencies .....</b>	<b>5</b>
<b>Glossary .....</b>	<b>7</b>
<b>Appendix .....</b>	<b>8</b>

## Table of tables

Table 1 – Compliance checklist .....	5
--------------------------------------	---

## **Introduction**

On 11 September 2015, the Crowley Vale Water Board (the water authority) was dissolved by the Water and Other Legislation Amendment Regulation (No. 2) 2015.

The water authority was constituted under the *Water Act 2000* (the Act) and was a statutory body under the *Financial Accountability Act 2009* and the *Statutory Bodies Financial Arrangements Act 1982*. As the former appropriate Minister for the abolished water authority, the Minister for Natural Resources and Mines is required to table the final annual report (final report) for the water authority in the Queensland Legislative Assembly for the water authority's final period of operation (final period)—from 1 July 2014 to 11 September 2015.

Copies of the final report are available from the Department of Natural Resources and Mines (the department).

In dissolving for the purposes of converting to Crowley Vale Water Cooperative Ltd QC 0333, ABN 74 627 077 210, the water authority was one of a number of water authorities transferring the provision of their functions away from a statutory body framework to an alternative institutional structure, or to the local government whose authority area their water authority shares. In terms of other institutional reform of water authorities, some water authorities are undergoing amalgamation with related water authorities with a view to gaining efficiencies in meeting their obligations as a statutory body. Others are committed to remaining in their current form as statutory bodies.

As at 11 September 2015, the department continues to liaise regularly with representatives of each water authority as well as liaising with other key stakeholders, such as the Queensland Farmers' Federation, Canegrowers Queensland, and relevant local governments. Relevant water authorities are actioning their preferred institutional changes, while others work to meet the various obligations applicable to them as statutory bodies. The department will continue working alongside and actively supporting water authorities.

## **Nature of the water authority**

The water authority serviced 10 ratepayers in its provision of water for irrigation purposes. The water authority's ratepayers shared the cost of administrating, operating and maintaining the water authority's plant, equipment and infrastructure.

## **Roles and objectives**

The water authority provided services aligned to the government's objectives for the community and other whole-of-government strategies.

Under section 569 of the Act, a water authority's main function is to carry out the water activities decided by the authority. If the water authority has an authority area, its main function is to carry out the water activities for the authority area.

The water authority's main function was to service its ratepayers in its provision of water for irrigation purposes.

## **Location**

The administration plan reference number for the water authority's authority area was AP4022. The Lockyer Valley Regional Council was the local government for the authority area.

## **Operations**

### **Management**

The water authority was managed by a board of directors. Prospective directors were elected in accordance with the procedures prescribed by regulation. During the final period, the Water Regulation 2002 contained the relevant provisions for the conduct of elections either by mail or at a meeting of ratepayers. Subsequent to the election of persons, all directors were appointed by the Governor in Council.

During the final period, the water authority's principal place of business was situated at 5209 Warrego Hwy, Gatton, with all correspondence being directed to PO Box 464, Gatton Qld 4343.

The contact person for the water authority was its secretary, Ms Belinda Bryant, whose phone number is 0423 669 660 and email [mb.bryant@bigpond.com](mailto:mb.bryant@bigpond.com).

## **Organisational structure**

The composition of the board of the water authority was four directors elected by ratepayers for appointment by the Governor in Council.

Mr Michael Neumann, Mr Allan Qualischefski and Mr Troy Qualischefski (chairperson) were all appointed as directors to the board of the water authority in 2007 and remained on the board until the water authority was dissolved.

## **Staff**

The water authority employed no staff.

## **Related entities**

The water authority did not have any related entities.

## **Consultancies**

The water authority reports that it did not engage any consultancies during the final period.

Information in relation to water authorities' expenditure on consultancies is publicly accessible at the Government's Open Data website: <https://data.qld.gov.au/dataset/consultancy-spending-category-2-water-authorities>.

## **Overseas travel**

No member of the water authority travelled overseas during the final period.

Information in relation to overseas travel costs incurred by water authority members is to be publicly accessible at the Government's Open Data website. Currently, as no member of a water authority has incurred overseas travel costs, no dataset exists.

## **Information systems and record keeping**

During the final period, the water authority had a records management system appropriate for its particular operations. The records management system of the water authority used both hard and electronic filing processes.

## **Public Sector Ethics Act**

Water authority members were reminded of their obligations when appointed to the water authority and given access to the Department of the Premier and Cabinet's publication titled 'Welcome Aboard: A Guide for Members of Queensland Government Boards, Committees and Statutory Authorities'. Compliance with the *Public Sector Ethics Act 1994* also requires the water authority to have had in place a Code of Conduct; the water authority had not yet developed a code of conduct at the time it was abolished.

## **Audit committee**

The water authority's secretary ensured appropriate accounting standards were used by the water authority during the final period.

## **Risk management and accountability**

For the purpose of enabling the department to assess the financial viability of the water authority in past years, the water authority was requested to submit:

- its financial statements
- a prudential assessment questionnaire
- an entity indebtedness statement
- a budget for the next financial year.

Based on this information, the department conducted annual risk management and governance assessments of the water authority. From the latest review, the department found the water authority had been prudent in managing its financial affairs and had adopted appropriate risk management strategies.

## **Machinery of government changes**

The water authority was not subject to any machinery-of-government changes during the final period.

## **Overview of operations**

During the final period, the water authority continued to pump overland flow, distributing the water to irrigators in its authority area via pipelines. The water authority also continued to complete any necessary maintenance of its scheme infrastructure.

## **Financial operations**

### **Internal audit**

When required, the board of the water authority undertook internal audit functions. There was nothing to report for the final period.

### **Outputs and output performance measures**

The water authority was self-funded and therefore funding outputs and output performance measures are not applicable.

### **Remuneration of chairperson and directors**

The water authority reports that no remuneration was paid to any members, chairperson or directors of the water authority during the final period.

#### External scrutiny

Except for audits of the financial statements carried out by the Queensland Audit Office, no external auditor reviews of the water authority's operations occurred during the final period.

## **Summary of financial performance**

The primary source of the water authority's funding during the final period was from its ratepayers. During the final period, the water authority was financially viable and had sufficient funds to service its debts.

## **Letter of compliance**

The water authority's former responsible person has certified that the water authority's final report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the Financial and Performance Management Standard 2009
- the detailed requirements set out in the Department of the Premier and Cabinet's publication, *Annual report requirements for Queensland Government agencies: requirements for the 2014–15 reporting period*.

## **Audit report information**

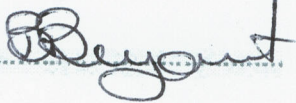
The water authority's certified financial statements are at the Appendix.

## **Summary of independent audit report**

In accordance with section 40 of the *Auditor-General Act 2009*, the Auditor-General certified that:

- the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects
- the final financial report presents a true and fair view, in accordance with the prescribed accounting standards – Reduced Disclosure Requirements, of the transactions of the Crowley Vale Water Board for the financial period 1 July 2014 to 11 September 2015 and of the financial position of the water authority as at the end of that period.

Belinda Bryant, Former Responsible Person, Crowley Vale Water Board

Signed.....

Date.....12-1-16.....

Troy Qualischefski, Former Chairperson, Crowley Vale Water Board

Signed.....

Date.....12-1-16.....

## Annual report requirements for Queensland Government agencies

The compliance checklist provided in Table 1 indicates where the annual report requirements (ARRs) for the 2014–15 reporting period are addressed in this report. The relevant legislative provisions are also provided.

**Table 1 – Compliance checklist**

Summary of requirement		Basis for requirement	Final report reference
<b>Letter of compliance</b>	<ul style="list-style-type: none"> <li><b>A letter of compliance from the statutory body to the relevant Minister</b></li> </ul>	ARRs – section 8	Page 3
<b>Accessibility</b>	<ul style="list-style-type: none"> <li><b>Table of contents</b></li> <li><b>Glossary</b></li> </ul>	ARRs – section 10.1	Page i Page 7
	<ul style="list-style-type: none"> <li><b>Public availability</b></li> </ul>	ARRs – section 10.2	Page 1
	<ul style="list-style-type: none"> <li><b>Interpreter service statement</b></li> </ul>	<i>Queensland Government Language Services Policy</i> ARRs – section 10.3	Not applicable
	<ul style="list-style-type: none"> <li><b>Copyright notice</b></li> </ul>	<i>Copyright Act 1968</i> ARRs – section 10.4	Inside front cover
	<ul style="list-style-type: none"> <li><b>Information Licensing</b></li> </ul>	<i>QGEA – Information Licensing</i> ARRs – section 10.5	Inside front cover
<b>General information</b>	<ul style="list-style-type: none"> <li><b>Introductory Information</b></li> </ul>	ARRs – section 11.1	Page 1
	<ul style="list-style-type: none"> <li><b>Agency role and main functions</b></li> </ul>	ARRs – section 11.2	Page 1
	<ul style="list-style-type: none"> <li><b>Operating environment</b></li> </ul>	ARRs – section 11.3	Page 2
	<ul style="list-style-type: none"> <li><b>Machinery of government changes</b></li> </ul>	ARRs – section 11.4	Page 3
<b>Non-financial performance</b>	<ul style="list-style-type: none"> <li><b>Government’s objectives for the community</b></li> </ul>	ARRs – section 12.1	Page 1
	<ul style="list-style-type: none"> <li><b>Other whole-of-government plans / specific initiatives</b></li> </ul>	ARRs – section 12.2	Page 1
	<ul style="list-style-type: none"> <li><b>Agency objectives and performance indicators</b></li> </ul>	ARRs – section 12.3	Page 1
	<ul style="list-style-type: none"> <li><b>Agency service areas and service standards</b></li> </ul>	ARRs – section 12.4	Page 1
<b>Financial performance</b>	<ul style="list-style-type: none"> <li><b>Summary of financial performance</b></li> </ul>	ARRs – section 13.1	Page 3
<b>Governance –</b>	<ul style="list-style-type: none"> <li><b>Organisational structure</b></li> </ul>	ARRs – section 14.1	Page 2



<b>management and structure</b>	• <b>Executive management</b>	ARRs – section 14.2	Page 2
	• <b>Government bodies (statutory bodies and other entities)</b>	ARRs – section 14.3	Page 2
	• <b>Public Sector Ethics Act 1994</b>	<i>Public Sector Ethics Act 1994</i> ARRs – section 14.4	Page 2
<b>Governance – risk management and accountability</b>	• <b>Risk management</b>	ARRs – section 15.1	Page 2
	• <b>External scrutiny</b>	ARRs – section 15.2	Page 3
	• <b>Audit committee</b>	ARRs – section 15.3	Page 3
	• <b>Internal audit</b>	ARRs – section 15.4	Page 3
	• <b>Information systems and recordkeeping</b>	ARRs – section 15.5	Page 3
<b>Governance – human resources</b>	• <b>Workforce planning and performance</b>	ARRs – section 16.1	Page 2
	• <b>Early retirement, redundancy and retrenchment</b>	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 16.2	Page 2
<b>Open Data</b>	• <b>Consultancies</b>	ARRs – section 17 ARRs – section 34.1	Page 2
	• <b>Overseas travel</b>	ARRs – section 17 ARRs – section 34.2	Page 2
	• <b>Queensland Language Services Policy</b>	ARRs – section 17 ARRs – section 34.3	Not applicable
	• <b>Government bodies</b>	ARRs – section 17 ARRs – section 34.4	Page 2
<b>Financial statements</b>	• <b>Certification of financial statements</b>	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 18.1	Page 3
	• <b>Independent Auditors Report</b>	FAA – section 62 FPMS – section 50 ARRs – section 18.2	Pages 8 to 27
	• <b>Remuneration disclosures</b>	Financial Reporting Requirements for Queensland Government Agencies ARRs – section 18.3	Page 3

## Glossary

ARRs	Annual report requirements for Queensland Government agencies
FAA	<i>Financial Accountability Act 2009</i>
FPMS	Financial and Performance Management Standard 2009
QGEA	Queensland Government Enterprise Architecture

# Appendix

## CROWLEY VALE WATER BOARD FINANCIAL STATEMENTS FOR THE PERIOD 01 JULY 15 to 11 SEPTEMBER 15

### Contents

### Page No:

Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes To and Forming Part of the Financial Statements	6
Management Certificate	18
Independent Audit Report	19

### General Information

These financial statements cover the Crowley Vale Water Board from the 1st July 2015 up to and including the date of its dissolution and conversion to the Crowley Vale Water Cooperative on 11th September 2015.

Crowley Vale Water Board is a Statutory Body established under the Water Act 2000

For information in relation to the Crowley Vale Water Board's financial statements please contact Matis Accounting  
Ph: 07) 3812 2600 Email: [andrew@matisaccounting.com.au](mailto:andrew@matisaccounting.com.au)

**CROWLEY VALE WATER BOARD**  
**STATEMENT OF COMPREHENSIVE INCOME**  
For the Period 01 July 2014 to 31 September 2015

	Notes	2015 \$	2014 \$
<b>Income from Operations</b>			
User Charges and Fees	2	33,582	31,510
Grants and Other Contributions		<u>5,000</u>	
<b>Total Income from Operations</b>		<u><u>38,582</u></u>	<u><u>31,510</u></u>
<b>Expenses from Operations:</b>			
Administration Expenses	3	21,943	18,283
Supplies and Services	4	16,681	12,430
Depreciation	5	8,698	6,096
Other Expenses	6	-	144
<b>Total Expenses from Operations</b>		<u>47,322</u>	<u>37,013</u>
<b>Operating Result from Operations</b>		<u>          </u>	<u>          </u>
<b>Operating Result for the Year</b>		<u><u>(8,740)</u></u>	<u><u>(5,503)</u></u>
<b>Other Comprehensive Income</b>			
<i>Items that will not be reclassified subsequently to Operating Result:</i>			
Increase (decrease) in asset revaluation surplus		0	6,096
<b>Total items that will not be reclassified subsequently to Operating Result</b>		<u>0</u>	<u>6,096</u>
<b>Total other Comprehensive Income</b>		<u>0</u>	<u>6,096</u>
<b>Total Comprehensive Income</b>		<u><u>(8,740)</u></u>	<u><u>593</u></u>

The accompanying notes form part of these statements.



**CROWLEY VALE WATER BOARD**  
**STATEMENT OF FINANCIAL POSITION**  
For the Period 01 July 2014 to 11 September 2015

	Notes	2015 \$	2014 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	7	-	1,408
Receivables	8	-	9,893
Other Current Assets	9	-	2,065
<b>Total Current Assets</b>		<u>-</u>	<u>13,366</u>
<b>Non Current Assets</b>			
Property, Plant and Equipment	10	-	510,000
<b>Total Non Current Assets</b>		<u>-</u>	<u>510,000</u>
<b>Total Assets</b>		<u>-</u>	<u>523,366</u>
<b>Current Liabilities</b>			
Payables	11	-	10,087
<b>Total Current Liabilities</b>		<u>-</u>	<u>10,087</u>
<b>Non Current Liabilities</b>			
<b>Total Non-Current Liabilities</b>		<u>-</u>	<u>-</u>
<b>Total Liabilities</b>		<u>-</u>	<u>10,087</u>
<b>Net Assets (Liabilities)</b>		<u>-</u>	<u>513,279</u>
<b>Equity</b>			
Accumulated Surplus		-	156,344
Asset revaluation surplus	12	-	356,935
<b>Total Equity</b>		<u>-</u>	<u>513,279</u>

The accompanying notes form part of these statements.



**CROWLEY VALE WATER BOARD**  
**STATEMENT OF CHANGES IN EQUITY**  
For the Period 01 July 2014 to 11 September 2015

	Accumulated Surplus/Deficit	Asset Revaluation Surplus (Note 12)	Total
	\$	\$	\$
<b>Balance as at 1 July 2013</b>	161,847	350,839	512,686
Operating result from operations	(5,503)		(5,503)
Other Comprehensive Income			-
- Increase/(Decrease) in Asset revaluation surplus		6,096	6,096
<b>Total Comprehensive Income for the Year</b>		6,096	6,096
<b>Balance as at 30 June 2014</b>	156,344	356,935	513,279
<b>Balance as at 1 July 2014</b>	156,344	356,935	513,279
Operating result from operations	(8,740)		(8,740)
Other Comprehensive Income			
-Capital on Dissolution	(3,237)		(3,237)
-Transfer of Net Equity to Crowley Vale Water Co-op	(144,367)	(356,935)	(501,302)
<b>Total Comprehensive Income for the Year</b>	0	0	0
<b>Balance as at 11 September 2015</b>	0	0	0

The accompanying notes form part of these statements.

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**CROWLEY VALE WATER BOARD**  
**STATEMENT OF CASH FLOWS**  
For the Period 01 July 2014 to 31 September 2015

	Notes	2015 \$	2014 \$
<b>Cash Flows from operating activities</b>			
<i>Inflows:</i>			
User charges and fees		47,167	42,614
GST input tax credits from ATO		3,907	3,561
GST collected from customers		500	-
<i>Outflows:</i>			
Supplies and Services		(46,646)	(31,352)
GST paid to suppliers		(2,599)	(3,811)
GST remitted to ATO		(500)	0
<b>Net cash provided by (used in) operating activities</b>		<u>1,829</u>	<u>10,992</u>
<b>Cash flows from investing activities</b>			
<i>Inflows:</i>			
		-	-
<i>Outflows:</i>			
Capital on Dissolution		(3,237)	-
Payments for property, plant and equipment	10	<u>0</u>	<u>(16,871)</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(3,237)</u>	<u>(16,871)</u>
<b>Cash flows from financing activities</b>			
<i>Inflows:</i>			
		-	-
<i>Outflows:</i>			
Loan repayments made		-	-
<b>Net cash provided by (used in) financing activities</b>		<u>0</u>	<u>0</u>
Net increase (decrease) in cash and cash equivalents		(1,408)	(5,879)
Cash and cash equivalents at beginning of financial year		1,408	7,287
<b>Cash and Cash equivalents at end of period</b>	7	<u>-</u>	<u>1,408</u>

The accompanying notes form part of these statements.

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**CROWLEY VALE WATER BOARD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

		Page No.
Note 1	Summary of Significant Accounting Policies	7
Note 2	User Charges and Fees	13
Note 3	Administration Expenses	13
Note 4	Supplies and Services	14
Note 5	Depreciation	14
Note 6	Other Expenses	14
Note 7	Cash and Cash Equivalents	14
Note 8	Receivables	15
Note 9	Other Current Assets	15
Note 10	Property, Plant and Equipment	15-16
Note 11	Payables	17
Note 12	Asset Revaluation Surplus by Class	17

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**CROWLEY VALE WATER BOARD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15**

**1. Summary of Significant Accounting Policies**

**(a) Statement of Compliance**

The financial statements have been prepared in compliance with the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations.

A request was made to the Treasurer for permission to adopt a reporting period 01 July 2014 – 31 September 2015 so that the financial report could be prepared on behalf of the Crowley Vale Water Board.

In respect to compliance with Australian Accounting Standards and Interpretations, Crowley Vale Water Board has applied those requirements applicable to not-for-profit entities, as Crowley Vale Water Board was a not-for-profit public sector entity up until 11th September 2015. Except where stated, the historical cost convention is used.

**(b) The Reporting Entity**

Crowley Vale Water Board does not control other entities. The Financial Statements include the value of all income, expense, assets, liabilities and equity for the Crowley Vale Water Board as an individual entity.

**(c) Rate Charges and Fees, and Other Revenue**

Revenue from receipt of rates and other charges, or rendering of a service is recognised when the revenue is earned and can be measured reliably with a sufficient degree of certainty. Other revenue is recognised when the right to receive the revenue has been established.

**(d) Cash and Cash Equivalents**

Cash and cash equivalents include all cash and cheques received as at 31st September 2015 as well as deposits held at call with financial institutions.

**(e) Trade Debtors**

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery i.e. the rated billing period. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically with provision being made for impairment.

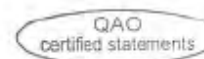
All known bad debt were written-off as at 31st September 2015. All trade debtors were settled prior to the dissolution of the board on 11th September 2015.

**(f) Recognition of Assets**

Actual cost is used by the initial recording of all non-current physical 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 assets ready for use, including architects' fees and engineering design fees. However, any training costs are expensed as incurred.

Where assets are received free of charge from another Queensland public sector entity (usually via an involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland government agency, are recognised at their fair value at date of acquisition in accordance with AASB 116, *Property, Plant and Equipment*.



**CROWLEY VALE WATER BOARD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**5. Property, Plant and Equipment**

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

Buildings	\$10,000
Infrastructure	\$10,000
Motor Vehicles (Other)	\$100,000
Land	\$0
Plant and Equipment	\$5,000

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

**(i) Revaluations of Non-Current Physical Assets**

Land and buildings are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment*, AASB 119 *Fair Value Measurement* and Queensland Treasury and Trade's Non-Current Asset Policies for the Queensland Public Sector. These assets are reported at their revalued amounts, being fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses where applicable. In respect of these asset classes, the cost of items acquired during the financial year has been judged by management to materially represent their fair value at the end of the reporting period.

Plant and Equipment is measured at cost in accordance with Queensland Treasury and Trade's Non-Current Asset Policies for the Queensland Public Sector. The carrying amounts for Plant and Equipment at cost should not materially differ from their fair value.

Non-Current physical assets measured at fair value (refer above) are revalued on an annual basis by appraisals undertaken by an independent professional valuer or internal expert, or by the use of appropriate and relevant indices, and professional judgements of the Board.

For financial reporting purposes, the revaluation process is managed by the Board, who determine the specific revaluation practices and procedures. Management undertakes annual reviews of the revaluation practices (after each year's revaluation exercise) and reports to the Board regarding the outcome of, and recommendations arising from, the annual review.

Revaluations based on independent professional valuer or internal expert appraisals are undertaken at least once every five years. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, when practicable, regardless of the timing of the last specific appraisal.

The fair values reported by the Board are based on appropriate valuation techniques that maximise the use of available relevant observable inputs and minimise the use of unobservable inputs (refer to note 1 (g)).

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up to date via the application of relevant indices. The Board ensures that the application of such indices results in a valid determination of the asset's fair value at reporting date. The State Valuation Service (SVS) supplies the indices used for the various types of assets. Such indices are either publicly available, or are derived from market information available to SVS. SVS provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Indices used are also tested for reasonableness by applying the indices to a sample of assets, comparing their results to similar assets that have been purchased in the current reporting period, valued by an independent valuer or internal expert, and analysing the trend of changes in values over time. Through this process, which is undertaken annually, management assesses and confirms the relevance and suitability of indices provided by SVS based on the Board's own particular circumstances.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

**Depreciation:**

For assets revalued using a cost valuation approach (e.g. depreciated replacement cost) - accumulated depreciation is adjusted to equal the difference between the gross amount and the carrying amount, after taking into account accumulated impairment losses. This is generally referred to as the 'gross method', and

For assets revalued using a market or income-based approach - accumulated depreciation and accumulated impairment losses are eliminated against the gross amount of the asset prior to restating for the valuation. This is generally referred to as the 'net method'.

In the 2014/15 financial year, Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector (NCAPs) mandated the gross method of revaluations. However, from 1 July 2014, the NCAPs now require either the gross or net method to be used, according to the valuation approach adopted for individual assets (as explained above).

In line with these policies, this means a reported asset class may contain assets for which the revaluations are conducted by using either method. While this does not impact on carrying amounts (i.e. fair values) reported, it may cause a significant difference to the figures displayed for gross, accumulated depreciation and accumulated impairment losses (refer also to Note 11 Property, Plant and Equipment for a comparison to figures reported for 2013/14).

Materiality concepts under AASB 1021 Materiality are considered in determining whether the difference between the carrying amount and the fair value of an asset is material.

Separately identified components of assets are measured on the same basis as the assets to which they relate.



**CROWLEY VALE WATER BOARD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**(i) Intangibles**

Crowley Vale Water Board hold assessments up until its dissolution date, all of which fall below the recognition threshold prescribed by Queensland Treasury & Trade's Non-Current Assets Policies for the Qld Public Sector. (Refer to note 1(d)).

**(j) Depreciation**

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

Buildings, plant and equipment are depreciated on a straight-line basis so as to allocate the revalued amount or net cost of each asset (respectively), less its estimated residual value, progressively over its estimated useful life to the Crowley Vale Water Board.

The estimation of the useful lives of assets is based on historical experience with similar assets as well as considerations such as manufacturers' warranties, and asset turnover practices of Crowley Vale Water Board. Re-assessments of useful lives are undertaken annually by the Crowley Vale Water Board. Any consequential adjustments to remaining useful life estimates are implemented prospectively.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

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 Crowley Vale Water Board.

Major spares purchased specifically for particular assets are capitalised and depreciated on the same basis as the asset to which they relate.

For each class of depreciable asset the following depreciation rates are used:

Class	Rate %
Infrastructure	1 - 7%

**(k) Impairment on Non-Current Assets**

Crowley Vale Water Board reviews, at each reporting date, the carrying amounts of its non-current assets to determine whether there is any indication that those assets may be impaired. Such indications may be either specific to Crowley Vale Water Board or to the particular asset e.g. technology changes, or political and economic developments. If an indicator of possible impairment exists, the recoverable amount of the asset is determined and then compared to its carrying value. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. Refer also note 1(h).

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



**CROWLEY VALE WATER BOARD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**(l) Payables**

Trade creditors are recognised upon 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 in 30 days depending on payment terms required by the supplier. All trade creditors were settled prior to the dissolution of the Board on 11 September 2015.

**(m) Financial Instruments**

*Recognition*

Financial assets and financial liabilities are recognised in the Statement of Financial Position when Crowley Vale Water Board becomes party to the contractual provisions of the financial instrument.

*Classification*

Financial Instruments are classified and measured as follows:

- (a) Cash and Cash equivalents - held at fair value through profit or loss
- (b) Receivables- held at amortised cost
- (c) Payables - held at amortised cost

The carrying amounts of trade receivables and payables approximate their fair value.

No financial assets and financial liabilities have been offset and presented on a net basis in the Statement of Financial Position.

Crowley Vale Water Board does not enter into, or trade with, such instruments for speculative purposes, nor for hedging. Apart from cash and cash equivalents, Crowley Vale Water Board holds no financial assets classified at fair value through profit and loss.

**(n) Employee Benefits**

Employer superannuation contributions, annual leave levies and long service leave levies are regarded as employee benefits.

The Crowley Vale Water Board has not engaged any employees during the reporting period and has not incurred any employee benefits expense or liability.

*Remuneration of Board Members*

Board members do not receive payment for attendance at Board Meetings nor Special Assignments where they attend a meeting or conference on behalf of Crowley Vale Water Board.

**(o) Provisions**

Crowley Vale Water Board has no provision liabilities.

**(p) Insurance**

Crowley Vale Water Board insures its buildings, plant and equipment for loss and damage, and also insures for public liability risks. Public liability insurance was held until the date of dissolution with Aon Risk Services Australia Ltd.

**(q) Taxation**

Crowley Vale Water Board is exempted from income tax under the Income Tax Assessment Act 1936 and is exempted from other forms of Commonwealth taxation with the exception of Fringe Benefit Tax (FBT) and Goods and Services Tax (GST). GST credits receivable from, and GST payable to, the ATO are recognised (refer to note 8).

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST charged is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payable in the Statement of Financial Position are shown inclusive of GST.



**CROWLEY VALE WATER BOARD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**(r) Issuance of Financial Statements**

The financial statements are authorised for issue by the Chairman and Secretary of Crowley Vale Water Board at the date of signing the Management Certificate.

**(s) Accounting Estimates and Judgements**

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in note 10 - Property, plant and equipment; and Depreciation - Note 1(j) and note 5.

**(t) Other Presentation Matters**

Amounts included in the financial statements are in Australian Dollars.  
There has been no restatement of comparative information.

**(u) Fair Value Measurement**

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

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the Crowley Vale Water Board include, but are not limited to, published sales data for land and general office buildings, SVS land valuations, publicly advertised prices for infrastructure components and asset revaluation indices published by the Qld Government's statistics office.

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

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



**CROWLEY VALE WATER BOARD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**(v) New and Revised Accounting Standards**

The Crowley Vale Water Board did not voluntarily change any of its accounting policies during 2014-15. There were no Australian Accounting Standard changes applicable for the first time as from 2014-15 that had a significant impact on the Water Board's financial statements.

The following new and revised standards became potentially applicable for the Board as from reporting periods beginning on or after 1 January 2014:

AASB 10 *Consolidated Financial Statements*;

AASB 11 *Joint Arrangements*;

AASB 12 *Disclosure of Interests in Other Entities*;

AASB 127 (revised) *Separate Financial Statements*;

AASB 128 (revised) *Investments in Associates and Joint Ventures*;

AASB 2011-7 *Amendments to Australian Accounting Standards arising from Consolidation and Joint Arrangements Standards* (AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and interpretations 5, 9, 16 & 17)

Of these new / revised standards, the most significant potential impacts would arise from AASB 10 and AASB 11. AASB 10 redefines and clarifies the concept of control of another entity, and is the basis for determining which entities should be consolidated into an entity's financial statements. AASB 11 deals with the concept of joint control and sets out new principles for determining the type of joint arrangements that exist, which in turn dictates the accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.

The Crowley Vale Water Board has reviewed the nature of its present relationships with other entities to determine the impact of AASB 10 and AASB 11. It has concluded that it does not presently have any control or joint control over any other entities, so there is currently no impact on the Water Board's financial statements.

**(w) Dissolution of the Crowley Vale Water Board**

As at 11 September 2015, the Crowley Vale Water Board was dissolved and converted to the Crowley Vale Water Cooperative under the *Water and Other Legislation Amendment Regulation No.2* 2015.

At this time, all Assets and Liabilities of the Crowley Vale Water Board were transferred to the Crowley Vale Water Cooperative for nil consideration. The most significant transfers were Plant Property and Equipment assets (see note 16)

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**CROWLEY VALE WATER BOARD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2015	2014
	\$	\$
<b>2. User Charges and Fees</b>		
Rates & Charges	33,582	31,510
<b>Total</b>	33,582	31,510
<b>3. Administration Expenses</b>		
Audit Fees	-	4,081
Bank Fees	150	120
Consultancy	13,795	8,273
Council Rates	3,364	3,341
Insurance	4,525	2,356
PO Box Rental	109	112
<b>Total</b>	21,943	18,283

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**CROWLEY VALE WATER BOARD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2015 \$	2014 \$
<b>4. Supplies and Services</b>		
Electricity	9,620	6,458
Repairs & Maintenance	-	2,803
Water Allocation	7,052	1,160
Water Allocation Licence Fees	-	69
<b>Total</b>	<b>16,681</b>	<b>12,490</b>
<b>5. Depreciation</b>		
Infrastructure	8,698	6,096
<b>Total</b>	<b>8,698</b>	<b>6,096</b>
<b>6. Other Expenses</b>		
Loss on Disposal of Land	-	-
Loss on Disposal of Infrastructure	-	144
<b>Total</b>	<b>-</b>	<b>144</b>
<b>7. Cash and Cash Equivalents</b>		
Cash at Bank	-	1,408
<b>Total</b>	<b>-</b>	<b>1,408</b>

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**CROWLEY VALE WATER BOARD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2015	2014
<b>8. Receivables</b>		
Trade Debtors	-	8,261
Other Debtors	-	-
GST Clearing Account	-	1,632
<b>Total</b>	<u>-</u>	<u>9,893</u>
<b>9. Other Current Assets</b>		
Prepayments	-	2,065
<b>Total</b>	<u>-</u>	<u>2,065</u>
<b>10. Property, Plant &amp; Equipment</b>		
<b>Land</b>		
At fair value	-	370,000
<b>Infrastructure</b>		
At fair value	-	305,060
Less: Accumulated Depreciation	<u>0</u>	<u>(165,060)</u>
	<u>-</u>	<u>140,000</u>
<b>Total Property, Plant &amp; Equipment</b>	<u>-</u>	<u>510,000</u>

Independent specific appraisals of Crowley Vale Water Board's Land and Infrastructure were most recently performed as at 1st July 2014 by Town & Country Valuation Services and also All Asset Appraisals using fair value principles. The fair value of the land was based on publicly available data on sales of similar land in nearby localities between July 2012 and February 2014. In determining the values, adjustments were made to the sales data to take into account location, access, zoning, services and amenities, environmental issues and the highest and best use of the Crowley Vale Water Board's land.

The fair value of Crowley Vale Water Board's infrastructure was determined based on the age, condition, location and expected remaining use of the infrastructure, as well as market trends and similar components currently trading in the market.

The Crowley Vale Water Board reviewed these appraisals just prior to its dissolution on 11th September 2015 and tested them for reasonableness. Based on publicly available observable inputs the Board has concluded that there has been no material change to the fair value of its Property, Plant & Equipment since 1 July 2014. This conclusion was supported by the fact that there has been no material changes (-0.9%) in the Asset Revaluation Index: Engineering Construction Qld from July 2014 to September 2015. Further, the ratable land values associated with the Water Board's land have not changed during this period.

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**CROWLEY VALE WATER BOARD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

10 **Property, Plant & Equipment (continued)**  
**Property, Plant & Equipment Reconciliation**

	Land	Infrastructure	Total
	\$	\$	\$
Carrying amount at 1 July 2014	370,000	140,000	510,000
Acquisitions			-
Dispositions received			
Disposals	(370,000)	(131,302)	(501,302)
Assets reclassified as held for sale			
Donations made			
Transfers between classes			
Revaluation increments (Note 12)			
Revaluation decrements (Note 12)			
Impairment losses recognised in Operating surplus/(deficit)			
Impairment losses reversed in Operating surplus/(deficit)			
Impairment losses recognised in Equity			
Impairment losses reversed in Equity			
Depreciation		(8,698)	(8,698)
Carrying amount at 30 June 2015	-	-	-

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**CROWLEY VALE WATER BOARD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2015	2014	
	\$	\$	
<b>11. Payables</b>			
Trade creditors		2387	
Other		2700	
<b>Total</b>		10087	
<b>12. Asset Revaluation Surplus by Class:</b>			
	<b>Land</b>	<b>Infrastructure</b>	<b>Total</b>
Balance 1 July 2013	300,552	49,887	350,839
Revaluation Increments		6,096	6,096
Revaluation Decrements			
Impairment losses through equity			
Impairment reversals through equity			
<b>Balance 30 June 2014</b>	300,552	55,983	356,935
	<b>Land</b>	<b>Infrastructure</b>	<b>Total</b>
Balance 1 July 2014	300,552	55,983	356,935
Revaluation Increments	-	-	-
Revaluation Decrements	-	-	-
Impairment losses through equity			
Impairment reversals through equity			
Transfer of Net Equity to Crowley Vale Group	-	-	-
<b>Balance 30 June 2015</b>	300,552	55,983	356,935

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**CROWLEY VALE WATER BOARD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**CERTIFICATE OF CROWLEY VALE WATER BOARD**

These general purpose financial statements have been prepared pursuant to section 62(1)(a) of the Financial Accountability Act 2009 (the Act), s.43 of the Financial and Performance Management Standard 2009 and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Crowley Vale Water Board for the financial year ended 30 June 2015 and of the financial position of Crowley Vale Water Board as at the end of that year.
- c) these assertions are based on an appropriate system of internal controls and risk management policies being effective, in all material respects, with respect to financial reporting throughout the reporting period.

  
Mr. T. Quilichevici - Chairman - former  
(Signature) (Date) 14/12/15

  
Belinda Bryant - Officer Responsible for Financial Management - former  
(Signature) (Date) 14/12/15.



## INDEPENDENT AUDITOR'S REPORT

**To the Minister for the former Crowley Vale Water Board**

### **Report on the Final Financial Report**

I have audited the accompanying final financial report of former Crowley Vale Water Board, which comprises the statement of assets and liabilities as at 11 September 2015 and a statement of income and expenditure for the period 1 July 2014 to 11 September 2015 signed by the former Chairman and former Secretary.

#### *The former Board's Responsibility for the final Financial Report*

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

#### *Auditor's Responsibility*

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

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

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

*Independence*

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

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

*Opinion*

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

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards – Reduced Disclosure Requirements, of the transactions of the Crowley Vale Water Board for the final financial period 1 July 2014 to 11 September 2015 and of the financial position as at the end of that period.

*Emphasis of Matter – Dissolution of Crowley Vale Water Board*

Without modifying my opinion, attention is drawn to Note 1(w) to the financial report which discloses that the Crowley Vale Water Board was dissolved and converted to the Crowley Vale Water Cooperative on 11 September 2015 under the *Water and Other Legislation Amendment Regulation (No. 2) 2015*. The assets and liabilities of the Board were transferred to the Cooperative as part of this conversion.



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



Queensland Audit Office  
Brisbane