

**NORTH CENTRAL CATCHMENT MANAGEMENT AUTHORITY  
PENTAL ISLAND RIVER MANAGEMENT DISTRICT**

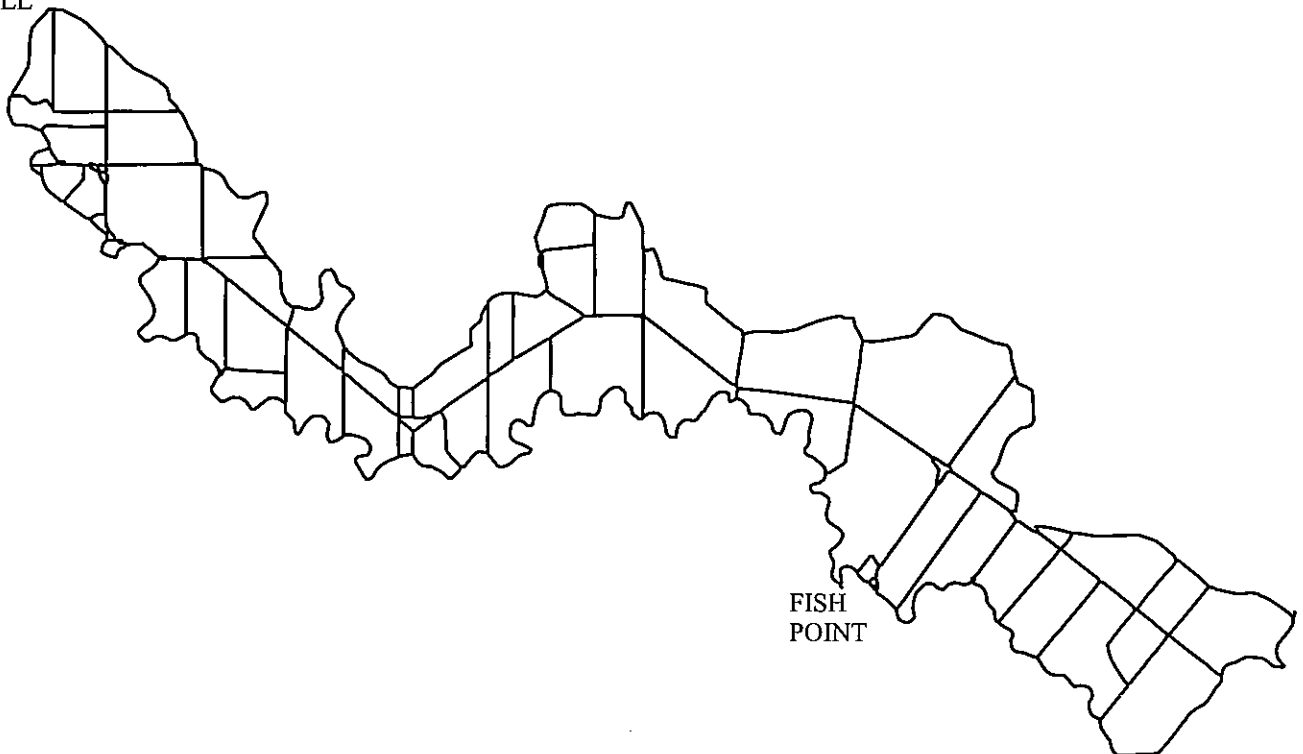
**7TH AND FINAL ANNUAL REPORT**  
of the

**PENTAL ISLAND RIVER MANAGEMENT BOARD**

**Serving the Community for 40 years**

**25th July 1957 to 30th June 1997**

SWAN  
HILL



FISH  
POINT

BENJEROOP

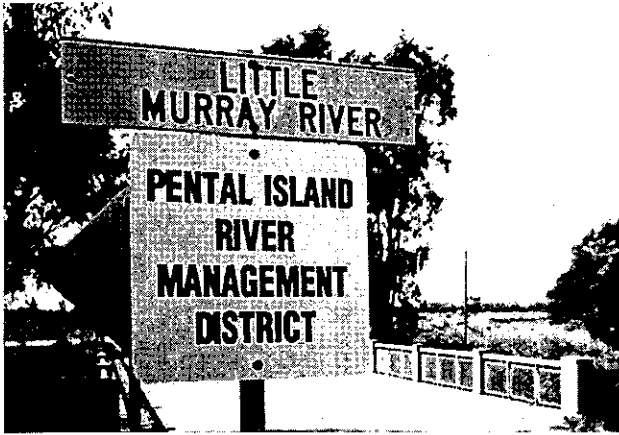
**Strategic Plan -**

**Financial Plan -**

**Activity Plan -**

**Performance Plan -**

**ANNUAL REPORT FOR THE YEAR ENDED 30th JUNE 1997**



PENTAL ISLAND  
RIVER MANAGEMENT IMPLEMENTATION  
COMMITTEE  
Chairman  
Keith L James  
Memorial Drive  
SWAN HILL 3585  
Tel. 03 5032 2407

Secretary  
Robert Burns  
P O. Box 102  
SWAN HILL 3585  
Tel. 03 5032 2333  
15/09/97

Mr. Drew English  
Chairman  
North Central Catchment Management Board  
P.O. Box 401  
BENDIGO 3550

Dear Mr. English

I am pleased to submit the 7th and final Annual Report of the Pental Island River Management Board.

The Board's core business is the management of flood protection works authorised under the Interstate Murray River Levee Agreement for Pental Island a private diversion irrigation area adjacent to the Rural City of Swan Hill.

The Board's 40th and final year of operations has seen continuing activity with receipt of the third annual operating grant of \$30,000. The grant has been used to enable the Board with the Goulburn Murray Water Authority to reconstruct the 4,500m Little Murray River Irrigation Diversion Weir pool retaining and flood protection levee bank system which was in urgent need of renewal. Application has been made for this annual grant to continue and be used with any surplus of local revenue in the long term capital works program.

Your attention is drawn to the increasing dependence of Swan Hill's regional economy on high quality Murray River water and the role of the Board's strategic flood protection works in ensuring the sustainability and viability of Goulburn Murray Water and Wimmera Mallee Water supply works located on Pental Island and the designated waterway the Little Murray River.

The Board places on record it's pride in the achievements recorded in this final Annual Report and it's appreciation of the 40 years of direct partnership with Government and expresses it's thanks to all who have contributed. We look forward to a continuing role as an Implementation Committee of the North Central Catchment Management Authority.

Yours sincerely,

Keith L. James  
Chairman

WATER ACT 1989  
**PENTAL ISLAND RIVER MANAGEMENT**  
**BOARD**

Established 25th July 1957  
ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 1997

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CONSTITUTION DOCUMENT

[Extract from the Victoria Government Gazette, No. 197.  
dated 3rd July, 1957.]

RIVER IMPROVEMENT ACT 1948.

*At the Executive Council Chamber, Melbourne, the second day of  
July, 1957.*

PRESENT:

His Excellency the Lieutenant-Governor of Victoria.

Mr. Cameron  
Mr. Porter

Mr. McArthur.

PENTAL ISLAND RIVER IMPROVEMENT TRUST  
CONSTITUTED.

UNDER the powers conferred by the River Improvement Act 1948, and all other powers enabling him in that behalf. His Excellency the Lieutenant-Governor of the State of Victoria by and with the advice of the Executive Council of the said State, doth hereby order and direct as follows:—

1. That the area included within the boundaries defined in the Schedule hereto shall be and the same is hereby constituted a river improvement district to be known as the Pental Island River Improvement District, under the jurisdiction and control of a river improvement trust to be known as the Pental Island River Improvement Trust, and as on and from the date of this Order such District and Trust shall be deemed to be so constituted.

2. That the proposed work of the said Trust shall comprise river improvement works within the said District.

3. That the said Trust shall be comprised of nine Commissioners of whom one shall be appointed by the Governor in Council. One shall be elected by the Council of the Shire of Swan Hill, and seven shall be elected by the rate payers of the said District.

SCHEDULE

Commencing at a point on the left bank of the Little Murray River in line with the eastern boundary of allotment 24, Parish of Pental Island; thence generally westerly by the left bank of the Little Murray River to its western junction with the River Murray; thence generally easterly by the left bank of the River Murray to the eastern junction of the Little Murray River with the River Murray; and thence generally westerly by the left bank of the Little Murray River to the point of commencement.

All of the boundaries set forth in the foregoing Schedule are shown on a plan approved by the Governor in Council and deposited in the office of the State Rivers and Water Supply Commission. Melbourne. (Corres. 57/8467.)

A. MAHLSTEDT,  
Clerk of the Executive Council.



## HOW THE BOARD WAS ESTABLISHED

The Pental Island River Improvement Trust (the former Body) was constituted on 25 July 1957 by Order in Council dated 2/7/1957 under the provisions of the River Improvement Act 1948 to manage River Improvement works including flood protection for Pental Island.

The Shire of Swan Hill was the sponsoring local Government agency under the provisions of the River Improvement Act 1948.

The Trust under amending legislation changed its name in 1986 to the Pental Island River Management Board.

By Order in Council dated 25/2/1986 the Board's River Improvement District was amended to include the major part of the bed and banks of the Little Murray River.

On proclamation of the Water Act 1989 the Board became a Waterway Management Authority.

## REASONS FOR ESTABLISHMENT

The then State Rivers and Water Supply Commission, in administering an agreement between the States of Victoria and New South Wales made under the Interstate Agreement on Murray River Levees required the constitution of the Trust to implement the Agreement and enable reservation by the then Department of Crown Lands and Survey of lands required for public purposes (including waterways and flood protection works) and the freeholding of leasehold land under the provisions of the Agricultural Colleges (Amendment) Act.

The State Rivers and Water Supply Commission as a matter of policy considered it essential that flood protection works be managed by an Authority rather than individual landholders.

The Interstate Agreement on Murray River Levees authorised the reclamation of Pental Island flood prone lands, subject to the maintenance of minimum waterway and floodway requirements.

Leaseholders, aware that the levee bank flood protection system, constructed by landholders at the direction of Trustees of the Agricultural Colleges Council under the Agricultural Colleges Act 1890, was unsatisfactory, with many weak links, unanimously supported the constitution of the Trust.

## CONSTITUTION MEDIA RELEASE

October 1957

From the October 1957 edition of AQUA the Journal of the State Rivers and Water Supply Commission.

"The jurisdiction of the Pental Island River Improvement Trust was to extend over both rivers from the upper junction near Benjeroop to their lower junction at Swan Hill.

The length of the Murray River between junctions was approximately 33 miles, while the length of its annabranh" (Little Murray River) " was approximately 40 miles.

The pioneering Commissioners of the Trust and their supporters had committed themselves to the task of remodeling or replacing existing levee banks and construction of new levees to be placed on new alignments. Other works to be included were erosion prevention and general removal of obstructions from the free flow of river channels extending over 17,521 acres which comprised Pental Island.

Approximately 13,800 acres or 75% of the Island was below known flood levels, which made Constitution of such a Trust in the unusual circumstances largely experimental."



PENTAL ISLAND RIVER IMPROVEMENT  
TRUST 1957

From Left: H.G.Strom SR&WSC, F.B.Womersley Sec., K.A.Greenham, T.Bright, H.S.Loader, M.Adams, E.A.Abbott, A.W.Hicks SR&WSC, H.W.Dunstan, T.R.Evans SR&WSC.

Absent - H.S.Brooke, W.A.N.Whitlock, G.H.Willox.  
From October 1957 edition of SR&WSC journal AQUA.

## ABOLITION OF THE BOARD

By Order (operative 1 July 1997) Dated 23/6/97, the North Central Catchment Management Authority is constituted as an Authority under the Water Act 1989 taking over all the property, rights, liabilities, obligations, powers, functions and staff of the Pental Island River Management Board which is abolished as an Authority under the Water Act 1989.

### ABOLITION MEDIA RELEASE 16th June 1997

One of the Swan Hill Regions quiet achievers the Pental Island River Management Board will disappear from July 1st.

The Board after 40 years of service will hand over to the North Central Catchment Management Board the responsibility for management of Pental Island's 78.5 kilometer levee bank flood protection system.

Flood events of the 1950s led to the formation in 1957 of the Pental Island River River Improvement Trust with a charter to implement the 1925 Murray River Interstate Levee Agreement in partnership with Government.

The 1957 edition of "Aqua" (State Water Industry Journal) described the Trust's formation as "largely experimental".

Six years of on site survey and planning, scheme approval and a new Parish of Pental Island plan of subdivision reserving land to the Crown for the Trust's use, enabled construction to commenced in 1964.

876,000 cubic metres of earth fill has formed 68 kms of levees on new sites and major concrete structures built. These assets with a replacement value of \$3.2 Million will transfer to the new authority.

The Pental Island community has contributed more than \$1 Million (1997 dollars) to the scheme in rates and voluntary service by the 23 landholders who served on the authority during it's 40 year life.

Levee failures and over topping in 1975 resulted in an intensive works program. In 6 months April to September 1976, 350,000 cubic metres earth fill formed 25.5 kilometers of new levees. During May, 12 earth moving machines were in action supported by forward planning and survey teams. Local landholders were employed on the project.

As a pioneer of modern flood protection works management the Board who succeeded the Trust has successfully resisted attempts to downgrade the economic and social benefit to the region of floodplain lands protected by levee systems.

The Authority has had 5 leaders, the Late Cr Thomas Bright, Keith Greenham, the Late James Teague, the Late Ted Abbott and Keith James who has been Chairman for the past 30 years. Mr. James is an Executive Member and Past President of the

Victorian Association of River Management Authorities. Mr. Robert Burns has been Authority Secretary since 1958.

To enable the schemes completion retiring Board Members will become Implementation Committee Members of the North Central Catchment Management Authority.

Keith James (Chairman) Keith Greenham (D.C.), Rob Hallam, Barry James, Don Wilkie.

## ORGANIZATION

|                       |   |
|-----------------------|---|
| Date of Establishment | 25th July 1957  |
| Address               | 48 McCallum Street,<br>Swan Hill. 3585  |
| Telephone Number      | 03 5032 2333  |
| Facsimile Number      | 03 5033 1588  |
| Office Hours          | 9 a.m. to 5 p.m.<br>Monday to Friday  |
| Principal Officer     | Member K.L. James   |
| Members of the Board  | Member K.A. Greenham<br>Member R. Hallam<br>Member B.W. James<br>Member D.G. Wilkie |
| Officer of the Board  | Secretary Robert Burns  |
| The Board services    | the Pental Island River<br>Management District.                                     |
| Consulting Engineers  | Van Hoof & Byrne<br>Consultants Pty. Ltd.   |
| Bankers               | Commonwealth Bank of<br>Australia   |
| Solicitors            | Dwyer, Mahon &<br>Robertson, Swan Hill  |
| Currency of Statement | 30th June 1997  |

## ORGANIZATIONAL CHART

Pental Island River  
Management Board

|           |                           |
|-----------|---------------------------|
| Secretary | Consulting<br>Engineer    |
|           | Clerk of Works            |
|           | Patrol Maintenance Worker |

## STAFFING

The Board had no full time staff. Secretarial and Accounting, and Engineering services are part time contract positions. Clerk of works and patrol maintenance worker are appointed on a casual or part time basis as needed.

## VOLUNTARY SERVICES

Chairman: Management and operations coordination. Deputy Chairman: Annual Reporting, Business Planning, Asset Register maintenance.

## MEMBERS OF THE BOARD

### Chairman:

#### Member Keith James

Has been a Member since 1964. James is a Pental Island farmer & grazier.

#### Member Don Wilkie

Has been a Member since 1983. Member Wilkie is a Pental Island farmer & grazier.

### Deputy Chairman:

#### Member Keith Greenham

Has been a Member from 1957 to 1964, and since 1982. Member Greenham is a Pental Island landowner, retired dairyfarmer.

#### Member Barry James

Has been a Member since 1987. Member James is a Pental Island farmer & grazier.

#### Member Rob Hallam

Has been a member since 1987. Member Hallam is a retired farmer & Grazier.

## MEMBERS TERM

All Member terms expire 3/9/97.

## MEMBERS

### Payments

See Notes to the Financial Statements  
Note 10 Related Disclosure

## MEMBERS

### Pecuniary Interests

During the period of this return there were no disclosures by Member of the Board of a pecuniary nature in matters discussed by the Board.

## GENERAL INFORMATION

The Pental Island River Management District is situated between the left bank of the Murray River (NSW) and the left bank of the Little Murray River immediately upstream of the Rural City of Swan Hill and comprises the Parish of Pental Island in the County of Tatchera and the major part of the bed and banks of the designated waterway, the Little Murray River.

Pental Island is part of the Murray River Basin is flat and was flood prone. The Loddon River and Avoca River outfall to the Board's District. The Island was closer settled as a private diversion irrigation area by the Trustees of the Agricultural Colleges Council under the Agricultural Colleges Act 1890 and has developed rapidly following the Constitution of the board in 1957 to manage flood protection works and enable the issue of purchase leases in 1964 and Crown Grant (freehold title) in 1984.

Pental Island is 7,200 hectares in area with 5.800 hectares in private ownership and is fully serviced

with modern bridges on the Little Murray River at Swan Hill and at Fish Point, roads, electricity, telephone, mail run, school bus to Swan Hill, big bin garbage disposal and bulk milk collection.

The Island provides Goulburn Murray Water and Wimmera Mallee Water with access to high quality Murray River water for distribution regionally.

## SERVICES

Core service: The Board provides strategic environmental infrastructure works management (levee bank flood protection and associated works) for Pental Island landholders and Swan Hill regional water and other service providers.

- Stakeholders: District landholders, Region, Rural City of Swan Hill, Goulburn Murray Water, Wimmera Mallee Water, Department of Conservation and Natural Resources, Powercor (electricity), Telstra and Optus (telephone). The City of Swan Hill is the areas service center.
- Average rainfall <350 mm P.A.
- Major Farming Enterprises: Irrigated and dry land grain, dairying, grazing, lucerne mill.
- Non Farm Enterprises: Rural residential, holiday farm complex, cottage industry.
- Goulburn Murray Water Authority interests: The Little Murray River from the Winlaton (Fish Point) weir to the Little Murray Irrigation Diversion Weir, form the Little Murray Irrigation pool which is part of the Authorities Torrumbarry irrigation water carrier system. The Irrigation Pool is in part supplied by the Pental Island pumping station and open channel located on the Island.
- Wimmera Mallee Water Authority interests: The Authorities Mallee stock and domestic water supply pumping station and pipeline are located on the Island.
- Natural Resources and Environment interests: River frontage and parkland reserves.
- Swan Hill Rural City Council interests: Swan Hill Pioneer Settlement, roads.

## ADMINISTRATION

The Board's administration is provided by Swan Hill accountant Mr. Robert Burns and is a part time contract position.

Engineering administrative services are provided under the Code of Consulting Engineers by Van Hoof and Byrne Consultants P/L.

Management coordination is provided by the Chairman Keith James on a voluntary basis.

Business Planning, Annual Reporting and Asset Register maintenance is provided by the Deputy Chairman Keith Greenham on a voluntary basis.

PUBLICATIONS DEALING WITH FUNCTIONS AND ACTIVITIES

Publications can be inspected or obtained by appointment with the Board's Secretary Mr. Robert Burns or at the Swan Hill Community Library McRae Street Swan Hill. No fee is charged.

MISSION OF THE BOARD

The Pental Island River Management Board within its area shall provide a framework for the implementation of policy in the integrated management of land and waterways so as to best serve the present and future needs of the whole community in a manner that is consistent with minimising the economic, social and environmental costs.

FUNCTIONS OF THE BOARD

The Functions of the Pental Island River Management Board as designated in the Water Act 1989 Sec. 189-192 in relation to its designated waterways and designated lands are to:

- (a) To identify and plan for State and Local community needs relating to the use and to the economic, social and environmental values of land and waterways.
- (b) To develop and to implement effectively schemes for the use and protection and enhancement of land and waterways.
- (c) To investigate, promote and research any matter related to its functions, powers and duties in relation to waterway management.
- (d) To educate the public about any aspect of waterway management.

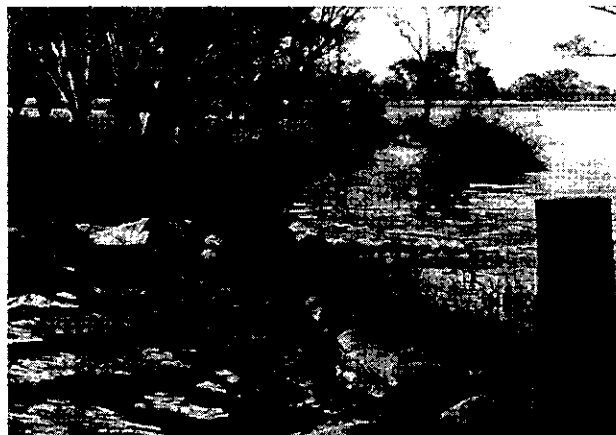
All these activities will be performed in an environmentally sound way with consultation with a Catchment Co-ordination Group and where appropriate, act on the advice of such Group.

DESIGNATION OF WATERWAY AND LAND

To enable functions to be performed the Board has in it's District designated under it's management and control the bed and banks of the Little Murray River and all the Public Land Water Frontage Reserves abutting the Murray and Little Murray Rivers as well as the Boga and Loddon floodway public land reserves and some private land required for waterway and levee bankworks location.

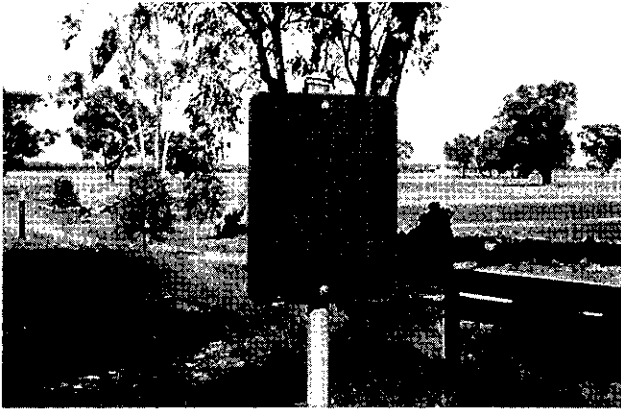
ROLES AND OBJECTIVES OF THE BOARD

| Roles   | Objectives   |
|---|--|
| a) To manage the Authority  | Efficiency<br>Accountability<br>Timeliness<br>Community Awareness  |
| b) To manage flood protection scheme                                  | To protect all life and property on Pental Island as far as possible from flooding<br><br>To balance the social economic and environmental impact of works |
| c) To advocate and provide input to the floodplain management process | To comment on any change in land use and development on Pental Island<br><br>To advocate and provide input to regional development issues.                 |



60 Year Old Levee Failure 1975

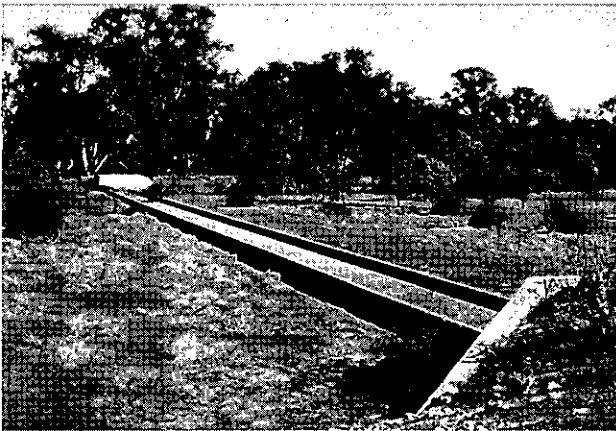
## PENTAL ISLAND RIVER MANAGEMENT WORKS



Works protection  
public access areas



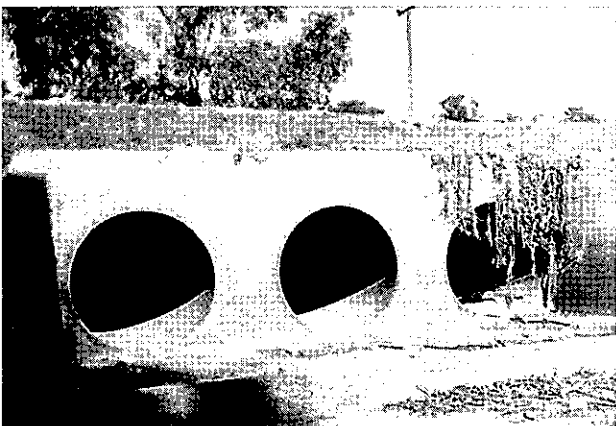
New Levee Bank Works replacing 1920's  
works overgrown with willows



Loddon Floodway, Little Murray River,  
100m Concrete Weir



Rock Beaching Loddon Floodway Levee Bank  
Pental Island Road Flyover.



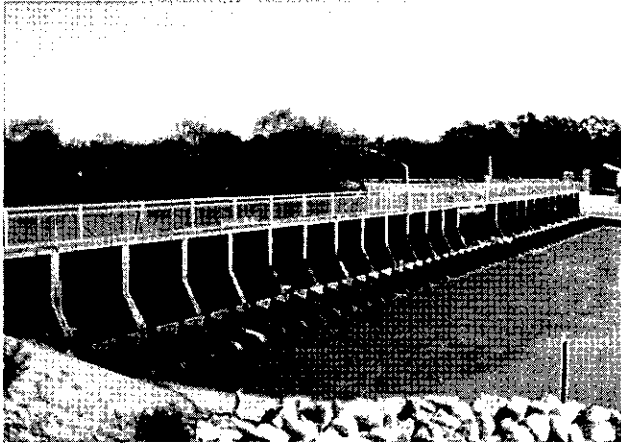
Loddon Floodway, Pental Island Road,  
Concrete Culvert



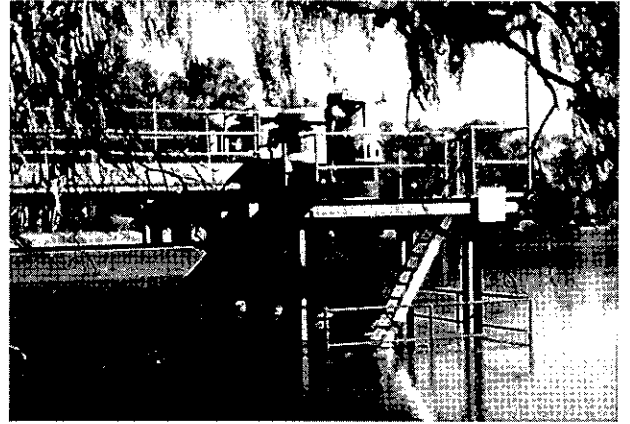
Pental Island Road, Loddon Floodway,  
Subject to flooding



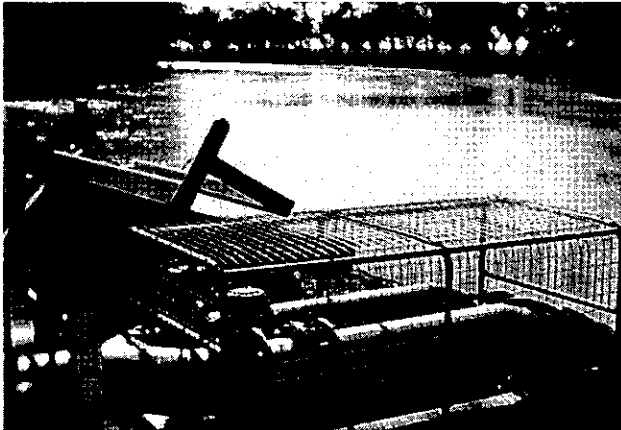
**PENTAL ISLAND RIVER MANAGEMENT WORKS  
MAJOR STAKEHOLDERS INTERESTS**



Goulburn Murray Water  
Little Murray Diversion Weir



Goulburn Murray Water  
Murray River Pumping Station



Wimmera Mallee Water  
Mallee Pipeline Pumping Station



Wimmera Mallee Water  
Another view of Pumping Station



Natural Resources & Environment  
Parks and Reserves



Private Development - 60 cow rotary  
dairy and 18,000 litre milk vat upgrade

**PENTAL ISLAND RIVER MANAGEMENT BOARD  
REPORT OF OPERATIONS**

**1. Activities Report**

For the period of this return.

**Role: To manage the Authority**

- The Board agreed the terms and conditions of the Constitution of the North Central Catchment Management Authority and the abolition of the Board effective 1/7/97.
- Reporting Series documents written in some detail to enable smooth transition to new Authority.
- Two news letters and the 1995/96 Annual Report were mailed to tariff payers.

**Role: To manage the flood protection scheme**

- 3,500m of levee banks were reconstructed as joint works with the Goulburn Murray Water Authority.
- One failed drainage outlet was replaced.
- Forward planning for new works investment and works renewal/maintenance/protection was reviewed and incorporated in Business Plan 1997/98 and Asset Register 1997 Schedules.

**Role: To advocate and provide input to the floodplain management process.**

- Local, Regional and Statewide networks maintained.

River Management Authorities Operating Grant

Summary of River Management Authority Expenditure for 1996/97

| Activity  | Estimate<br>Expenditure<br>1996/97* | Actual<br>Expenditure<br>1996/97 | Comments   |
|---|-------------------------------------|----------------------------------|--|
| Administration  | 7,000                               | 8,221                            |  |
| Loan Repayment & Interest   | 4,800                               | 2,428                            | DNRE debt retire   |
| Works renewal/maintenance   | <u>5,000</u>                        | <u>5,486</u>                     |  |
|   | 16,800                              | 16,135                           |  |
| Jointly funded capital works with Goulburn Murray Water-levee banks | 71,428                              | 133,866                          | Favorable weather and availability of funds led to increased works |
| Board share of costs  | 21,428                              | 42,808                           |  |
|   | <u>38,228</u>                       | <u>58,943</u>                    |  |
| <b>Total</b>  | <b>38,228</b>                       | <b>58,943</b>                    | <b>Operating Grant \$30,000</b>                                    |

\* from 1996/97 Business Plan

Current Assets at 30th June 1997 of \$57,386 include the accumulated unexpended Operating Grant from previous years, Business Plan 1997/98 commits these funds to further capital works.

We the undersigned, hereby certify, to the best of our knowledge and belief that the above expenditures are correct and accurate in all respects.

Chairperson                     *P.L. James*                    

Secretary                     *R. Burns*

2. Performance Report

For the period of this return:

Role: To manage the Authority

- The Board met formally one (1) time.
- The community was kept informed.
- No complaints by landholders or the community were received by the Board.
- Business Planning and Reporting requirements were met.

- Ongoing implementation of flood protection scheme continued.
- Ongoing works renewal/maintenance/protection continued.
- Works condition data base maintained.
- No compensation claims were received.

Role: To manage flood protection scheme.

- No flooding occurred.

Role: To advocate and provide input to the floodplain management process.

- No Building or planning permits were processed.
- Involvement in industry networks continued.

Performance Indicators

Role: To Manage the Authority.

| Indicator:  | 1997 | 1996 |
|---|------|------|
| Administration Cost Ratio:  |      |      |
| Calculated as; $\frac{\text{Administration Expense}}{\text{Total Expenditure}} \times \frac{100}{1}$  | 5    | 27   |
| Note: Result due to high level capital expenditure.   |      |      |
| Interest Coverage:  |      |      |
| Calculated as; $\frac{\text{Finance Expense}}{\text{Rates \& Municipal Contr.}} \times \frac{100}{1}$ | 13   | 22   |
| Note: Result due to 6 months interest on retired DNRE debt.   |      |      |

Role: To Manage Flood Protection Scheme.

| Indicator:   | 1997 | 1996 |
|--|------|------|
| Scheme Implementation:   |      |      |
| Calculated as; $\frac{\text{Completed Works kms}}{\text{Total Scheme kms}} \times \frac{100}{1}$ | 86.6 | 82.2 |
| Note: Result due to joint works with Goulburn Murray Water Authority.                            |      |      |



New Works the 68th km 1997

3. Review of Operations:

Principal operational objective:

To complete the implementation of the Interstate Levee Agreement by the relocation and upgrading of the levee bank flood protection system. 68 Kms. have been relocated and upgraded, leaving 10.5 Kms. of old State owned Agricultural College Council levees much in poor condition awaiting relocation. These works are generally maintained by landholders under DNRE Agricultural Licence Agreement. The Board's works priority program estimates capital funding requirements to complete the system of \$630,000.

4. Summary of Operations:

- No major initiatives were undertaken or operational achievements were recorded by the Board.
- The Board's major work, implementation of the Interstate Levee Agreement (flood protection levee bank relocation) is some years from completion due to State funding policies and local funding constraints.
- The Board's assets are being maintained.
- No research or development activities were undertaken by the Board.
- On balancing the economic, social and environmental values of land and waterways the Board believes that its works have had a positive effect on the land and state of the rivers.

5 State of the Rivers

Water Quality

The Pental Island reach of the 2,500 km Murray River is some 60 kms in length and comprises the Murray River (NSW) and an annabranh the Little Murray River (Victoria).

As regulated streams they are managed by the Murray Darling Basin Commission and the Goulburn Murray Water Authority respectively.

The Board's Business Plan 1997/98 discusses water quality management issues in detail and advises that as a small authority it is not actively engaged and has made no provision for this in it's roles,

6. Employee Occupational Health and Safety:

Number of employees - nil

7. Industrial Relations:

Number of employees - nil

8. Equal Employment Opportunity:

Number of employees - nil

9. Promotional, Public Relations, Marketing:

The Board has carried out no major activities in this area.

10. Overseas Visits:

No overseas visits were undertaken on behalf of or paid for by the Board.

11. Judicial Decisions:

The Board is not aware of any judicial decisions affecting its operations.

12. By Laws:

The Board has no by-laws.

13. Freedom of Information Act 1982:

No requests under the Act were received during the period of the return.

14. Major Committees:

No major Committees were abolished or established by the Board.

15. Statement of Tariffs and Charges:

For the Year Ended 30th June 1997

- Tariff

Rate - 0.15 cents in the \$1 on the Capital Improved Value of serviced property.

- Charges.

Interest on overdue tariff. 12%  
Information Statement. \$40

16. Contributions from the State:

The Board received a \$30,000 operating grant from the State.

17. Contributions from Municipalities:

The Board received no cash contributions from Municipalities.

The Board received the benefit of resource sharing with the Swan Hill Rural City Council.

18. Competitive Neutrality:

Competitively neutral price adjustments to outputs will be made, where appropriate from 1 July 1997.



Borrow Pit - Levee Bank in Background  
Creating New Flora & Fauna Habitat



VICTORIAN  
AUDITOR-  
GENERAL'S  
OFFICE

*Auditing in the  
Public Interest*

## Auditor-General's Report

### Audit Scope

The accompanying financial statements of the Pental Island River Management Board for the year ended 30 June 1997, comprising an operating statement, balance sheet, statement of cash flows and notes to the financial statements, have been audited. The members of the Board of Management of the North Central Catchment Management Authority (successor body to the Pental Island River Management Board) are responsible for the preparation and presentation of the financial statements and the information they contain. An independent audit of the financial statements has been carried out in order to express an opinion on them as required by the *Audit Act 1994*.

The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and comply with the requirements of the *Financial Management Act 1994*, so as to present a view which is consistent with my understanding of the financial position of the Pental Island River Management Board and the results of its operations and its cash flows.

The audit opinion expressed on the financial statements has been formed on the above basis.

### Audit Opinion

In my opinion, the financial statements present fairly the financial position of the Pental Island River Management Board as at 30 June 1997 and the results of its operations and its cash flows for the year ended on that date in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and comply with the requirements of the *Financial Management Act 1994*.

MELBOURNE  
10 / 02 / 1998

C.A. BARAGWANATH  
*Auditor-General*

# **PENTAL ISLAND RIVER MANAGEMENT BOARD**

## **FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 30 JUNE, 1997**

# PENTAL ISLAND RIVER MANAGEMENT BOARD

## OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE, 1997

|  | <u>Note</u> | <u>1997</u><br>\$  | <u>1996</u><br>\$  |
|--|-------------|--------------------|--------------------|
| <b><u>REVENUE</u></b>  |             |                    |                    |
| Rates  |             | 18,939             | 18,984             |
| Interest   |             | 594                | 253                |
| Search Fees  |             | 40                 | -                  |
| Contribution - Govt. Operating Grant                                   | 2           | 30,000             | 30,000             |
|  |             | -----              | -----              |
| <b><u>TOTAL REVENUE</u></b>  |             | <b>49,573</b>      | <b>49,237</b>      |
|  |             | -----              | -----              |
| <b><u>EXPENDITURE</u></b>  |             |                    |                    |
| Administration   |             | 2,943              | 2,943              |
| Advertising  |             | 59                 | 328                |
| Audit Fee  |             | 1,300              | 750                |
| Bank Charges   |             | 88                 | 48                 |
| Chairman's Allowance   |             | 250                | 250                |
| Conference Expense   |             | 657                | 510                |
| Consultants Fees - Reports   |             | 498                | -                  |
| Depreciation   |             | 11,498             | 11,188             |
| Insurance  |             | 1,912              | 1,776              |
| Interest   |             | 2,104              | 4,147              |
| Levee Bank Maintenance   |             | 5,486              | 3,356              |
| Petty Cash   |             | 326                | 247                |
| Printing & Stationery  |             | 188                | 82                 |
| Subscriptions  |             | -                  | 200                |
| Rates Adjustment & Sundry  |             | 145                | -                  |
|  |             | -----              | -----              |
| <b><u>TOTAL EXPENDITURE</u></b>  |             | <b>27,454</b>      | <b>25,825</b>      |
|  |             | -----              | -----              |
| Operating Surplus/(Deficit) for the Year                               |             | 22,119             | 23,412             |
| Govt. Contributions to Levee Bank Constructions                        | 7           | 91,058             | -                  |
| Govt. Loan Forgiven  | 8           | 137,234            | -                  |
| Retained Earnings/(Accumulated Losses)<br>at the beginning of the Year |             | 1,213,614          | 1,190,202          |
|  |             | -----              | -----              |
| <b><u>RETAINED EARNINGS/(ACCUMULATED LOSSES)</u></b>                   |             |                    |                    |
| <b><u>AT THE END OF THE YEAR</u></b>                                   |             | <b>\$1,464,025</b> | <b>\$1,213,614</b> |
|  |             | =====              | =====              |

The above Operating Statement should be read in conjunction with the Notes To and Forming Part of the Financial Statements.

**PENTAL ISLAND RIVER MANAGEMENT BOARD**

**BALANCE SHEET**  
**AS AT 30 JUNE, 1997**

|  | <u>Note</u> | <u>1997</u><br>\$ | <u>1996</u><br>\$ |
|--|-------------|-------------------|-------------------|
| <b><u>CURRENT ASSETS</u></b>                                   |             |                   |                   |
| Cash at Bank   | 3           | 52,056            | 60,642            |
| Debtors - Ratepayers   | 4           | 5,330             | 6,509             |
|  |             | -----             | -----             |
|  |             | 57,386            | 67,151            |
|  |             | -----             | -----             |
| <b><u>FIXED ASSETS</u></b>                                     |             |                   |                   |
|  | 5           | 2,348,870         | 2,226,502         |
|  |             | -----             | -----             |
| <b><u>TOTAL ASSETS</u></b>                                     |             |                   |                   |
|  |             | \$2,406,256       | \$2,293,653       |
|  |             | =====             | =====             |
| <br><b><u>CURRENT LIABILITIES</u></b>                          |             |                   |                   |
| Rates in Advance   |             | 675               | 725               |
| Creditors  |             | 1,300             | 1,500             |
| Loan - Dept. of C. & E.  |             | -                 | 630               |
|  |             | -----             | -----             |
|  |             | 1,975             | 2,855             |
|  |             | -----             | -----             |
| <br><b><u>NON-CURRENT LIABILITIES</u></b>                      |             |                   |                   |
| Loan - Dept. of C. & E.  |             | -                 | 136,928           |
|  |             | -----             | -----             |
| <br><b><u>EQUITY CAPITAL AND RESERVES</u></b>                  |             |                   |                   |
| Asset Revaluation Reserve                                      |             | 940,256           | 940,256           |
| Retained Earnings/(Accumulated Losses)                         |             | 1,464,025         | 1,213,614         |
|  |             | -----             | -----             |
|  |             | 2,404,281         | 2,153,870         |
|  |             | -----             | -----             |
| <b><u>TOTAL LIABILITIES, EQUITY CAPITAL &amp; RESERVES</u></b> |             |                   |                   |
|  |             | \$2,406,256       | \$2,293,653       |
|  |             | =====             | =====             |
| <br><b>Contingent Liabilities</b>                              |             |                   |                   |
|  | 6           |                   |                   |
| <b>Capital Commitments</b>                                     |             |                   |                   |
|  | 7           |                   |                   |

The above Balance Sheet should be read in Conjunction with the Notes to and forming Part of the Financial Statements.



# PENTAL ISLAND RIVER MANAGEMENT BOARD

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE, 1997

|  | <u>Note</u> | <u>1997</u><br>\$ | <u>1996</u><br>\$ |
|--|-------------|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>      |             |                   |                   |
| Rates Received                                   |             | 20,155            | 20,144            |
| Interest Received                                |             | 462               | 253               |
| Other Revenue                                    |             | 40                | -                 |
| Contribution by Government Operating Grant       |             | 30,000            | 30,000            |
| Payments to Suppliers                            |             | (14,007)          | (10,751)          |
| Interest Paid                                    |             | (2,104)           | (4,147)           |
|  |             | -----             | -----             |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b> | 10          | 34,546            | 35,499            |
|  |             | -----             | -----             |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>      |             |                   |                   |
| Payment for Levee Bank Construction              |             | (133,866)         | -                 |
| Contribution to Levee Bank Construction          |             | 91,058            | -                 |
|  |             | -----             | -----             |
| <b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b> |             | (42,808)          | -                 |
|  |             | -----             | -----             |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>      |             |                   |                   |
| Repayment of Borrowings                          |             | (324)             | (631)             |
|  |             | -----             | -----             |
| <b>NET CASH PROVIDED BY FINANCIAL ACTIVITIES</b> |             | (324)             | (631)             |
|  |             | -----             | -----             |
| Net Increase (Decrease) In Cash Held             |             | (8,586)           | 34,868            |
| Cash At The Beginning Of Year                    | 9           | 60,642            | 25,774            |
|  |             | -----             | -----             |
| <b><u>CASH AT THE END OF THE YEAR</u></b>        | 9           | \$ 52,056         | \$ 60,642         |
|  |             | =====             | =====             |

The above statement of Cash Flows should be read in conjunction with the accompanying Notes to the Financial Statements.

# PENTAL ISLAND RIVER MANAGEMENT BOARD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 1997

### 1. STATEMENT OF ACCOUNTING POLICIES

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

The accounting policies have been consistently applied unless otherwise stated.

#### 1.1 Accrual Basis

The accrual basis of accounting has been used with revenues and expenses recognised as they are incurred, and brought to account in the period to which they relate.

#### 1.2 Historical Cost

The accounts have been prepared on the basis of historical costs and do not take into account changing values, or except where stated, valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange of assets.

#### 1.3 Rounding Off

All amounts shown in the financial statements are expressed to the nearest dollar.

#### 1.4 Depreciation

Non-Current Assets with the exception of land (non-depreciable) are depreciated over their estimated useful lives using the straight line method of depreciation.

The annual depreciation rates adopted are:

|             |      |
|-------------|------|
| Levee Banks | 0.5% |
|-------------|------|

#### 1.5 Doubtful Debts

No provision has been made for doubtful debts as all amounts due to the Board are considered recoverable.

#### 1.6 Employee Benefits

The Board does not employ any labour whatsoever. Secretarial and administrative services are provided on a contractual basis.

#### 1.7 Statement of Cash Flows

Included with these Accounts is a Statement of Cash Flow which has been prepared in accordance with the Accounting Standard AAS28.

#### 1.8 Contributed Capital

In accordance with Ministerial guidelines the Board has transferred the balance previously shown as "Contributed Capital - Government" to "Retained Earnings" effective from 1st July, 1994.

# PENTAL ISLAND RIVER MANAGEMENT BOARD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 1997

### 2. GOVERNMENT FUNDING

The Board received funds from the Government of Victoria to assist in meeting its annual operating expenditure.

|                                     | <u>1997</u> | <u>1996</u> |
|-------------------------------------|-------------|-------------|
|                                     | \$          | \$          |
| 3. CASH AT BANK/(OVERDRAFT)         |             |             |
| Commonwealth Bank - General Account | 28,579      | 24,356      |
| - Loan Account                      | 23,478      | 36,286      |
|                                     | -----       | -----       |
|                                     | \$ 52,057   | \$ 60,642   |
|                                     | =====       | =====       |

### 4. DEBTORS

Debtors comprise the following items and amounts:

|                         |          |          |
|-------------------------|----------|----------|
| Debtors - General Rates | 4,315    | 5,625    |
| - Interest on Rates     | 1,015    | 884      |
|                         | -----    | -----    |
|                         | \$ 5,330 | \$ 6,509 |
|                         | =====    | =====    |

### 5. FIXED ASSETS

Fixed Assets comprise the following items and amounts:

|                                      |             |             |
|--------------------------------------|-------------|-------------|
| Levee Banks at Valuation (1995)      | 2,261,533   | 2,261,533   |
| <u>Less</u> Accumulated Depreciation | 56,200      | 44,892      |
|                                      | -----       | -----       |
|                                      | 2,205,333   | 2,216,641   |
|                                      | -----       | -----       |
| Levee Banks at Cost                  | 143,827     | 9,961       |
| <u>Less</u> Accumulated Depreciation | 290         | 100         |
|                                      | -----       | -----       |
|                                      | 143,537     | 9,861       |
|                                      | -----       | -----       |
| <u>Net Fixed Assets</u>              | \$2,348,870 | \$2,226,502 |
|                                      | =====       | =====       |

# PENTAL ISLAND RIVER MANAGEMENT BOARD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 1997

A revaluation of the board's Fixed Assets was undertaken on the 30th June 1995. This valuation was made in accordance with the recommended policy issued by the Rural Water Commission.

Name of Valuer - Van Hoof & Byrne, Consultants Pty Ltd., Engineers, Surveyors and Planners.

The Fixed Assets of the Board are all allocated on Crown Land.

### 6. CONTINGENT LIABILITIES

The Board is unaware of any contingent liabilities not recorded or disclosed elsewhere in these Accounts as at 30 June, 1997.

### 7. CAPITAL COMMITMENTS

Capital works were undertaken during the financial year in relation to Levee Bank Construction for the amount of \$133,866. 70 per cent of costs incurred were reimbursed by the Goulburn Murray Water Authority which is responsible for the management of the Little Murray Weir.

The Board has arranged a \$50,000 overdraft with the Commonwealth Bank, Swan Hill branch, to assist with the funding of any new capital works which may be commenced in the future.

### 8. DEBT FORGIVENESS – BORROWINGS

Cabinet have decided to forgive all debt owing to the Victorian State Government, by the Waterways Management Authorities, as at 24 March, 1997. In accordance with this decision, the Board has written off borrowings of \$137,234, and recorded the corresponding balance as abnormal revenue in the operating statement.

### 9. RECONCILIATION OF CASH

For the purposes of this Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

|                   | <u>1997</u> | <u>1996</u> |
|-------------------|-------------|-------------|
|                   | \$          | \$          |
| Operating Account | 28,579      | 24,356      |
| Capital Account   | 23,478      | 36,286      |
|                   | -----       | -----       |
|                   | \$ 52,057   | \$ 60,642   |
|                   | =====       | =====       |